

Diversity Includes Disability: Exploring Inequities in Financial Services for Persons with Disabilities, Including Those Newly Disabled Due to Long-Term COVID
Subcommittee on Diversity and Inclusion
House Financial Services Committee
May 24, 2022

Opening Statements

Chairwoman Beatty (D-OH) stated that the Subcommittee has been focused on all aspects of diversity and stated that disability takes many forms. She continued that one in four Americans have some type of disability and that this number continues to grow. Beatty stated that banking is an area of particular concern for those who are disabled and said that many disabled people are unbanked. She discussed the housing challenges that disabled people face as well.

Rep. Gonzalez (R-OH) remarked that those with a disability should be treated equally under the law and be given tools to succeed. He also touched on the housing and banking challenges. Gonzalez added that millions of Americans are suffering directly or indirectly from COVID. He was interested to hear how new technology can provide better access for individuals and how the private sector can play a role.

Chairwoman Waters (D-CA) said that it is unfortunate that the financial services and housing markets do not sufficiently provide for disabled people. She referred to her draft legislation that would encourage the SEC to provide better information about which companies are accommodating the disabled community. Waters stated that these and other reforms are long past due.

Witness Testimony

Alison Cannington, Senior Manager, Advocacy and Organizing, The Kelsey, remarked that housing has remained unaffordable, inaccessible, integrated, and non-inclusive. She continued that we do have a federal legal framework through the Fair Housing Act, Americans Disabilities Act, and the Olmstead Supreme Court Decision, yet there has never been an investment in housing for those with disabilities. Cannington said that those with disabilities are twice as likely to live in poverty and said that the highest rates of discrimination are against those with disabilities. She said that segregated housing models still prevail and said that the federal government must invest in a housing structure to meet everyone's needs. Cannington touched on how the Committee has the authority around housing vouchers, especially Mainstream vouchers and Section 811 project assistance. She added that accessibility requirements could be increased and coupled with funding incentives beyond the minimum requirements for cross disability access. Cannington said that innovative policy and robust funding would also allow localities and municipalities to advance inclusive, affordable housing.

Cynthia DiBartolo, Founder and CEO, Tigress Financial Partners, stated that there is an obligation to give a voice to the disabled and noted that Tigress Financial Partners is the only disabled and woman-owned financial institution. She emphasized the intersectionality between being disabled and other marginalized populations. DiBartolo shared her battle with cancer and how that has affected her career since. She believed that people with disabilities are the missing population when we talk about diversity.

Thomas Foley, *Executive Director, National Disability Institute*, discussed how far too many barriers to economic advancement for people with disabilities remain and noted that his organization supports S. 4102, the SSI Savings Penalty Elimination Act, to address some of these barriers. He then turned to the importance of financial inclusion and financial education for those with disabilities. Foley described how those with disabilities are more likely to be unbanked. He then noted that many people with disabilities turn to self-employment and small business development and voiced support for the addition of disability lending disclosures under section 1071, adding the ADA definition of “disability” to ECOA, and ensuring that disability becomes a measurable activity as part of the Community Reinvestment Act (CRA). He added that banks, financial institutions, and Fintech need better outreach to these communities.

Vilissa Thompson, *Fellow, The Century Foundation & Co-director, Disability Economic Justice Collaborative*, stated that it is vital to understand the economic barriers disabled people face and to look at this through an intersectional lens. She said that for disabled adults, conditions for renting or buying a home are incredibly discouraging. Thompson also discussed the workforce barriers that disabled individuals experience and called for reform in asset limits. She concluded that removing these economic barriers would reduce poverty and unlock the economic power that the disabled community is capable of.

