

Congress of the United States

Washington, D.C. 20515

May 2, 2025

The Honorable Tom Cole
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rosa L. DeLauro
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mark Amodei
Chairman
Committee on Appropriations
Subcommittee on Homeland Security
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Lauren Underwood
Ranking Member
Committee on Appropriations
Subcommittee on Homeland Security
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Cole, Ranking Member DeLauro, Chairman Amodei, and Ranking Member Underwood:

Due to climate change, communities across the country are experiencing more frequent and severe flooding, which is only expected to worsen with each coming year.¹ Indeed, nationwide flood-related disasters have resulted in over \$1 trillion in estimated damages since 1980,² and residential structures alone are projected to experience a 60% increase in annual losses between 2021 and 2051.³ With more frequent and severe flooding comes greater devastation for our communities and increased post-disaster recovery costs.

Unfortunately, the Trump Administration has taken several actions that are expected to worsen these trends, affect disaster recovery and mitigation efforts, and strain insurance claims and premiums. For example, on March 25, 2025, the Federal Emergency Management Agency (FEMA) announced that President Trump had directed the agency to halt implementation of Flood Risk Management Standard (FRMS).⁴ Without enforcement of the FRMS, buildings that are damaged by severe flooding are not required to be rebuilt to stricter standards that mitigate future flood losses, which will result in greater costs to taxpayers. What's more, it has been reported that the Trump Administration has plans to fully dismantle FEMA—the sole federal agency dedicated to responding to major disasters—amid denial of disaster relief to storm survivors in the State of Arkansas.⁵ Finally, Trump's tariff war has sent U.S. markets tumbling with negative effects expected to hit insurance markets. According to some insurance experts, “consumers could see an impact to their insurance bill in 12 to 18 months,” while homebuilders expect tariffs on imported building materials to significantly increase the cost of housing and delay disaster recovery efforts.⁶ It is more important than ever, especially as the insurance crisis continues to worsen, for us to invest in the National Flood Insurance Program (NFIP) and federal flood mapping tools.

¹ U.S. Environmental Protection Agency, [Climate Change Indicators: Weather and Climate](#) (Mar. 26, 2025).

² Flood Defenders, [America's Flooding Problem](#) (Accessed on Apr. 22, 2025).

³ First Street Foundation, [The Cost of Climate America's Growing Flood Risk](#) (Feb. 2021).

⁴ FEMA, [FEMA Eases Floodplain Requirements for Federally Funded Projects, Reducing Burden on American Communities](#) (Mar. 25, 2025).

⁵ CNN, [‘We’re not preparing’: As Trump officials vow to eliminate FEMA, the agency is already in turmoil](#) (Mar. 26, 2025); See also House Appropriations Committee (Minority), [Ranking Members DeLauro, Larsen, Thompson, Waters, and Lofgren Issue Joint Statement on Reported Plans to Dismantle FEMA](#) (Mar. 28, 2025); See also Rolling Stone, [Trump Is Now Screwing Over Republicans in Need of Disaster Relief](#) (Apr. 23, 2025).

⁶ Insurance Journal, [Insurance Industry Contemplates Knock-On Effect of Tariffs to Claims, Consumers](#) (Apr. 8, 2025); See also [Letter](#) from National Association of Home Builders to President Trump (Jan. 31, 2025).

NFIP Debt Forgiveness Request

The NFIP continues to be the primary source of affordable flood insurance coverage for homeowners, renters, and businesses, covering nearly 5 million policyholders across the country and representing nearly \$1.3 trillion in U.S. flood insurance coverage.⁷ However, the substantial debt that the NFIP has taken on in recent years threatens the program’s solvency and the affordability of the premiums it offers and must be addressed in order to preserve the long-term stability of the program. While Congress designed the NFIP to be largely self-sustaining—funded by insurance premiums and fees paid by policyholders—it was not set up to fund large catastrophic events through policy premiums and fees alone. In keeping with this design, the NFIP was self-supporting from 1986 until 2005, but the program took on substantial debt because of extraordinary losses incurred following Hurricanes Katrina, Rita, and Wilma in 2005, and more recently after Superstorm Sandy in 2012 and Hurricane Matthew in 2016. Since 2017, Category 4 and 5 hurricanes have hit the U.S. and its territories, including Harvey, Irma, Maria, Florence, Michael, Delta, Ida, Fiona, and Ian. Most recently in 2024, Hurricanes Helene (Category 4) and Milton (Category 5) became some of the deadliest and costliest hurricanes to hit the U.S. since Katrina and Maria, totaling \$113 billion in damages.⁸ As of February 6, 2025, the NFIP had received \$4.5 billion and \$740 million in claims from Hurricanes Helene and Milton, respectively.⁹ With nearly \$21 billion in debt at the outset of 2024, the NFIP drew down another \$2 billion from the Treasury following Helene and Milton, pushing up its total debt to nearly \$23 billion of its \$30.425 billion in total borrowing authority.¹⁰ The current debt represents only a portion of the funds that were expended to pay claims to policyholders who responsibly maintained flood insurance coverage when their homes and businesses were hit by these catastrophic storms. Although Congress forgave \$16 billion of the NFIP’s debt in 2017, the remaining debt has been ignored. Outstanding debt—with \$1 million in interest accruing daily—makes NFIP coverage more expensive, which burdens both existing policyholders and deters new policyholders from joining. Indeed, the program has experienced a decline in policyholders since 2021.

