

Resolution No. 4

Date: 10/15/2021

City: Houston, TX

NAHB Resolution

Title: FEMA Risk Rating 2.0
Sponsor: Louisiana Home Builders Association and Florida Home Builders Association
Submitted by: Randy Noel

WHEREAS, the Federal Emergency Management Agency (FEMA) is changing the way it rates a property's flood risk and prices the insurance that is made available under the National Flood Insurance Program (NFIP) via a program called Risk Rating 2.0;

WHEREAS, under Risk Rating 2.0, insurance rates will be based on a number of property-specific variables, such as distance from water bodies/flooding sources, cost to rebuild, foundation type, ground elevation and first floor elevation, etc.;

WHEREAS, despite this program going into effect on October 1, 2021 for new policies and April 1, 2022 for renewals, FEMA has yet to fully disclose the basis for premium rates to the public, such as information about how location, elevation, and mitigation are factored into rates and has deliberately been discrete about how premiums are being determined;

WHEREAS, current NAHB policy calls for available, predictable and affordable flood insurance and the solvency of the NFIP; and

WHEREAS, implementation of Risk Rating 2.0 can impact the ability to meet each of these goals,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders (NAHB) urge the Federal Emergency Management Agency (FEMA) to defer implementation of Risk Rating 2.0 until the rating factors and premium calculation methodology, mitigation credits and other relevant information is fully disclosed to Congress and shared with the public; and

BE IT FURTHER RESOLVED that NAHB oppose any long-term extension of the National Flood Insurance Program (NFIP) until FEMA releases the above information.

Please note: This resolution was submitted after the 30-day advanced deadline and will require a two-thirds majority for approval by the Leadership Council.

Leadership Council Action:
Resolutions Committee Action:

Approved
Recommends Approval