



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 13, 2017
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

Substitute Amendment to H.R. 2874 – 21st Century Flood Reform Act

(Rep. Duffy, R-WI)

The Administration supports House passage of the substitute amendment to H.R. 2874, the 21st Century Flood Reform Act. This legislation ensures timely reauthorization of the National Flood Insurance Program (NFIP) and takes important steps towards common-sense reform.

The Administration endorses provisions of the bill that amend the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 to expand the private flood insurance market by removing barriers that prevent policyholders from switching between private and Federal flood insurance, and by allowing private flood insurance companies to sell both Federal and private flood insurance. Additionally, the bill would strengthen the financial outlook of the NFIP by authorizing the program to build up its reserves to pay for future catastrophic flooding events. H.R. 2874 would require the Federal Emergency Management Agency (FEMA) to make certain flood risk and claims data publicly available, while protecting personally identifiable information. Finally, the bill would require property owners to disclose a property's history of flooding as part of a real estate transaction.

The Administration appreciates the intent behind H.R. 2874, which is to encourage better risk management by the NFIP through the incremental phase-out of certain subsidized policies. The Administration continues to support more immediate accounting for past repeated flood claims as well as additional measures to expand the private flood insurance market, such as by phasing out the availability of Federal flood insurance for newly constructed buildings and commercial buildings, and by encouraging private risk pooling through reforms to existing law. Further, the Administration believes that FEMA should retain its current authorities to adjust and increase premiums on properties that should transition to risk-based rates.

Finally, the Administration notes enactment of the requested debt cancellation for the NFIP in H.R. 2266, the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017. To avoid future taxpayer bailouts of the NFIP, the Administration urges the Congress to pass the substitute amendment to H.R. 2874 and to continue pursuing reforms that will put the program on a more sound and sustainable financial footing.

If the substitute amendment to H.R. 2874 were presented to the President in its current form, his advisors would recommend that he sign the bill into law.

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