

## **STATE SUPPORT FOR A FEDERAL REAL ESTATE FLOOD DISCLOSURE REQUIREMENT**

*as of September 14, 2020*

### **THE PROBLEM**

A home is typically the largest and most important purchase an individual or family will make in a lifetime. Unfortunately, many families make the decision to purchase or rent a home unaware of key information relating to flood risk and previous flood events that have impacted the property in the past. Many do not realize that for those living in the one-percent-annual-chance or 100-year floodplain, the likelihood of a flood occurring during the lifetime of a 30-year mortgage are roughly one in four, far greater than the risk the home has for fire. This lack of information can have serious and long-lasting financial ramifications.

While some states have put in place flood disclosure requirements, no national standard currently exists – leaving many homeowners and renters in the dark about flooding. Because flooding is the most common and costly natural disaster in the United States, such information could be the difference between financial recovery and ruin for thousands of flood victims across the country.

### **FLOOD RISK MISUNDERSTANDING**

Current federal policy requires lenders, not sellers, to notify borrowers if they are required to have flood insurance. These notifications often come too late when the purchase is nearly final and do not include enough information about a property's flood history. In addition, data shows that many floods happen in areas outside of mapped risk zones, where there are no insurance requirements.

As a result, many consumers make major financial commitments without knowing a property's risk of flooding – an assumption that can lead to a false sense of security, reduced insurance purchases and a common hesitancy for individuals and communities to invest in mitigation.

### **THE SOLUTION: A FEDERAL REAL ESTATE FLOOD DISCLOSURE STANDARD**

The federal government can help ensure that homebuyers and renters are given more information regarding a property's flood risk, allowing communities and prospective residents to make informed decisions about where to live, how to manage risk, and how to mitigate the impacts of flooding.

Legislation currently introduced in Congress would require the Federal Emergency Management Agency to develop a minimum national standard for flood disclosure in communities participating in the National Flood Insurance Program. This legislation would ensure that homeowners, businesses, and renters are provided with useful, timely information regarding any history of flooding or flooding damages known to a seller or lessor.

With this information in hand, homebuyers or renters would get a fuller picture of the relative risk of a property and determine how best to protect their family, property and possessions for unforeseen events.

With billions of dollars and countless lives at risk and following yet another year of record-breaking storms and floods, now is the time for Congress to act.

## **SUPPORT FOR A REAL ESTATE FLOOD DISCLOSURE STANDARD:**

### **National**

Alliance for the Great Lakes  
American Farmland Trust  
My Flood Risk

### **California**

Costa Mesa Chamber of Commerce  
Greater Irvine Chamber of Commerce  
Jamboree Housing  
North Orange County Chamber of Commerce  
Santa Cruz Chamber of Commerce

### **Florida**

1000 Friends of Florida  
Conservation Foundation of the Gulf Coast  
Federal Association for Insurance Reform (FAIR)  
Florida Association of Counties  
Florida Floodplain Managers Association  
Florida Wildlife Federation  
South Florida Wildlands Association

### **Georgia**

Altamaha RiverKeeper  
Coalition for a Diverse DeKalb  
EarthShare Georgia  
Georgia Advancing Communities Together, Inc.  
Georgia Association of Flood Plain Managers  
Georgia Conservation Voters  
Georgia Supportive Housing Association, Inc.  
Georgia Watch  
National Alliance Against Home Repair Fraud  
Ogeechee RiverKeeper  
Statewide Independent Living Council of Georgia  
The Center for a Sustainable Coast

### **Iowa**

Iowa Flood Center

### **Idaho**

Aletheia Capital Advisors  
Engineering with a Mission LLC  
Idaho Conservation League  
Idaho Rivers United  
Tradition Building Company

### **Illinois**

Friends of the Chicago River  
Friends of the Forest Preserves  
Natural Land Institute  
Openlands  
Ottawa Chamber of Commerce  
Rural Partners  
The Land Conservancy of McHenry County