Caroline Sullivan, *Executive Director, North Carolina Business Committee for Education, Office of the Governor*, stated that she was invited by Congressmen McHenry to talk about a program that addresses the barriers to employment for individuals with autism spectrum disorder. Sullivan stated that there is an urgent need to develop programs for competitive employment for autistic adults and while many employers want to include autistic team members, they do not know how to support them for success. She then described how they designed a paid, internship/on-the-job training program for individuals with autism spectrum disorder, called Linking North Carolina with Innovative Talent or LiNC-IT, by working with the NC Division Vocational Rehabilitation and other partners to identify supports and align systems. Sullivan noted how successful the program was in linking these individuals with employers and encouraged all public and private employers to develop programs like LiNC-IT.

Member Questions

Chairwoman Beatty (D-OH) turned to DiBartolo on workforce challenges and how many disabled Americans have chosen to become entrepreneurs due to barriers to traditional employment. She asked what the committee should be doing differently given her experience as the first disabled female owned financial services company on NYSE. DiBartolo emphasized the massive barriers that disabled entrepreneurs face and that she had difficulty securing capital even with all her experience in financial services. She said that these barriers to access to capital are difficult to overcome. Beatty turned to Cannington on Title II of the ADA and asked if state and local governments currently track housing stock that is ADA accessible and integrated. Cannington stated that the answer is largely no and said that there are inconsistencies across the board. Beatty believed that this can be looked at at the federal level. She then discussed how financial services apps and websites are not accessible to those who are visually impaired and asked Foley for his insight. Foley responded that financial providers need to build accessibility in from the beginning and those with disabilities should be able to test the product too. Beatty

referred to Rep. Dean's legislation, *Private Loan Disability Discharge Act*, and asked if the panel supported this legislation. The entire panel answered in the affirmative.

Rep. Gonzalez (R-OH) wanted to dive deeper into access to capital and thought this was critical. He asked how DiBartolo specifically overcame the barriers of access to capital. DiBartolo spoke about how she liquidated all her assets and risked it all. She added that her resilience really pushed her to make it through and said that at one point she almost had to sell her engagement ring to make payroll. Gonzalez thought she had an incredible story and turned to Sullivan and asked about the biggest barriers she faces when talking to employers about hiring someone who is on the autism spectrum. Sullivan answered that LiNC-IT acts as a talent acquisition system and it links interns with companies and the program works with these companies throughout the entire process. She discussed how the interview process and onboarding are particularly difficult for autistic people but said that once they are situated, they do very well.

Rep. Pressley (D-MA) stated that for too long the status quo has negatively affected disabled Americans and said that ultimately, policy is about people and shared one of her constituents' stories who suffered long-term effects from COVID. She asked Thompson how those with long COVID struggle in the workforce. Thompson referred to the July 2021 guidance issued by the Biden Administration that deemed long-COVID a disability under the ADA but said that employers have not or won't integrate accommodations into the workplace. She suggested that a nap room, places to store medication, and other accommodations would be helpful for those with long COVID. Pressley asked if SSI provides for an individual to have emergency savings over \$2,000 or live above the federal poverty line. Thompson replied no to both. Pressley agreed with Foley that the systems need to change and asked about the challenges one would face when finding housing within SSI limits. Thompson stated that the voucher programs are largely unavailable to disabled people and said that the housing is very unaffordable for disabled people.

Rep. Rose (R-TN) was interested in hearing from DiBartolo and asked about any rules and regulations that could be tailored to allow firms like hers to flourish. DiBartolo said that there are changes that can be made to allow disabled companies to thrive and discussed how disclosure of data in the private and public sector would be helpful. She pointed out that many disabilities are invisible as is the data and this needs to change so we are more inclusive of those who are disabled. Rose continued saying that many disabled Americans refrain from disclosing their disabled status and asked why individuals do this when applying for jobs. Sullivan replied that many individuals on the spectrum do not disclose this due to the fear of discrimination or being treated differently. She found that having their interns disclose their disabilities is helpful to the companies because they can make accommodations and set these interns up for success.

