

**OPENING REMARKS OF THE HONORABLE RUBEN HINOJOSA
COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON HOUSING
“H.R. 1682, THE FLOOD INSURANCE REFORM AND MODERNIZATION ACT
OF 2007”
JUNE 12, 2007**

Chairwoman Waters and Ranking Member Biggert,

I want to thank you for holding this very important and timely hearing on an issue that is very important to me and all the constituents in my district. I look forward to working with the two of you as the Committee moves forward with consideration of H.R. 1682, the “Flood Insurance Reform and Modernization Act of 2007” introduced by Chairman Frank and Ranking Member Biggert earlier this year.

I commend the two of you for all the work that you have done to date to improve housing conditions for many, many residents in the United States. I especially want to thank the two of you again for moving forward with my two rural housing bills on the Housing Assistance Council and the Rural Housing and Economic Development program. I am very grateful.

At this point, I ask unanimous consent to submit my entire statement for the record as well as two documents from the Management Association for Private Photogrammetric Surveyors.

In light of the devastation caused by Hurricanes Katrina, Rita and Wilma, this Committee has held numerous hearings on ways to address the massive flooding and wind and surge damage done to homes and other structures along the coast of the Gulf of Mexico and in Florida. We have tried to find ways to ensure that the massive flooding that occurred in New Orleans does not reoccur and that we are able to get our dams and levees up to code to certify that they protect those living behind them.

I realize that H.R. 1682 is intended to address a number of weaknesses in the National Flood Insurance Program that were exposed by the unprecedented 2005 hurricane season, and I support several of the provisions included in the bill. However, I must stress that there are several provisions in the bill with which I find fault and several provisions that have been left out of the bill that I now propose.

My main concern is that FEMA and the Corps of Engineers might not be creating very accurate maps. If the mapping is being done now, I am concerned that those maps might not be taking into account the fact that some areas will eventually have dams and levees that are up to par, including those in my district and all along the U.S. border with Mexico.

I am also concerned that they might not be using the appropriate methodology or the most advanced technology to draw those floodplain maps. Along those lines, I am very pleased that the Management Association for Private Photogrammetric Surveyors (MAPPS) are testifying here today. I agree with them that Section 21 of H.R. 1682 omits language regarding map accuracy and the use of modern geospatial technologies, and FEMA standards and requirements.

I also agree with MAPPS that we should consider providing mapping by watershed. It would result possibly in much more accurate, and less politically motivated, floodplain maps. MAPPS has wonderful ideas that I have heard from other such entities. The National Structure Inventory they have discussed in the past is ideal. It would link each structure's street address with its geographical coordinates, owner's name and assessed value. Such an inventory would greatly simplify the sale, rating and processing of flood insurance and is vital for timely response, recovery and assistance to the individuals involved.

I am also concerned that the legislation is not clear as to when homeowners and homebuyers will be forced to purchase flood insurance. I would hope that today's witnesses can and will clarify what will trigger the flood insurance mandatory requirement and when that will occur.

Madame Chair, I am also concerned that there is no indication in the text of H.R. 1682 that will allow for a phase-in of premiums imposed on low-income homebuyers and current homeowners that are not currently located in a floodplain but might be once the mapping is complete.

I realize the bill requires several studies, including one on the impact of the bill on low-income homebuyers and homeowners, but I am wondering and, in fact, hoping that the authors of this legislation will support a premium phase-in approach for those areas of the country that have not traditionally been included in floodplain maps but will be included after the mapping process is concluded and for all areas of the country in which the truly low-income reside.

My greatest fear, and I believe the fear of several in the financial services industry, is that this legislation could result in people losing their homes or not being able to afford to purchase homes because the premiums are such that low-income potential homebuyers will refrain from buying a home if flood insurance is required and then might be increased up to 15 percentage points annually.

More important, it was my understanding that the maps would solely depict 100-year floodplains. Two of my Republican colleagues and I managed to pass an amendment during flood insurance markup last year to stop the 500-year floodplain mapping process. Apparently, I was mistaken. I truly believe that we need to first study the methodology and technology that is being used to map the 100-year floodplains before moving forward.

There is quite a bit at stake economically if those maps are not drawn using the latest and greatest technology. We need to focus solely on the 100-year floodplain maps before even beginning to think about updating the 500-year maps.

Madame Chair, we have lost many homes in the past due to hurricanes and other weather storms. I would hate for us to lose homes because we failed to pass legislation containing requirements that the maps be made using the most up-to-date and thorough technology and that we provide a phase-into the mandatory flood insurance premiums.

I yield back the remainder of my time.