



April 4, 2011

The Honorable Judy Biggert
Chairwoman
House Financial Service Committee
Subcommittee on Insurance, Housing and Community Opportunity
2113 Rayburn House Office Building
Washington, DC 20515-1313

Dear Congresswoman Biggert:

The American Land Title Association is pleased to support the Flood Insurance Reform Act of 2011 (H.R. 1309). Every day, land title professionals see the impact that access to affordable flood insurance coverage has on already struggling housing markets.

ALTA believes that a long-term, sustainable fix for the National Flood Insurance Program is necessary to protect taxpayers and ensure that buyers and sellers do not face the uncertainty and delays that accompany a lapse in the National Flood Insurance Program. Last year's disruptions cost consumers and businesses valuable time, money and unnecessary hinder our already fragile housing recovery.

When the program is unable to issue new policies, closings can be delayed in flood prone areas. These delays can represent a serious burden to homebuyers. Each day of the delay costs consumers hundreds of dollars in daily interest costs, storage costs, loss of a lock on their interest rate and extra rent, hotel or mortgage payments. Even more troubling is how a lapse in flood insurance coverage can sometimes cancel an entire transaction. Some home purchase and mortgage contracts have "time is of the essence" clauses that require the transaction to close by a date certain or the seller/lender may terminate the contract and the buyer/borrower is liable for damages, including the loss of their earnest money deposit. These consequences are unacceptable and they can and should be prevented.

For the reasons stated above, ALTA supports HR 1309 because it represents a long-term, sustainable extension of the program and ensures stability in the real estate market. If you have any questions please contact Justin Ailes at 202.296.3671.

Sincerely,

A handwritten signature in cursive script that reads "Kurt Pfothauer". The signature is written in dark ink and includes a long horizontal flourish at the end.

Kurt Pfothauer
Chief Executive Officer