FEMA and the Government Accountability Office (GAO) agree that the NFIP is unlikely to be able to repay its current debt, even under the most favorable future conditions, without Congressional intervention. In its latest debt repayment report to Congress, FEMA clearly stated that it would “be unable to pay the debt as interest continues to consume revenue that would otherwise serve to grow the NFIP’s ability to pay claims to insured survivors.”¹¹ In a 2017 report, the GAO also stated that FEMA is “unlikely to be able to repay its current debt.”¹² The longer that Congress ignores the totality of this issue, the longer that FEMA will be stuck paying substantial interest on debt that it will likely never be able to repay, which thwarts its ability to meet other Congressional objectives for the NFIP. FEMA has paid \$5.71 billion in interest alone since Hurricane Katrina in 2005.¹³ After Hurricanes Milton and Helene FEMA awarded \$2.7 billion in Public Assistance funds to aid affected communities. Congress passed the emergency aid package allocating over \$100 billion in disaster relief which was enacted in December of 2024 and extended federal funding through March 14, 2025. It provided approximately \$110 billion in disaster relief, including \$29 billion for the Federal Emergency Management Agency’s (FEMA) Disaster Relief Fund and \$12 billion for HUD’s Community Development Block Grant-Disaster Recovery (CDBG-DR) program.¹⁴ While expanding post-disaster relief is crucial, the federal government is also spending to lend itself money, instead of building up the NFIP’s Reserve Fund for future catastrophic loss years. Without this foresight, the financial strain will only intensify as severe weather events become more frequent and extreme.

⁷ FEMA, *The Watermark - National Flood Insurance Program Financial Statements* (Apr. 14, 2025).

⁸ NOAA, *Fast Facts: Hurricane Costs* (Accessed on Apr. 22, 2025).

⁹ FEMA, *FEMA Exercises Borrowing Authority for National Flood Insurance Program* (Feb. 10, 2025).

¹⁰ *Id.*

¹¹ FEMA, *Rising Interest Expenses* (Mar. 6, 2023).

¹² GAO, *Comprehensive Reform Could Improve Solvency and Enhance Resilience*, (Apr. 2017).

¹³ *Supra* note 4.

¹⁴ NLIHC, *Congress Passes Funding Deal and Disaster Aid Package to Prevent Government Shutdown*, (Dec. 23, 2024).

While Congress regularly responds with disaster relief funding to help those who did not have insurance, but when it comes to those who responsibly held coverage and could therefore cover their own losses, Congress is responding by ignoring the NFIP debt, which is increasingly resulting in unaffordable premiums, making it less likely for others to voluntarily obtain coverage. **Accordingly, we respectfully request that you include the following language to cancel the NFIP's debt:**

Any repayment of amounts due from, and owned by, the Administrator as of the date of enactment of this Act. in connection with the exercise of the authority vested to the Administrator to borrow such sums under section 1309 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4016) and section 15(e) of the Federal Insurance Act of 1956, as amended (42 U.S.C. 2414(e)), including notes or other obligations, interest, including capitalized interest, and any other fees and charges payable in connection with such notes or other obligations is hereby waived. The waived amounts may be treated as a public debt of the United States."

Flood Mapping Request

To mitigate the impact of damages and losses, Flood Insurance Rate Maps (FIRMs) are developed by FEMA through its Risk Mapping, Assessment, and Planning (Risk MAP) program. FEMA's mapping efforts help communities better understand their flood risks and how they can prepare for and mitigate those risks. Despite the widespread utility of flood mapping for land use planning and floodplain management that benefits policyholders and non-policyholders alike, FEMA's mapping is currently funded primarily through policy fees that are paid by NFIP policyholders. The current funding levels for flood mapping, through both appropriations and fee revenue, are insufficient to map the entire nation. This often leaves entire communities without flood data and susceptible to unexpectedly devastating flooding events.¹⁵ In fact, only one-third of the nation's streams and coasts have been mapped.¹⁶ Further, without the funding to utilize the latest technology,¹⁷ FEMA's flood maps have been riddled with inaccuracies that are then the burden of the policyholders, communities, or states to appeal for corrections.¹⁸

