



**[Docket No. FR-6505-N-01]**

## **Request for Information Regarding Resilience Measures and Insurance Coverage**

**AGENCY:** Office of Policy Development and Research, Department of Housing and Urban Development (HUD).

**ACTION:** Request for information.

**SUMMARY:** Homeowners and housing providers have experienced significant increases in property insurance premiums and deductibles in the past several years, along with reductions in insurance coverage, added requirements, and withdrawals of insurance companies from certain markets. In July 2024, HUD convened an insurance summit to address challenges in the property insurance market. The insurance summit highlighted the need to increase property resilience to natural hazards and to clarify the relationship between resilience measures and costs to property owners, including the cost of insurance. Through this Request for Information (RFI), HUD seeks public input regarding how best to assess measures to increase the resilience of residential properties to natural hazards and extreme weather. This information will allow HUD to develop policies that better support HUD's program participants in increasing resilience to natural hazards, including extreme weather, and accessing affordable insurance for their properties.

**DATES:** Comment Due Date: [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Late-filed comments will be considered to the extent practicable.

**ADDRESSES:** Interested persons are invited to submit comments responsive to this RFI. All submissions must refer to the docket number and title of the RFI. Commenters are encouraged to identify the number of the specific question or questions to which they are responding.

Responses should include the name(s) of the person(s) or organization(s) filing the comment; however, because any responses received by HUD will be publicly available, responses should not include any personally identifiable information or confidential commercial information.

There are two methods for submitting public comments.

1. **Electronic Submission of Comments.** Interested persons may submit comments electronically through the Federal eRulemaking Portal at <http://www.regulations.gov>.

2. **Submission of Comments by Mail.** Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500. HUD strongly encourages commenters to submit their feedback and recommendations electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a response, ensures timely receipt by HUD, and enables HUD to make comments immediately available to the public. Comments submitted electronically through the <http://www.regulations.gov> website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

**Note:** To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the notice.

*No Facsimile Comments.* Facsimile (FAX) comments are not acceptable.

*Public Inspection of Public Comments.* All comments and communications properly submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as from individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**FOR FURTHER INFORMATION CONTACT:** Todd Richardson, General Deputy Assistant Secretary, Office of Policy Development and Research, Department of Housing and Urban Development, 451 7th Street SW, Room 8100, Washington, DC 20410-0500; telephone number 202-402-5706 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Homeowners and housing providers have experienced significant increases in property insurance premiums and deductibles in the past several years, along with reductions in insurance coverage, added requirements, and withdrawals of insurance companies from certain markets. Increased insurance costs and the unavailability of coverage are negatively impacting HUD's program participants, including public housing authorities (PHAs), multifamily property owners, and Tribal communities, as well as borrowers of FHA insured mortgages. In July 2024, HUD convened an insurance summit to address challenges in the property insurance market. The insurance summit highlighted the need to increase property resilience to natural hazards, including extreme weather, and to clarify the relationship between resilience measures and costs to property owners, including the cost of insurance.

Increasing insurance costs and lack of insurance availability pose unique challenges to HUD's program participants. Unlike owners who provide market-rate housing, affordable housing providers generally cannot pass their insurance cost increases on to tenants through increased rents. Currently, some affordable housing properties faced with suddenly higher insurance costs report that they are coping in short-term ways, including reducing insurance coverage or cutting back on providing services or amenities to cut costs. Owners and PHAs have also reported that they may have to resort to delaying capital repairs or consider the sale of

properties and further consolidation of their portfolios. Additionally, financing deals for the development of new properties are becoming more difficult to pencil out or close.

Difficulty obtaining sufficient insurance coverage at a reasonable price also affects both new and existing FHA borrowers in all property types, including site-built single family, manufactured housing, and multifamily housing. For existing FHA borrowers, rising insurance costs increase monthly housing expenses, causing financial stress on the borrower and affecting their ability to maintain monthly mortgage payments. Some cash-strapped borrowers resort to canceling their insurance policies, taking them out of compliance with mortgage requirements and potentially affecting their ability to receive federal assistance in the case of a disaster. In many instances, companies simply are not renewing existing insurance policies, leaving consumers searching for new, and often more expensive, policies that often provide less coverage. Additionally, the lack of affordable and available insurance coverage can also make it more challenging for individuals to sell their home. For potential borrowers, increasing insurance costs may limit affordable housing options or participation in the market altogether.

These challenges are occurring at the same time the nation faces a housing supply shortage, and they could further decrease housing affordability and availability across the nation.

