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Congress of the United States
House of Representatives

March 17, 2017

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DEAN, NEW JERSEY DELEGATION

Majority Whip Scalise
H-326
The Capitol

Dear Majority Whip Scalise,

As we begin consideration of the National Flood Insurance Program (NFIP) reauthorization, I write to you to urge you to consider several provisions to provide affordable, accountable, and equitable benefits to NFIP policy holders and those in need of disaster relief from the Federal Emergency Management Agency (FEMA). With National Flood Insurance Policy holders in all 50 states as well as 5 territories and the District of Columbia, this issue truly has a national impact.

NFIP Premiums

This week, the Office of Management and Budget released its 2018 Budget Blueprint, entitled "America First: A Budget Blueprint to Make America Great Again." Included in this Blueprint is a plan to strip federal funding away from the NFIP and increase the premiums of vulnerable families and businesses, whose premiums are already skyrocketing. The Budget proposes eliminating the discretionary appropriation for the NFIP's Flood Hazard Mapping Program, a cut of \$190 million. To make up for this cut, the Budget "Restructures selected user fees for the Transportation Security Administration (TSA) and the National Flood Insurance Program (NFIP)"—of which, the NFIP restructuring would increase premiums to compensate for the devastating cut.

Nationwide, there are over 5 million NFIP policies, and in my home state of New Jersey, 231,000 families and businesses carry flood insurance—the 5th highest number in the country. According to FEMA, the average policy holder will pay \$878 for flood insurance in 2017, a total that rises to over \$1,000 once current fees and surcharges are included. This represents a 9% increase over 2016 rates. These charges are above and beyond the amounts that homeowners affected by Superstorm Sandy in New Jersey and New York, the "1000-year rain" last year in Louisiana, and others around the country are still paying out of pocket to fix their homes.

I urge you to continue congressional funding for the NFIP Flood Hazard Mapping Program in the 2018 Fiscal Year, and ensure this essential program continues to provide its benefits into the future. We must not balance the budget on the backs of victims of Superstorm Sandy, Hurricane Katrina, and other natural disasters—who in many cases are still struggling financially to recuperate their tremendous losses.

Co-Chairman of the following Congressional Member Organizations: Task Force on Alzheimer's Disease • Bi-Partisan Coalition for Combating Anti-Semitism
Lyme Disease Caucus • Coalition for Autism Research and Education • Bi-Partisan Congressional Pro-Life Caucus • Bosnia Caucus • Poland Caucus
Ad Hoc Congressional Committee for Irish Affairs • Congressional Caucus on Human Trafficking • Vietnam Caucus • Congressional Heart and Stroke Coalition

FEMA Accountability

Under the Flood Insurance Rate Maps (FIRMs), individuals and businesses located in areas considered at high risk for flooding, those who have a 1 percent or higher likelihood of experiencing flooding in a given year, are mapped in Special Flood Hazard Areas (SFHAs) and as such, pay significantly higher premiums.

Individuals who believe they are improperly mapped must provide scientific support that they are improperly mapped in order to submit a Letter of Map Amendment (LOMA). These individuals are responsible for all costs associated with providing substantiating evidence.

However, under current NFIP rules and regulations, FEMA does not allow refunds to improperly mapped individuals who were mapped in SFHAs and charged a higher premium, unless a LOMA is issued within 60 days before the effective date of the current policy term.

In action, this means that people who have been improperly mapped for years are unable to be refunded the excess premiums they have been wrongly forced to pay.

While NFIP has limited waiver authority to waive its own rules, the waiver authority is limited in scope and does not appear to extend to allowing NFIP to waive its rules regarding timeframe for reimbursement. The rule defining the scope of permissible refunds following a LOMA is: 44 CFR 62.5. Additionally, the waiver provision is at 44 CFR 62.23(k).

To fix this, the National Flood Insurance Act should be amended to explicitly allow for refunds or greater waiver authority. This could be done narrowly in the LOMA context or more generally, to allow for commonsense fixes, regarding FEMA's rulemaking authority for NFIP. This change could be made to the statutory citation for FEMA's LOMA authority: 42 USC 4104 or the code provision authorizing rules and regulations: 42 USC 4128.

FEMA Equity

Finally, I ask that my legislation, the Federal Disaster Assistance Nonprofit Fairness Act, be considered for inclusion in a NFIP reauthorization. This legislation is designed to help Houses of Worship recover from natural disasters. The bill would ensure that religious institution facilities damaged in Superstorm Sandy and future storms receive federal funds in the same manner as any other private nonprofit facilities providing public services—as was the case after the Oklahoma City bombing of 1995.

FEMA has argued that Houses of Worship are precluded by law and court action from being interpreted as facilities that provide essential services of a governmental nature—but Congress has not adopted any such prohibition. It is FEMA policy that has discriminated against Houses of Worship and created insurmountable roadblocks.

FEMA has chosen to refuse to define any religiously owned or funded facility (other than a school or social service agency) as a facility providing essential services, but they have created a

contorted policy that says the "essential services" *areas* in such a facility may be eligible for assistance if that area is deemed to be more than 50% of the facility with ineligible areas excluded from the benefit of financial assistance. That is a standard nearly impossible to meet.

This legislation has previously been passed in the House of Representatives both as a standalone piece of legislation, as well as an amendment to a larger vehicle.

Thank you for your consideration of these requests.

Sincerely,

A handwritten signature in blue ink that reads "Chris Smith". The signature is written in a cursive, slightly stylized font. The first name "Chris" is written in a larger, more prominent script, and "Smith" is written in a smaller, more compact script to its right.

Rep. Christopher H. Smith
Member of Congress