Rep. Lynch (D-MA) discussed major housing developments in his district that are being torn down and rebuilt and said that there does not seem to be an existent housing policy that prioritizes disabled individuals and provides access to job opportunities. He thought that it should not take a Member of Congress to get a public housing authority to make small accommodations for these individuals. Lynch asked if Foley saw this gap between what should be a priority for our housing authorities: to link up job training opportunities with individual handicapped households. Foley commended Lynch for putting this program in place and touched

on the inaccessibility of housing that has been mentioned during the hearing. He thought that what Lynch was describing a pilot of what could be done and said that providing safe and accessible housing provides the ability to look at employment in a whole new way. Lynch zeroed in on those who are disabled as a result of addiction and how the needs of these individuals is different from the needs of those who are mobility disabled. He asked Foley if he knew of any state programs that include those who are disabled due to addictions. Foley was not an expert in programs for substance abuse and deferred to others.

Rep. Tlaib (D-MI) said that our housing affordability crisis is falling even heavier on those with disabilities. She asked Cannington about policy recommendations that can improve access to credit and opportunities to purchase a home and build wealth for those who are disabled. Cannington suggested that a mortgage company should look at someone's story in addition to credit and income. She said that if the mortgage company is solely focused on income, disabled people face significant barriers, especially those on SSI or SSDI. Cannington suggested the use of housing choice vouchers for homeownership and believed that HUD and Fannie Mae and Freddie Mac should be doing more here. Tlaib continued that much of the housing stock in her district is valued at less than \$100,000 and needs significant repairs and noted the need for small dollar financing. She asked Cannington if she had any other suggestions, especially on small dollar mortgages and prioritizing those with disabilities. Cannington replied that investment needs more prioritization and stated that disability and inequity need to be integrated into the solution. She emphasized that agencies need to make this happen.

Rep. Garcia (D-TX) thought that the bigger issue was getting on disability for those experiencing long-term COVID and asked how this is going. Thompson replied that we are not doing well at all with regard to those experiencing long-term COVID. Garcia asked Foley about accommodations and asked if employers are making accommodations for those who suffer from long-term COVID. Foley heard that some employers are accommodating but they are largely not accommodative. Garcia referred to Amazon not being accommodative to pregnant and disabled women and asked how common this is. Foley and Thompson answered that this is not uncommon unfortunately. Garcia referred to her legislation H.R. 7123, *Studying Barriers to Homelessness Act*, which would help the disabled access accommodations more easily.

Rep. Auchincloss (D-MA) turned to Sullivan on 'hidden workers' and the low employment rate among autistic people. He asked how Congress can partner with the private sector to implement recommendations made in Harvard's report, [*Hidden Workers: Untapped Talent*](#). Sullivan replied that a job coach is very helpful for autistic people and added that simplifying job descriptions can be very helpful as well. She was not sure what can be done from a legislative standpoint due to the individual aspect of the LiNC-It program. Auchincloss discussed the multiple transit options offered in his district, none of which are ADA accessible in his hometown and all of which have significant housing stock around them. He asked Foley how non-ADA compliant transportation nodes impact the disabled community's access to jobs and opportunities. Foley replied that transportation is the number one barrier to employment for the disabled and said that accessible and affordable transportation is probably the number one ranked issue for those with disabilities when it comes to job access. Auchincloss believed that we make transportation across the country better when it is accessible to everyone.

Reauthorization and Reform of the National Flood Insurance Program
Subcommittee on Housing, Community Development and Insurance
House Financial Services Committee
May 25, 2022

Opening Statements

Chairman Cleaver (D-MO) stated that this hearing is to continue the work on getting a bipartisan agreement on a permanent reauthorization of NFIP saying that flooding is the most frequent weather event. He continued that high-risk areas are not the only areas at risk of flooding and that climate change is increasing the risk of extreme weather events, including flooding. Cleaver noted that racial and ethnic minority communities are most vulnerable to flooding events and said that his own district is at risk. He believed that flood insurance is critical in order for communities to rebuild their homes and businesses. Cleaver pointed out that the last time NFIP was permanently reauthorized was 2012 and since 2017, the NFIP has had 19 short-term reauthorizations. He added that the program has lapsed many times as a result and this has hurt homeowners. Cleaver said that there is an increased need to invest in infrastructure and pointed to the dollars allocated to flood mitigation in the bipartisan infrastructure act (IIJA).

