



**America's  
Credit Unions**

January 25, 2024

The Honorable Sherrod Brown  
Chairman  
Committee on Banking,  
Housing and Urban Affairs  
U.S. Senate  
Washington, DC 20510

The Honorable Tim Scott  
Ranking Member  
Committee on Banking,  
Housing and Urban Affairs  
U.S. Senate  
Washington, DC 20510

Dear Chairman Brown and Ranking Member Scott:

**Re: Today's Hearing: Reauthorization of the National Flood Insurance Program: Local Perspectives on Challenges and Solutions**

On behalf of America's Credit Unions, I am writing regarding the Committee's hearing entitled, "Reauthorization of the National Flood Insurance Program: Local Perspectives on Challenges and Solutions". America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their nearly 140 million members nationwide.

America's Credit Unions shares the Committee's goals of finding long-term solutions to improving the National Flood Insurance Program (NFIP) in ways that protect homeowners and their families from ever increasing natural disasters. As not-for-profit, consumer-owned financial cooperatives, credit unions have a focus on meeting the needs of their members, including helping families attain safe and affordable mortgages in areas covered by flood insurance requirements.

America's Credit Unions strongly supports efforts to pass long-term reauthorization of the NFIP with substantive reforms necessary to improve the actuarial footing of the program and to ensure stability in the housing market in affected areas. At the same time, it is vital that flood insurance premiums remain affordable so that families in parts of the country where flood insurance is required are not shut out of the opportunity to own a home.

Beyond the necessary long-term reauthorization of the NFIP, we encourage the Committee to focus on solutions that ensure the cost of flood insurance premiums are rooted in the actual flooding risk of the property, including the improvement, expansion, and modernization of floodplain mapping; the refunding of premiums paid on properties inadvertently included in special flood hazard areas; and the reduction of premiums based on the implementation of flood mitigation steps.

America's Credit Unions also strongly supports reforms that ensure flood insurance premiums are affordable to working families, especially as the NFIP is set to mark one year since the full implementation of Risk Rating 2.0. This new system, in practice, will allow more transparency and accuracy into the true cost of flood insurance coverage, while also empowering consumers to make

informed decisions since the subsidies for insurance are no longer hidden as they were in the old rating system. We remain hopeful this new rating methodology will continue to create a more equitable and sustainable flood insurance program by addressing rating disparities.

A strong, sustainable, and affordable NFIP will serve the best interests of our nation's housing market for years to come and will also ensure communities' ability to remain resilient amid uncertain threats from natural disasters. The program's effectiveness will only be enhanced if a broad range of actuarially sound and science-based solutions are included in proposed legislation. We commend your work to reauthorize this vital program in a fiscally responsible way.

On behalf of America's Credit Unions and the 140 million credit union members, thank you for holding this important hearing and considering our views on the subject.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large initial "J" and "N".

Jim Nussle  
President and CEO