### **Michigan**

Laborers' International Union of North America - Local 1191

### **Minnesota**

Minnesota Association of Floodplain Managers  
Renewing The Countryside

### **Missouri**

American Planning Association-Missouri Chapter  
Bridging the Gap  
Citizens' Committee for Flood Relief  
Great Rivers Environmental Law Center  
Great Rivers Greenway  
Great Rivers Habitat Alliance  
Magnificent Missouri  
Maryland Heights Residents for Responsible Growth  
Missouri Coalition for the Environment  
Missouri Confluence Waterkeeper  
Missouri River Bird Observatory  
Open Space Council for the St. Louis Region  
U.S. Green Building Council - Missouri Gateway Chapter

### **North Carolina**

EDF - NC Office  
MountainTrue  
NC Association of Floodplain Managers  
NC Housing Coalition  
North Carolina Coastal Federation  
North Carolina Conservation Network  
Southern Environmental Law Center

**New York**

Center for New York City Neighborhoods  
Genesee/Finger Lakes Regional Planning  
Council  
New York Riverkeeper  
Whose Your Landlord

**Oregon**

Habitat for Humanity of Lincoln County  
Oregon Wildlife Foundation  
The Community Housing Fund  
The Willamette Partnership

**Pennsylvania**

Adams Economic Alliance  
Catalyst Companies  
City of Philadelphia's Flood Risk Management  
Task Force  
Cumberland County Housing and  
Redevelopment Authorities  
Downtown Mechanicsburg Partnership  
Economic Growth Connection of Westmoreland  
Franklin County Area Development Association  
Harrisburg Regional Chamber & CREDC  
(Capital Region Economic Development  
Corporation)  
Mechanicsburg Chamber of Commerce  
New Cumberland Olde Towne Association  
Pennsylvania Association of State Floodplain  
Managers  
Pittsburgh Airport Area Chamber of Commerce  
Pocono Chamber of Commerce  
Spring Grove Area Chamber of Commerce  
TriCounty Area Chamber of Commerce  
West Shore Chamber of Commerce  
York County Economic Alliance

**South Carolina**

American Institute of Architects of SC  
Building Officials of South Carolina  
Coastal Conservation League  
Flood Mitigation Industry Association  
Harrell Insurance Company  
Smart Vent Products, Inc  
South Carolina Association for Hazard  
Mitigation  
Southern Environmental Law Center

**Tennessee**

Chattanooga Audubon Society  
First Tennessee Development District  
Greater Nashville Regional Council  
Green Spaces Chattanooga  
Harpeth Conservancy  
North Chickamauga Creek Conservancy  
Richland Creek Watershed Alliance  
Socially Equal Energy Efficient Development  
(SEED)  
Statewide Organizing for Community  
Empowerment (SOCM)  
Tennessee Clean Water Network  
Tennessee Conservation Voters  
Tennessee Environmental Council  
Tennessee Renewable Energy Economic  
Development Council  
The National Stormwater Center  
Upper Cumberland Development District  
Wolf River Conservancy

**Texas**

Concerned Citizens of Texas  
Galveston Bay Foundation  
Galveston Maritime Business Association  
Katy Prairie Conservancy  
Lake Travis Fire Rescue  
Protect Our Blanco  
Sam Houston Concerned Citizens Coalition  
Texas Brewshed Alliance  
Texas Coalition for Affordable Insurance  
Solutions  
Texas Impact  
Wimberley Watershed Alliance

**Washington**

Northwest Regional Floodplain Management  
Association

**Wisconsin**

Bayfield County Economic Development  
Corporation  
Destination Door County  
Hmong American Leadership and Economic  
Development  
Ironworkers Local 383  
JONAH Affordable Housing Task Force  
Kewaunee County Economic Development  
Corporation

**Wisconsin (Cont.)**

Milwaukee Riverkeeper

Stockbridge-Munsee Band of Mohican Indians

The Milwaukee Area Service and Hospitality

Workers Organization (MASH)

Wisconsin Conservation Voters

Wisconsin EMS Association