

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

June 12, 2024

Phillip Swagel, Director  
Congressional Budget Office  
Ford House Office Building  
Washington, DC 20515

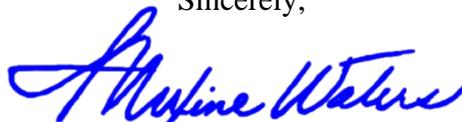
Dear Director Swagel,

As climate change fuels more intense flooding globally, millions of Americans are at increased risk of destruction.<sup>1</sup> The devastating impacts of floods and other major disasters pose a risk of substantial financial loss in communities throughout the United States. Nationwide, flood-related disasters have resulted in an estimated \$850 billion in damages since 2000,<sup>2</sup> and residential structures alone are projected to experience a 60% increase between 2021 and 2051.<sup>3</sup> In fact, last year, the Congressional Budget Office (CBO) projected that flood damages on homes with federally-backed mortgages would increase from \$190 billion in 2020 to \$258 billion by 2050.<sup>4</sup> However, the amount of risk that different communities face, and individuals' ability to absorb losses varies widely. The National Flood Insurance Program (NFIP) is one way that the federal government reduces the financial risks associated with flooding by offering insurance coverage to families and businesses for when flooding hits. Yet, as the number of NFIP policyholders has decreased over the last few years, we know that there is an underutilization of the program despite increasing flood risk.<sup>5</sup>

To better understand the risk that families face, I request that the CBO prepare a report on how NFIP uptake and coverage varies among the share of U.S. properties at risk of flooding and across communities with different economic and demographic characteristics. In particular, I am interested in knowing how coverage varies by household income, primary versus secondary residences, coastal versus inland locations, and household demographics such as race, ethnicity, and tenure (whether a household owns or rents their home). Finally, I would like to understand how various discounts offered to NFIP policyholders are distributed by those same characteristics.

I thank you for your attention to this important issue and I look forward to your report.

Sincerely,



Maxine Waters  
Ranking Member  
Committee on Financial Services

CC: Patrick McHenry, Chair, Committee on Financial Services, U.S. House of Representatives

---

<sup>1</sup> First Street Foundation, [The First National Flood Risk Assessment Defining America's Growing Risk](#) ().

<sup>2</sup> Pew, [Flood-Prepared Communities](#) (Accessed on Mar. 1, 2023).

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

<sup>4</sup> CBO, [Flood Damage and Federally Backed Mortgages in a Changing Climate](#) (Nov. 2023).

<sup>5</sup> FEMA, [The Watermark, Fourth Quarter 2022](#) (2022).