

GNO, Inc. Praises Louisiana Congressional Delegation For Work On Flood Insurance

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NEW ORLEANS, La. (06/07/2013) — Today, Greater New Orleans, Inc. (GNO, Inc.) praised the Louisiana Congressional delegation for their work to correct harmful changes to the National Flood Insurance Program (NFIP) as a result of the Biggert-Waters Act of 2012. Since early May, GNO, Inc. has organized a coalition of elected and business leaders to work with the Louisiana Congressional delegation to amend the Biggert-Waters Act and ensure FEMA is creating holistic maps. This effort has resulted in the introduction of several pieces of legislation and the passage of an amendment late Wednesday evening by the U.S. House of Representatives to delay implementation of certain provisions of the Biggert-Waters Act of 2012.

“GNO, Inc. thanks our entire Louisiana Congressional delegation for their work and attention to this critical issue,” said Michael Hecht, President & CEO of GNO, Inc. “Homeowners across the country have invested their life savings into homes with the reasonable expectation that flood insurance would remain possible and that the value of their homes would not be eviscerated. Unfortunately, this extreme case of unintended consequences threatens to harm millions in coastal and riverine America – the very people the NFIP was designed to protect. We look forward to working with our entire Congressional delegation and Members of Congress from other affected parts of America to effectively reform NFIP while protecting the people of America.”

The coalition’s work has led to the introduction of multiple pieces of legislation and amendments including:

- Legislation sponsored by Senator Mary Landrieu, S. 996, the S.M.A.R.T. NFIP Act, which will delay premium increases, repeal provisions preventing new owners of sold homes to continue subsidized rates, and allow the rebuilding of key community facilities destroyed in a disaster that lie in velocity zones (v-zones). The legislation is cosponsored by Senator Kirsten Gillibrand (NY) and Senator Chuck Schumer (NY)
- An amendment by Senator Mary Landrieu to the Water Resources Development Act and the Farm Bill that would delay premium increases for three years. Although the amendments ultimately did not receive a vote due to parliamentary procedures, they received significant attention on the Senate Floor and in the national media, and have helped move the process forward and raise awareness of the issue
- Legislation sponsored by Senator David Vitter and Senator Thad Cochran (MS), S. 1098, the Responsible Implementation of Flood Insurance Reform Act, which would delay the period of phasing in rates, give flexibility for state and local governments to assist with subsidizing flood insurance, and reform the Federal Emergency Management Agency (FEMA) flood mapping procedure
- Passage of an amendment by Congressman Bill Cassidy (LA-06) to the Department of Homeland Security Appropriations bill that would delay premium increases for one year. The amendment passed with a strong vote of 281-146 was supported by Congressman Steve Scalise (LA-01), Congressman Cedric Richmond (LA-02), Congressman Charles Boustany (LA-03), Congressman John Fleming (LA-04), Congressman Rodney Alexander (LA-05), Congresswoman Maxine Waters (CA-43), Congressman Steven Palazzo (MS-04), Congresswoman Doris Matsui (CA-06) and Congressman Michael Grimm (NY-11).
- Legislation sponsored by Congressman Cedric Richmond (LA-02) and cosponsored by Congressman Steve Scalise (LA-01), Congressman Charles Boustany (LA-03), Congressman John Fleming (LA-04), Congressman Rodney Alexander (LA-05), Congressman Bill Cassidy (LA-06), Congresswoman Doris Matsui (CA-06), and Congresswoman Maxine Waters (CA-43). The bill delays implementation of certain

sections of the Biggert-Waters Act and ensures FEMA is working with local communities to draft the most accurate flood maps possible

GNO, Inc.'s coalition has also grown to include a diverse group of business and industry, including the Louisiana Realtors Association, Louisiana Bankers Association, and Louisiana Homebuilders Association, and outreach continues to organizations in Alabama, California, Florida, Georgia, Mississippi, New Jersey, New York, North Carolina, Pennsylvania, Texas, and Virginia.

"Louisiana bankers are about serving their customers," said Robert Taylor, CEO of the Louisiana Bankers Association. "If flood insurance remains as outlined in Biggert-Waters, bank customers will have less access to credit for homeownership and for small businesses. This result will be directly due to the new flood insurance provisions. Congress needs to adopt amendments offered by the Louisiana Congressional delegation to provide the needed time to study the affordability of flood insurance and provide recommendations for future legislation."

"The implementation of the Biggert-Waters Flood Insurance Act of 2012 is causing many Louisiana REALTOR® member clients to face significant flood insurance premium increases, thereby denying them the opportunity to sell, close on their property transaction purchase or even remain a property owner," said Norman Morris, Senior Vice – President of the Louisiana Realtors. "The Louisiana REALTORS® is working with other like – minded groups and Louisiana's Congressional delegation to amend the Biggert-Waters Flood Insurance Act of 2012 to keep flood insurance premiums affordable for those that are required to purchase it."

The Biggert-Waters Act of 2012, which reauthorized and made substantive changes to the National Flood Insurance Program (NFIP), phases out grandfathering and subsidized flood insurance rates. This phase out of grandfathering will result in properties that were legally built according to all applicable codes at that time now being considered out of compliance. Additionally, new FEMA flood maps, which outline base flood elevation changes, do not recognize protection offered by non-accredited levees when calculating actuarial rates. The combined effects of these policies could be drastic and devastating if Congress and FEMA do not act.

For more information about GNO, Inc.'s work on this issue, visit gnoinc.org/floodinsurance.