



May 7, 2020

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North Carolina Association of REALTORS®
4511 Weybridge Lane
Greensboro, NC 27407

Dear Mr. Zimmerman,

The Board of Directors of the Outer Banks Association of REALTORS® (OBAR) has voted to initiate a request for North Carolina Homeowners Alliance funding to support a local property owner education campaign intended to advocate retention of existing flood insurance policies despite reductions in flood risk delineated by the 2020 Flood Insurance Rate Map (FIRM). Effective June 19, 14,880 Dare County property owners will transition under the 2020 FIRM to reduced flood risk designations and will thus be exempted from statutory requirements mandating federally-backed mortgage holders' enrollment in flood insurance under the existing 2006 FIRM. OBAR has determined in consultation with Dare County officials and local surveying and residential construction professionals that the 2020 FIRM critically underrepresents area flood risk as compared with the 2006 FIRM. Because property owners' exemption from flood insurance requirements therefore corresponds with no reduction in actual risk, a community outreach initiative designed to inform property owners' retention of existing flood insurance coverage is imperative. It is our understanding that such an initiative would comport with the North Carolina Homeowners Alliance's educational mission and eligibility requirements for local association funding.

In early 2019 Dare County designed a public education campaign to minimize likely misinterpretation of the 2020 FIRM risk reductions by, in large part, distributing a mailer to affected property owners. OBAR and Dare County agreed that the importance of this campaign consisted not only in the significant potential for uninsured losses, but moreover for homeowners' inability to secure affordable rates after cancelling their grandfathered coverage. OBAR therefore initiated a partnership with Dare County to support county educational outreach by holding in-person community forums on flood risk and by distributing a supplemental mailer. Because the COVID-19 pandemic will prevent Dare County from undertaking its planned mailing due to budgetary shortfalls, and OBAR from conducting planned in-person forums due to social distancing requirements, a communication from OBAR would now be the only direct notification homeowners receive of information crucial to their personal financial wellbeing and to the economic resilience of our area. Homeowners Alliance funding for this project would allow REALTORS® to independently exercise a highly consequential function in advancing community resilience. It would also communicate to members of the public and to local government officials our association's seriousness about meeting the complex environmental and regulatory challenges involved in practicing real estate on our barrier islands.

Regards,

Jimmy Anderson
President

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