

Tuesday, January 28th, 2014

9:30 A.M.

North Office Building Hearing Room #1

Senate Banking and Insurance Committee, and the Environmental Resources and Energy Committee

Re: H.R. 3815 to Repeal the Biggert-Waters Flood Insurance Reform Act of 2012.

Dear Chair White, and Honorable Committee Members:

My name is Jeff Waltman and I am here on behalf of my wife, family, STOPFEMANOW and a very long list of people that, due to the consequences of the Biggert-Waters Flood Insurance Reform Act, are all in the same situation. We are a large group of voters looking for a positive solution to the following issue.

Without prior notice, our homeowners' flood insurance took a huge leap in premium payments. We are all hard working everyday people; many of us are living from paycheck to paycheck and we cannot absorb these shocking leaps in our policies. To give you an idea of the frustration and anger I am feeling, I'll give you a scenario:

My state of Pennsylvania has a 'lemon law' that provides protection for the buyer against bad used car dealers.

I purchase a car and shortly after have problems with it; let's say it unexpectedly starts making an odd sound. Do I continue to use that car and ignore the sound; or do I take the advice of experts to park that car and repair it when I know that I cannot afford to buy another vehicle? The cost of repairs is astronomical and much higher than the value of the car over the long run. Do I try to sell the car to another person without informing them of current problem I have with it? Or ...do I take the last resort? Hand my keys in and put the burden on my financier? This last action would leave the bank with a car they cannot recoup their money from nor sell it to meet the balance owed on the

loan. As you can see, I am stuck with a car that I cannot afford to keep, cannot maintain, and cannot rely on for my daily use. Now we have a lemon purchase.

The Biggert-Waters Act, otherwise known as BW-12 Act, is nothing short of a lemon purchase.

The President of Our United States signed Biggert-Waters on July 6th of 2012 and it went into effect October 1st 2013.

My personal 'lemon' occurred when my wife and I closed on a home in December of 2012, and as was required by our mortgage agreement, we took the responsible action of purchasing flood insurance prior to the close of the home. The purchasing of this home was not driven by a lifestyle choice. It was simply what we could afford to begin our lives together. We were taking the bad (mandatory) flood insurance along with the good of starting our lives together (affordably). We were not aware of nor was it explained that our flood insurance was a subsidized policy; or that we were looking at a future increase with the new regulations passed in 2012. We simply knew we needed to obtain flood insurance for the purchase of our first home as a newly married couple. When we signed on the dotted line, we weren't told there was a revision to the flood insurance program that would affect our flood insurance policy causing it to increase by thousands of dollars. Thousands of dollars we cannot possibly pay on our income level. As devastating as it sounds we have even contemplated walking away from the home. This legislation was brought to our attention early October 2013 when we were contacted by our insurance provider. They had left a message stating that they wanted to go over the mailing that they had recently sent to us, which pertained to changes in our policy. We hadn't received any mail, so we decided to wait until it arrived before calling them back. This mail arrived within the next few days. As we were opening it, we proceeded to call our insurance provider so we could

collectively review these changes. It was stated to my wife and I that we needed to obtain an elevation survey due to flood zone remapping, and this was to take place at our expense. They explained that this requirement was a result of legislation passed July 2012. In disbelief, my wife and I ended our conversation with them. In the days following, I began to educate myself about what was taking place. To my surprise...I was wrong and they were right. I cannot put into words the anger and frustration of my wife and I once we started gathering the facts. Against our will, we continued through with what we were being told to do. At the expense of \$500 we had this elevation survey done. This \$500 that we used was set aside to make Christmas for my 2 children. A few weeks after submitting this elevation survey to our insurance provider, we received the dreaded phone call on December 2. Our premium went from \$592.00 annually to \$9,096.00 on a \$60,000 home. Well.....was \$60,000 at the time. It is now worthless! We were told that our deadline to pay this new premium in full was December 30th. This did not happen and will never happen. I have since allowed my flood insurance to be forced placed, while it seems to be affordable now, this does not help me as a home owner. This forced placed insurance covers my lender and not my home. They also made it clear to my wife and I that this forced place insurance was subject to increasing.

I am not here to be your facts and figures man. But I do know, factually, that money collected from the pockets of American taxpaying citizens was frivolously dispersed not only here in the United States but to foreign countries. That information and facts can be Googled, twittered, facebooked, etc.

As an active member of stopFemanow; my own experience is being mirrored by hundreds of people who are contacting stopFemanow, and its many growing branches, daily ...all asking where do I get

answers and who do I talk to? Concerned citizens are gathering and asking to be heard. Their stories are all the same; their flood insurance rates skyrocketed to outrageous levels that are financially impossible for the average citizen to absorb.

I understand the impact that past natural disasters put on the finances of FEMA and that financial recovery was the goal of Biggert-Waters. The good that the program did for people who were hard hit by disasters was commendable, but to expect to regain current financial stability by means of this Flood Insurance Act will do more harm than is being realized here. This bill must be repealed in its entirety now. To follow through with it will have grave consequences beyond what can be seen in the numbers. You must look at the full impact this bill will have on the average homeowner and small business owner whose property is within the flood plain: flood zone homes will be abandoned, tax assessments will shift to non-flood properties, local governments and schools will be financially impacted by tax loss. Banks will be left with unmarketable houses and abandoned mortgages because the mandatory flood insurance cannot be paid. This will shift the full burden of taxation onto the shoulders of the non-flood homeowners who are unaware of its coming. Postponing the bill is not the answer. This bill can and will undermine whole communities, not just here in Pennsylvania but across the entire United States. Biggert-Waters is nothing short of a 'lemon' and must be repealed in its entirety now. Thank you for allowing me to share my story.