Improving resilience measures for properties can reduce their damage from natural disasters and extreme weather, and, therefore, reduce costs to insurers. HUD's insurance summit highlighted examples of state programs such as those in Alabama and Louisiana connecting resilience standards to reduced insurance costs. Following the summit, HUD is releasing this RFI to better understand the challenges facing property owners and determine what more HUD can be doing to promote and encourage resilience investments in communities and reduced insurance costs for property owners.

## **II. Purpose of this Request for Information**

The purpose of this RFI is to solicit information regarding resilience measures to mitigate damage from natural hazards, including extreme weather, to allow HUD to develop policies that

better support HUD's program participants in increasing resilience and their ability to access affordable insurance coverage for their properties.

### **III. Specific Information Requested**

While HUD welcomes all comments relevant to increasing resilience of HUD-supported housing and reducing insurance costs, HUD is particularly interested in receiving input from interested parties on the questions outlined below.

#### ***Single Family and Multifamily Housing, Public Housing and Insurance Risk Pools***

*Question for comment #1:* What are the financial savings (e.g., insurance premiums or avoided casualty loss) and other benefits associated with modifications to existing single family or multifamily properties, including public housing, to mitigate damage from natural hazards or increase resilience in the event of a natural hazard? How do these savings compare to the costs associated with those modifications? Please list modifications and each of their damage mitigation benefits as well as financial and time costs. Distinguish by peril type (earthquake, hurricane, floods, hail, drought, wildfire, extreme heat, landslide, etc.) or geography as appropriate, as well as by building and construction type.

*Question for comment #2:* What are the financial savings (e.g., insurance premiums or avoided casualty loss) and other benefits associated with building new construction properties with building and design features that mitigate damage from natural hazards or increase resilience in the event of a natural hazard? How do these savings compare to the costs associated with those features? Please list building and design features and each of their damage mitigation benefits as well as financial and time costs. Distinguish by peril type (earthquake, hurricane, floods, hail, drought, wildfire, extreme heat, landslide, etc.) or geography as appropriate, as well as by building and construction type.

*Question for comment #3:* What data exist around the additional time or financial costs, if any, of rebuilding to or above code post-disaster instead of waiving requirements? Is there

information on the longer-term costs (e.g. financial or damage-related) related to waiving building requirements when rebuilding post-disaster?

*Question for comment #4:* Are there local or state statutes, regulations, or incentives that help property owners reduce costs or save on expenses, including insurance costs, when they invest in resilience (e.g., reduced insurance premiums, tax abatements, subsidies/discounts)? If possible, please provide data on how successful these measures have been in saving on expenses.

*Question for comment #5:* Please identify any industry standards related to resilience that you have used or referenced in your work. If possible, please document where the standard has been applied, at what scale, and to what effect.

*Question for comment #6:* Are there local, state, or regional outreach or education efforts that have been successful in helping homeowners and housing providers understand the direct and indirect benefits of investing in resilience measures?

*Question for comment #7:* What data would be useful for insurers (including risk pools) and reinsurers on efforts to mitigate damage from natural hazards or increase resilience to natural hazards, such as housing elevations, home resilience upgrades, and infrastructure improvements?

### ***Tribal Communities***

*Question for comment #8:* What unique challenges do Tribal communities face when implementing housing resilience measures? How can HUD support Tribal communities in addressing these challenges?

*Question for comment #9:* What partnerships between Tribal governments, local authorities, and other organizations exist to enhance housing resilience on Tribal lands? Are there ways in which these partnerships can be expanded or improved? Please explain and provide specific recommendations, successes, and challenges as well as any supporting data as applicable.

*Question for comment #10:* How can Tribes or organizations in remote locations with limited options for resilience investments better access or incorporate resilience strategies,

resources, or methods? What resources can HUD provide in partnership with groups in these areas?

*Question for comment #11:* What Traditional Knowledge and Indigenous Knowledge about building practices can be integrated with modern resilience measures in tribal communities? Please explain and provide specific recommendations, as well as any supporting data.

### ***Manufactured Housing***

*Question for comment #12:* In addition to addressing manufactured housing in the above questions where relevant, how else can manufactured home resilience be enhanced during all types of natural disasters (e.g., hurricanes, floods, earthquakes, wildfires, or tornadoes)? Please provide relevant research as well as any supporting data as applicable.

**Solomon Greene,**  
*Principal Deputy Assistant Secretary.*

**[BILLING CODE 4210-67]**

[FR Doc. 2024-30936 Filed: 12/27/2024 8:45 am; Publication Date: 12/30/2024]