Ranking Member Hill (R-AR) questioned how to fix the NFIP and how this has been a question since he came to Congress. He echoed that floods are the most common and most expensive natural disaster and added that floods are also the most deadly. Hill noted that the last time this Committee held a hearing on the NFIP was back in 2019 and said that Chairwoman Waters has prevented an NFIP reauthorization bill from coming out of the Committee to the House Floor. Instead, he said that Waters has chosen to promote partisan NFIP legislation that was included in the Build Back Better Act. Hill supported flood insurance programs outside of the federal government and an affordability program that could help out those who are low-income. He thought there was a lot of room for bipartisan work.

Witness Testimony

Carolyn Kousky, Executive Director, Wharton Risk Center, stated that she had been researching NFIP for over a decade. She then went to focus her remarks on the role of insurance in providing financial resilience to floods, the updates to current pricing in the program, the continuing need for an explicit means-tested assistance program for flood insurance, and how climate change will pose new stresses for the NFIP that will need to be addressed. Kousky noted that flood insurance plays a critical role in promoting resilience by protecting homes and businesses and that reforms to better target and speed federal mitigation dollars can support the reduction of flood risk.

Karen McHugh, Missouri State NFIP Coordinator, on behalf of the Association of State Floodplain Managers, discussed how NFIP is a partnership between communities, states and the federal government and then went on to describe these interdependencies as well as multiple recommendations for Congress to consider to reform the NFIP. She expressed support for Risk Rating 2.0 (RR 2.0) and saw implementation as an opportunity to implement several complementary reforms. McHugh explained that for ASFPM, their primary concern is making sure that changes to the insurance part of the NFIP have not broken integral ties with either the

floodplain management or mitigation elements of the program. She then discussed the impact of inflation on NFIP and the importance of improving flood plain mapping. McHugh also discussed her work with underserved communities and the opportunity that reauthorization presents for reform within the program.

Ariel Rivera-Miranda, *Founder and Agency Principal, Deer Insurance, on behalf of the National Association of Professional Insurance Agents*, discussed the essential role of independent agents within NFIP. He expressed support for RR 2.0 as it will make NFIP more solvent and went on to discuss the program's implementation as well as the need for increased transparency on pricing. Rivera-Miranda then laid out a framework for long term reauthorization and urged Congress to work toward this goal by building upon the NFIP reauthorization that passed out of HFSC in 2019.

Roy Wright, *President & CEO, Insurance Institute for Business and Home Safety*, emphasized the need for Congress to pass long term NFIP reauthorization. Wright then spoke about the effects of inflation on the NFIP as it impacts people's ability to afford insurance and rebuild. He also pointed to the impact of inflation on FEMA's ability to service NFIP's debt. He then spoke of the critical role that insurance plays in communicating risk and providing financial resilience, and ways to improve the effectiveness of the NFIP and the resilience of families and communities in flood-prone areas. Wright believed that RR 2.0 is doing what it has been designed to do and that it has been beneficial to the policy holder. He encouraged them to explore ways to lessen the burden of flood insurance for moderate-to-low-income policy holders.

Franklin Nutter, *President, Reinsurance Association of America*, supported a long-term reauthorization of NFIP and said that since 2011, Congress has worked to address the flaws in the NFIP. He believed that today, the NFIP is on a stronger path and encouraged the enactment of reforms to preserve the NFIP's reinsurance program and RR 2.0. Nutter continued that 2.0 more precisely reflects property specific flood risk. He turned to the underinsured and uninsured and supported Luetkemeyer's and Casten's continued coverage legislation so consumers can have private flood policy but return to NFIP if need be. He believed in a comprehensive strategy to address flooding and said that any reform legislation should aim to close the flood insurance gap and create resilience in communities. He mentioned the Community Disaster Resilience Zones program which would support low-income policy holders.

