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4TH DISTRICT, MISSISSIPPI

COMMITTEE ON ARMED SERVICES
COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

<http://www.house.gov/genetaylor>

Congress of the United States
House of Representatives
Washington, DC 20515-2404

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The Honorable Haley Barbour
Governor
State of Mississippi
Post Office Box 139
Jackson, MS 39205

Dear Governor Barbour:

I am writing to follow up on our previous dialogue regarding the process and the requirements for assisting the thousands of Mississippi homeowners whose properties were damaged or destroyed by Hurricane Katrina's storm surge, but did not have flood insurance because the federal government's flood maps said they were not at risk.

You and I agree that the primary purpose and justification of the assistance approved by Congress is to help the many homeowners who acted prudently to protect their homes from hurricane damage, purchased the insurance coverage that they were advised that they needed, but were left without flood coverage because the federal flood maps were horribly inadequate for the unprecedented storm surge of Katrina.

As we have discussed, I believe it is essential that the assistance provided to homeowners through the Community Development Block Grants should be based directly on the actual amount of damage to their homes. As you know, my legislation would have permitted homeowners to enroll in the National Flood Insurance Program and file claims for their hurricane damage. Providing assistance through NFIP would have taken advantage of the existing adjustment and claims procedures to verify damages, and would have obligated the owners to the flood program's construction and insurance requirements. I urge you to establish procedures for the CDBG assistance that mirrors the flood insurance adjustment and claims process as nearly as possible.

I am concerned about press reports that you are considering a restriction that would provide CDBG assistance only to those homes that are more than 50% damaged and consequently must be completely rebuilt. I beg you to reject that suggestion.

Throughout my four-month effort to convince Congress to help homeowners in South Mississippi, I have been committed to a policy that would help rebuild and repair as many homes as possible. I strongly believe that every home that was not in a special flood hazard area on the federal flood maps, yet suffered damage that insurance adjusters have attributed to flooding, should be eligible for the CDBG assistance.

The assistance should be based on actual damages, so that no one gets \$150,000 for a \$50,000 loss, but the \$50,000 loss is just as deserving of assistance. Tens of thousands of homes that were more than 20 feet above sea level and were well beyond the flood hazard areas on FEMA's maps suffered substantial damage but retain the structural integrity to be repaired rather than razed and rebuilt.

The 50% rule is mandated by the National Flood Insurance Program to decide whether a damaged home can be repaired or must be rebuilt at a higher elevation. It is never used to decide whether or not an insurance claim is paid. It certainly should not be used to exclude homeowners from the CDBG assistance approved by Congress.

Many older homes were grandfathered into the flood insurance program at lower elevations than what is required for new construction. If these older homes are more than 50% damaged, the flood insurance program requires that they must be rebuilt to comply with the base flood elevation.

I have been advising homeowners to gather documentation of the pre-Katrina value of their homes, the amount of insurance coverage they had in effect, estimates of their damages and the costs to repair or rebuild, and any insurance, FEMA, or other assistance they have received, under the assumption that the CDBG assistance would be based on these factors.

My legislation would have allowed claims for all homes outside the 100-year flood zones, except that it would have limited the claims to the amount of wind coverage in effect on the home. This restriction would ensure that the assistance reflects the homeowners' own attempts to protect their homes from hurricane damage. I encourage you to adopt a similar requirement limiting the amount of CDBG assistance to the amount of insurance coverage in effect at the time of Katrina.

Thank you for all the help you provided to Sen. Cochran and the rest of the Mississippi congressional delegation during consideration of the Katrina assistance package. Your willingness to help make our case against the opposition of the Bush Administration and the House Republican leadership is especially appreciated.

Please consider these suggestions as you finalize the state plan for administering the federal assistance to homeowners in Mississippi. I am willing and eager to discuss these issues or any other concerns that may arise. Please let me know if I can be of any further assistance.

Sincerely,



GENE TAYLOR
Member of Congress