

**THE SENATE SHOULD SUPPORT THE
PROPERTY MITIGATION ASSISTANCE ACT OF 2007
(S. 2328)**

Mitigation Does Not Just Save Homes...It Saves Lives

On November 8, 2007, Senator Dodd (D-CT) introduced S. 2328 to help people protect their homes in areas at high risk for catastrophic storm damage. The need for mitigation is immediate. A recent study by The Wharton School's Risk Management and Decision Processes Center concluded that mitigation measures reduced damages from catastrophic storms by more than 50%. S. 2328 recognizes that investments in "hardening" homes through such actions as improved roofs, safe room construction, elevation of electrical systems, and the addition of storm shutters goes a long way to *saving* homes and, ultimately, to *saving* lives.

Moreover, experience shows that these investments pay dividends in reduced insurance costs as well as safety. For example, the State of Florida recently announced that participants in its mitigation program experienced average premium savings of more than \$150 per participating household, or approximately 15%. The Institute of Business and Home Safety has estimated that every dollar invested in mitigation yields four to seven times that in savings.

S. 2328 provides important tools in the fight against increasingly disastrous storms and would enable on-the-ground catastrophic preparedness, including:

- **Establishment of a Homeowner Mitigation Loan Program (HMLP).** HMLP, administered by the Federal Emergency Management Agency (FEMA), would provide pre-disaster grants to states. The state would then provide direct mitigation grants and non-compounding loans to property owners. A receiving state would be required to match not less than 10% of the grant amount received.
- **Focus on Low- and Moderate-Income Homeowners.** To ensure that those most in need are served by the legislation, the bill would limit grant eligibility to homeowners with incomes less than 50% of the area's median income and limit low interest loan eligibility to homeowners with incomes less than 120% of the limit. Regular loans are available to homeowners and businesses with incomes that exceed 120%.
- **Development of Long Term State Catastrophic Storm Preparedness Plans.** S. 2328 provides that states must submit to FEMA a mitigation plan in order to be considered for grant award. This provision encourages states to develop comprehensive plans that will improve the structural integrity of homes and the infrastructure within the state. For example, among those that received mitigation grants from Florida's My Safe Florida Home program, home strength increased by 36%. S. 2328 would, likewise, encourage similar protection in high risk areas.
- **Encouragement of Proper Insurance Coverage.** Homeowners and businesses are only eligible for mitigation assistance if they have home insurance and, where applicable, flood insurance for their property. This provision encourages property owners to utilize a multi-layered approach to protecting their property.