

The Honorable Peter Welch  
2303 Rayburn House Office Building  
Washington, D.C. 20515

Dear Representative Welch,

September 12, 2011

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This June, my wife Sarah and I received a surprise letter in the mail from our local credit union regarding our mortgage for our home in Berlin. The letter informed us that due to the revised FEMA flood maps, we are now in a high risk flood plain and are required to have flood insurance.

We immediately contacted the credit union and our home insurance carrier to determine the amount of coverage we would need. It took several weeks to get an answer because the insurance carrier could not believe the quotes they were receiving and thought it must be some sort of mistake. It was no mistake.

**Because of the Biggert-Waters Act and revised National Flood Insurance Plan (NFIP) maps, our newly mandatory flood insurance premium is now \$8,000 per year.**

Due to the remapping and mandatory insurance at \$666 per month, our home's value will plummet. All of our equity will be gone, and we will quickly be underwater on our mortgage. Before purchasing this house, we made sure it was not in a flood zone requiring flood insurance that we could not afford. We made an educated decision to purchase a home knowing exactly what we could afford as a family. Now, the rules have changed overnight with no notice, no ability to provide input, and no choice.

Likemany Americans, our home is the only asset we have. We purchased it three years ago and put time and money into improving it for our family of six. It is currently appraised by the town at \$300,000. We still owe \$200,000 on our mortgage. We can no longer afford this house and probably can't sell it for more than what we owe.

Our beautiful home was built in 1848. It has stood here for 165 years. The irony is that during Tropical Storm Irene, the largest water event on record for the Dog River in Berlin, we did not have any water in our house. Yet suddenly it is in a "high risk" flood zone. The average person has no way of understanding the flood elevations, the maps, or how the insurance rates are calculated. We've spent hours trying and it is still a mystery.

We understand the need for some flood insurance, but we also understand why those with repeated flooding and insurance claims should bear more of the risk. But changing the rules overnight from \$0 to \$8,000 is unfair and unmanageable. There have been no flood insurance claims on this house. Additionally, flood insurance provides very little coverage unless your home is severely damaged or destroyed. Due to the structure and placement of our house, it would take several more feet of water beyond Irene level to do anything more than flood our basement and perhaps damage our furnace. We don't see how that can possibly justify \$8,000 each year in premiums.

**Implementation of Biggert-Waters on October 1 will destroy property values, create mortgage defaults and financially devastate untold numbers of Americans who are already struggling to get by.**

There are substantial problems with this law. The affordability study mandated by Biggert-Waters has not been completed. Maxine Waters, co-author of this bill, now has second thoughts and claims not to have understood the implications of how it would be implemented.

**We are asking for your help in making sure that this is unjust and does not stand, or get worse for everyone. It is our understanding that there are efforts afoot in Louisiana, Florida, New Jersey and New York to delay implementation until here are effects of this legislation can be understood. A day of protest is being planned for several states on September 28<sup>th</sup> and I'd like to organize a gathering in Vermont to help raise awareness.**

Please help us and the many other Vermonters who are also being affected when their insurance bills come due. I am so going to discover that they have

1. Would you be willing to help us delay the unworkable parts of Biggert-Waters? There was no forecast before passage of the bill of any rate increases, not to mention completely unaffordable rate increases. A delay in newly-mandated NFIP rate increases will allow FEMA to determine more accurately how these rates will impact property owners as Congress planned, and give affected property owners more time to respond to high rates.

2. Would you be willing to stop FEMA from releasing any new maps and demand they revisit recently revised maps to make sure they accurately reflect geographical risk and do not sweep thousands of homeowners into this FEMA funding net unnecessarily?

3. Lastly, would you be willing to look at the NFIP and determine if FEMA should receive any more insurance premiums if they are unable to account for that money and how it is administered? Please see the bulleted points at the end of this letter for reference to the proven mismanagement and lack of transparency around the NFIP.

Please know that we are not an anti-government. I work for the State of Vermont and believe there is a role for government in helping all of us achieve our common goals. We are also not looking for a handout or a subsidy. As stated above, we understand paying for some flood insurance. Our issue is with the changing rules that are having an immediate drastic effect on our financial security and our family's future. Where is the common sense? These changes have a significant impact on people's lives, their communities and the economy. A change with such far-reaching consequences should be done with plenty of notice, complete transparency, and a very careful analysis of the impacts. It doesn't appear that a plan was opened in this case.

We would really appreciate your help and thank you for your time. We look forward to hearing from you soon as we continue to raise awareness around this issue and search for some relief.

Sincerely,

Chris Winters & Sarah Alberghini Winters  
36 Browns Mill Road, Berlin, VT 05602  
802-223-8101

## **BIGGERT-WATERSNOTES:**

- The Biggert-Waters Act of 2012, passed as part of the transportation bill and without discussion or debate, will affect all 50 states, in river communities and valleys, not just coastal areas.
- When Congress approved the flood insurance reforms, no consideration was given to affordability. The aim was to make the program self-sustaining by raising insurance premiums to market rates over time.
- More than 5 million Americans in 20,000 communities across the country have NFIP policies. Those already in flood zones will see their rates increase gradually until they reach astronomical rates like ours. This will be unaffordable for many.
- Without flood insurance, homeowners located in flood zones will default on their mortgages.
- This will have a tremendous impact on property values and local economies.
- Banks, Insurers and Realtors are becoming alarmed about the issue.
- If fewer homeowners can afford flood insurance, in the event of future floods, taxpayers will spend more on federal disaster relief to owners of uninsured properties.
- The Government Accountability Office (GAO) 2009 report found that FEMA:
  - Gave as much as two-thirds of flood insurance premiums to private insurers;
  - Didn't enforce audit requirements of the private companies and FEMA had no idea what it actually cost to run the flood insurance program through private insurers; and
  - Faces challenges modernizing NFIP's insurance policy and claims management system. After 7 years and \$40 million, FEMA ultimately canceled its latest effort (NextGen) in November 2009 because the system didn't meet user expectations. As a result, the agency continues to rely on an ineffective and inefficient 30-year old system.
- Ironically, the GAO considers FEMA "high risk."