

A letter written by Jon and Jeanne Schnoor that explains why congress needs to reauthorize the National Flood Insurance Program and why Albuquerque REALTORS® need to heed the Call for Action:

We are Jon & Jeanne Schnoor, The Schnoor Team @ Berkshire Hathaway Home Services. We encountered an extremely complex problem caused by FEMA when we listed the property, 400 Calle De Wences, Los Lunas NM 87031. An Elevation Certificate was ordered when the property was listed, it was done by Dave Tibbits, a licensed surveyor, who correctly identified the home's neighborhood as a home that could indeed participate in the National Flood Insurance Program.

It was not discovered until 48 hours before closing that FEMA had misidentified this home as being located on the Isleta Pueblo, which the home is not. FEMA also misidentified approx. 749 other homes in the area as being located on the Isleta Pueblo that were not. All of these homes misidentified could not sell their homes with a traditional loan. The only way their homes could be sold were cash or a portfolio loan the lender would keep.

All lenders use a third part company, Corelogics to confirm eligibility for the NFIP. Corelogics will use ONLY the FEMA maps as their source and they will not consider:

- 1. Elevation Certificate by a Licensed Surveyor***
- 2. Flood Plan Determination by the Flood Manager for Valencia County***
- 3. Tax Records indicating the location of home is NOT located on the Isleta Pueblo***
- 4. When the address was punched in on the FEMA website...the FEMA website stated the home could participate in the NFIP***
- 5. When you viewed the home on the FEMA map, it showed the home could not participate in the NFIP***
- 6. If any home can't participate in NFIP, the lenders can't sell the loan through Fannie, Freddie, Ginnie.***

I contacted all local representatives, all State Representatives, our Senators along with multiple FEMA Board Staff all the way up to the Regional VP for FEMA. I worked calling and emailing all daily for the next 4 months. I originally was told it would take 3-3.5 years for FEMA to correct their map. FEMA admitted to me from day one...the map was incorrect...but again I was told this was a slow process. Finally, on Oct 3, 2016, we received an Official Notice to Users, which is supposed to tell all the people using the maps...there is a mistake, they need to go by the notice...however the 3rd party company the lenders use, Corelogics still would not accept this, thus began my phone calls to everyone once again as well as some key folks.

Miguel Negrete @ Sen Martin Heinrich's office, Alma Acosta @ Rep Michelle Lujan-Grisham's office, Cathy Olsen, Cathy Colvin & Jim Maddox all were a great help to me trying to get this rectified.

I called several times a day and emailed the 3rd party company and FEMA, so did Miguel Negrate of Senator Martin Heinrich's office...he truly was instrumental in helping me finally get this deal closed on 10/13/2016...yes 4.5 months later.

We did indeed get the maps changed in approx. 4 months! Which I am told is never heard of, it is always years. I now know just about everything I ever wanted to know about FEMA and flood zones!

Synopsis regarding the National Flood Insurance Program and NAR's Call for Action by Connie Hettinga, RANM President-Elect:

National Flood Insurance Program

- The current program expires **September 30, 2017**
- There is a total of **7 bills** before the House of Representatives, these have passed the Financial Services Committee and are expected to be combined into the “The 21st Century Flood Reform Act”
- There is encouragement for the Senate to include access to private market insurance, currently all Flood Insurance issued is through FEMA
- Each lapse of insurance costs **40,000 property sales per month**
- Without reauthorization, NFIP cannot issue or renew policies in **22,000 communities** where it is required for a mortgage, including ours.
- **Accurate flood maps are also essential as well.**
- Currently the US Government spends **\$1.4 billion a year** on grants to property owners to repair flood damage. This could be mitigated if the property owner could receive grants prior to the flood to help elevate or relocate their homes.
- Private market options would help with the costs to the homeowner since currently the costs are based on National averages.

NAR tells us why this Call for Action is so important:

As events continue to unfold in Texas, NAR President Bill Brown reiterated that the immediate focus of the Association and its 1.2 million REALTOR® members is to support those affected by this tragic natural disaster. To help those in need, the REALTOR® Relief Foundation is collecting donations at www.nar.realtor/programs/realtors-relief-foundation/donate.

In addition to supporting relief efforts NAR is engaged in legislative advocacy to ensure the National Flood Insurance Program does not expire on September 30, 2017. Without Congressional action, the program will lapse adding confusion and uncertainty for current and future NFIP policyholders. The current NAR Call for Action asks REALTORS® to contact their Member of Congress and urge passage of **HR 2874, the 21st Century Flood Reform Act**.

Why NAR Supports the 21st Century Flood Reform Act:

- **Extends NFIP for 5 years**
- **Preserves** the practice of **grandfathering** for remapped property owners who build to code
- **The bill would enable repetitive loss property**, if an owner mitigates to code, **to grandfather**
- **Limits rate increases** to no more than 15 percent per year with a new ceiling of \$10,000 maximum
- **Authorizes \$1 billion in pre-flood mitigation assistance grants** to elevate, flood proof, buyout or mitigate high risk properties
- **Addresses issues with repeatedly flooding properties** that account for **2 percent of NFIP policies but 25 percent of the claim payments** over the history of the program

Additional details on the legislation are available at [NFIP FAQ](http://narfocus.com/billdatabase/clientfiles/172/9/2964.pdf) or copy and paste this URL into your browser: <http://narfocus.com/billdatabase/clientfiles/172/9/2964.pdf>

If you have questions about the legislation contact Austin Perez aperez@realtors.org

If you have questions about the Call for Action contact John DiBiase jdibiase@realtors.org