According to a comprehensive analysis by the Association of State Floodplain Managers (ASFPM), it would cost between \$3 billion and \$11.8 billion to provide adequate flood maps for all communities across the country.¹⁹ This is an investment that will save taxpayers money by driving down costs in the event of a disaster. In fact, research shows that taxpayers save over \$2 for every \$1 spent on flood mapping.²⁰ All taxpayers ultimately pay for the consequences of flooding through emergency and post-disaster relief, and it is high time that we seek to proactively invest in the tools that communities need to better protect themselves and create more resilient communities, save lives, and reduce disaster damage and related costs in the long term. **In line with the Housing Crisis Response Act, we request that you fund FEMA's Risk MAP program at least \$600 million in FY 2026 and commit to maintaining this funding level over the next 5 years to invest a total of at least \$3 billion into FEMA's Risk MAP program.**

Thank you in advance for your consideration of these requests. Please contact Financial Services Committee Minority staff with any questions about this letter.

¹⁵ National Geographic, [Many Americans are buying homes in flood zones—and don't realize it](#) (Oct. 11, 2024).

¹⁶ Association of State Floodplain Managers, Inc., [Flood Mapping for the Nation: A Cost Analysis for Completing and Maintaining the Nation's NFIP Flood Map Inventory](#) (Jan. 2020).

¹⁷ DHS OIG, [Challenges in FEMA's Flood Map Modernization Program](#) (Sep. 2005); See also DHS OIG, [FEMA Needs to Improve Management of Its Flood Mapping Programs](#) (Sep. 27, 2017).

¹⁸ *Supra* note 10.

¹⁹ The Association of State Floodplain Managers, [Flood Mapping for the Nation](#) (Mar. 9, 2020).

²⁰ *Id.*

Sincerely,



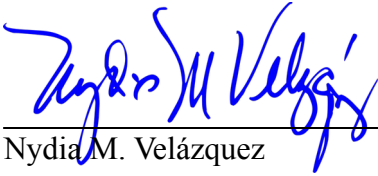
Maxine Waters
Ranking Member
Committee on Financial Services



Frank Pallone, Jr.
Member of Congress



Brad Sherman
Member of Congress



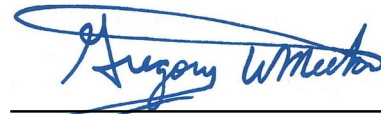
Nydia M. Velázquez
Member of Congress



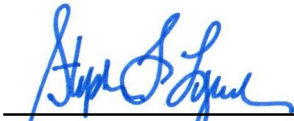
David Scott
Member of Congress



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Gregory W. Meeks
Member of Congress



Stephen F. Lynch
Member of Congress



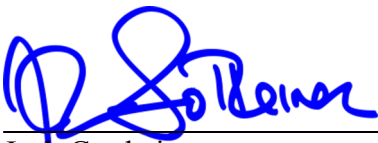
Bill Foster
Member of Congress



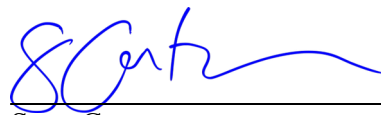
Joyce Beatty
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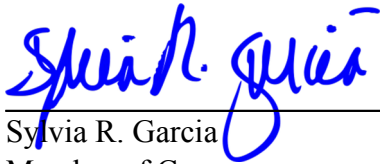
Jesús G. "Chuy" García
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Josh Gottheimer
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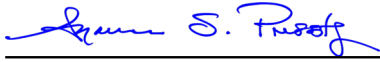
Sean Casten
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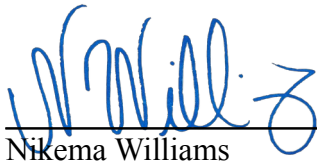
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Vicente Gonzalez
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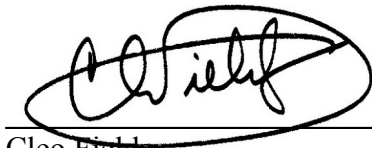
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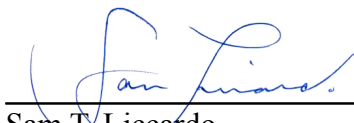
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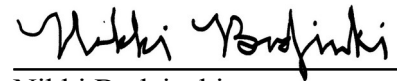
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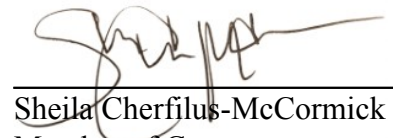
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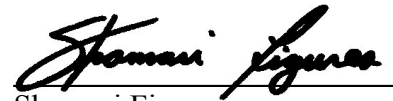
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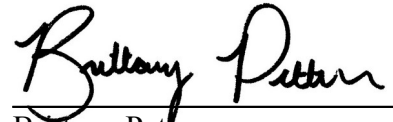
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