

November 13, 2023

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
568 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
2433 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Room S-221, The Capital  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Room S-230, The Capital  
Washington, D.C. 20510

Dear Speaker Johnson, Leader Jeffries, Leader Schumer, and Leader McConnell:

We, the undersigned organizations, are encouraged by the headway Congress is making in the appropriations process, and the measures you are considering to ensure the continuity of government operations. That progress is greatly appreciated as the stakes are high. In these challenging economic times, the ability to access and preserve affordable housing opportunities is critical to all Americans. Therefore, our organizations urge you to redouble your efforts and support the ability to pursue the American dream of property ownership and access to quality, rental housing by extending the authority of the National Flood Insurance Program (NFIP) and ensuring other vital housing programs do not lapse on November 17<sup>th</sup>.

Our organizations represent residential and commercial real estate brokers, home builders, mortgage lenders, mortgage insurers, rental property owners and managers, appraisers, counselors, and others engaged in all aspects of the real estate and financial service industries. Our combined memberships know how crucial it is to maintain continuity in these housing programs – not only for real estate professionals and companies but also for consumers and the U.S. economy.

We are deeply concerned about the impact on the NFIP, as a government shutdown would disrupt the purchase and renewal of flood insurance in more than 20,000 communities across the country. Not only would Americans be unable to purchase new NFIP policies during a lapse, but residential, commercial, and rental property owners and renters currently insured by the NFIP similarly would be unable to renew their policies or purchase new ones, which is required when utilizing any federally backed mortgage product. Without access to the NFIP, property owners of all kinds, including millions of American families would be forced to rely on severely limited or cost-prohibitive private market flood insurance products or, worse, federal disaster aid.

NAR estimates an extended lapse of the NFIP's authority could threaten 1,300 property sales each day, as buyers lose financing or are forced to pay fees to hold interest rates. The impact is just as significant in the commercial and multifamily space, particularly for

smaller, more affordable properties. Existing property owners could face sharply higher costs as existing policies expire and lenders are required to “force place” insurance as required by law. Americans, including homeowners and housing providers of all types, deserve certainty in the flood insurance marketplace so they can protect their homes, businesses, residents, and communities.

Flood insurance is not the only program at risk. Several housing financing programs like USDA’s rural housing loans, FHA multifamily programs, FHA’s Title 1 manufactured housing loans, reverse mortgages, and other housing related programs would be unavailable during a government shutdown, resulting in fewer affordable options for prospective home buyers in an already tight housing market.

Certain verifications necessary to process a loan, such as employment and social security numbers, would likely be delayed. As a result, some home buyers could lose their pending properties and rental housing provider operations and deals could be impacted. Required EPA certifications for property management companies may be postponed, harming housing providers and the consumers they serve.

Averting a shutdown will prevent these disruptions to the real estate, home building, and mortgage lending sectors, which make up over 20 percent of the U.S. economy. It will also protect Americans from the most common and costly natural disaster in the country: flooding.

Again, we greatly appreciate your efforts to bridge the divide and the progress that has been made toward a budget agreement. Thank you for your commitment to ensuring the housing market continues to serve as a pillar of the nation’s economy. As November 17<sup>th</sup> approaches, the undersigned organizations urge you to extend the NFIP and support housing programs that are vital to people seeking to achieve the American dream of home or property ownership or secure an affordable rental home that is right for them.

Sincerely,

Community Home Lenders of America  
Housing Policy Council  
Leading Builders of America  
Manufactured Housing Institute  
National Apartment Association  
National Association of Home Builders  
National Association of REALTORS®  
National Housing Conference  
National Multifamily Housing Council  
Mortgage Bankers Association  
U.S. Mortgage Insurers