Member Questions

Chairwoman Waters (D-CA) stated that the NFIP is among one of the most important federal programs and noted that the last long-term reauthorization was in 2012. She continued that Congress must institute reforms that support the longevity of the program. She turned to Wright asking about her draft bill, *the National Flood Insurance Program Reauthorization Act of 2022*, that would stand up a pilot program for a means test to help the affordability aspect and asked for his thoughts on this. Wright was at FEMA when that study was done and said that ultimately, we need to find the right balance to help those in need. At this point, he thought a pilot program was too small and wanted something to grow incrementally. Waters was also worried that a pilot program was too small and too late. She turned to RR 2.0 and discussed the rate caps put in place to avoid increasing the policy and asked Kousky about the program and if she thinks the rate caps have been sufficient. Kousky replied that rate caps are important to maintain and saw that

so far, in the places of very high risk, there are higher rates which are concentrated in specific areas and that's where they should target mitigation.

Ranking Member Hill (R-AR) referred to Nutter's testimony where he found it provocative that Nutter said that the NFIP is not an insurance program and Hill voiced his support for RR 2.0. Hill called out the legislation noticed in this hearing saying that while we need to keep flood insurance affordable, an across-the-board rate cap is a bad idea along with the exclusion of underwriting information. He asked Nutter if these rate caps weakened the 'insurance program'. Nutter replied yes and said that reducing the rate cap is a 'blunt instrument' that would go across the board for single-family homes. Nutter added that it would work against putting the NFIP on a fiscally sound basis. Hill continued that families are not notified when their home is at risk and asked about this and if the state should be involved. Kousky agreed that there is important risk information not being disclosed to homeowners and prospective homebuyers and that states should be involved in this. Hill said that we have a huge problem where people do not have a mortgage line and therefore, they do not have protection against flooding and asked how Congress should ensure that mitigation money is used to raise a home. Kousky thought that we should be doing more to better spend mitigation dollars and target specific areas. Wright added that we need to make sure that the mitigation dollars go to the areas where the money will have the most impact so that the community as a whole will be able to rebound.

Chairman Cleaver (D-MO) picked up where Waters left off saying that the NFIP is billions of dollars in debt and every year, policy providers pay millions of dollars to service the debt. He asked about this and what Congress should do about the debt. McHugh believed that the current NFIP debt should be forgiven, and some form of sufficiency standard should be adopted to ensure that the debt is paid by the US Treasury. Kousky agreed that the debt should be forgiven. Cleaver referred to BBBA and how NFIP debt forgiveness was included. He asked if it makes sense for policyholders to pay this interest on the debt when the NFIP will never be able to repay the debt. Nutter replied that he does not have a position on this and said that the NFIP structure needs to be put on the path of RR 2.0 and the private sector's reinsurance. He added that it is important for the NFIP to be fiscally sound, and they thought private reinsurance could be helpful in this area. Cleaver thought it made no sense to continue with this indebtedness.

Rep. Posey (R-FL) asked if we should transition the NFIP to the private sector. Nutter agreed that the private sector can supplement the NFIP and said that the reinsurance sector is ready to support flood insurance. Posey asked why FEMA is not fully disclosing the data they are using to calculate flood insurance premiums. Nutter said that he has done a lot of data analytics on claims and premium data and used the public release of 2.0 data and thought it would be valuable for FEMA to release more granular data. He added that it has been difficult to distinguish the type of home for the data and thought that targeting mitigation would be helpful. Posey agreed and asked if the NFIP should establish premiums or methods of premiums with rulemaking and comments consistent with the Administrative Procedures Act. Nutter deferred to Wright but said that FEMA has been good about releasing large swaths of data which he has used and could not comment on the Administrative Procedures Act. Wright added that FEMA has been slow around the rulemaking process. Posey turned to 2.0 and asked if policyholders should be able to appeal their premium. Nutter was not familiar with the appeals process but added that transparency

benefits everyone. Posey continued that the NFIP is not transparent enough to inform the customer.

Rep. Sherman (D-CA) stated that in California there are strong real estate disclosure requirements, and these requirements include prior property damage caused by flooding and he went on that he understands that when someone buys a home, constituents cannot gain access to the NFIP claims history and understood that FEMA will not provide this information directly is because of the Federal Privacy Act. He asked Wright if buyers should have access to this information directly. Wright replied that there must be a way to provide that information and that this is under the states' jurisdiction. Sherman thought this would be helpful and pointed out that Waters and Sherman both represent LA which is experiencing a drought. He turned to Wright's testimony where he discussed the stopgaps for NFIP and the consequences of the lapses in the program. Sherman said that the lapse does not save the federal government money and asked about the benefits of long-term reauthorization. Wright replied that the real estate marketplace needs certainty and said that these increments are disruptive and create a tremendous amount of work to turn the program on and off. He commended the House for passing bipartisan legislation but emphasized the different geographic needs when it comes to flooding.

Rep. Huizenga (R-MI) noted an issue one of his former colleagues, Chairman Hensarling, highlighted in the past as repetitive loss properties. He noted instances of houses flooding repetitively and emphasized one specific instance of the same house flooding over forty times and asked if these kinds of scenarios were still being addressed by an NFIP program and if it was even possible for these scenarios to be addressed by the NFIP. Wright that they are addressing these issues and that FEMA has a threshold for extreme repetitive loss and that you should not be allowed to stay under the NFIP in the case of extreme repetitive loss. Huizenga then asked what the trigger to mitigation is in the case of extreme repetitive loss, asking whether it was triggered by the number of incidents or a dollar amount. Wright continued that some of the best thinking on it was around the 3-4 claim which the value exceeds \$2,000. Wright warned against kicking people out of their homes but said that at some point you have to draw the line and stop that cycle from repeating. Huizenga said that we are perpetuating keeping people in harm's way and turned to Nutter asking if it makes sense to concentrate so much of the flood risk onto the NFIP's balance sheet. Nutter replied that the risk transfer program is fairly common among government programs and said that the development of a private flood insurance market would supplement the number of policies. Huizenga touched on inflation and the availability and cost of housing materials and asked what this is doing to the program. Wright replied that RR 2.0 addresses a big piece of inflation as it looks at the actual cost of repairs, but the flip side is that because there is only \$250,000 of coverage allowed under law, he was convinced people will submit claims that are over this amount and he thought this was related to the inflation.

Rep. Casten (D-IL) followed up on Huizenga's comments on repetitive loss properties and asked Wright to explain what it is about the current process that makes it so difficult for those to get a claim on their repetitive loss property. Wright answered that today, if someone is on multiple claims and wants a buyout, you may not get in the first year someone applies because of the backlog. He thought that what Casten is proposing would help this issue and save money. Wright continued that the family just wants to start over and does not want to live in a decrypted place in the hopes that one day, they can move on. Casten asked about the portion of the claims

that would be taken out if buyouts were able to occur more frequently. Wright replied that with places for 2-3 claims, they take up about 40% of the payout budget. Nutter added that the GAO report stated that repetitive loss properties take up nearly a third of the payout money.

Rep. Rose (R-TN) referred to Nutter's testimony where he talked about reforms to create resilient and insurable communities and asked him to discuss them, specifically the CDRZ proposal. Nutter replied that CDRZ would take FEMA's national risk index and put it in a statutory state that would require federal programs to direct the mitigation dollars to specific communities that have been identified as CDR zones and prioritize them that are at risk to natural disasters as well as economically vulnerable. He added that the proposal would also provide federal assistance to local communities to issue bonds focused on resilience in these communities along with private bonds. Rose referred to February 2019 where regulators issued a final rule clarifying how lending institutions set private flood insurance policies and asked since that time if private flood insurance has increased its market share. Nutter replied that the private flood insurance market competes with the NFIP with the subsidized rates and assistance. He added that he has been working with state insurance commissioners to facilitate a process at the state level to encourage companies to be part of that but feel like some things need to be done at the federal level including Luetkemeyer's proposal for continuous coverage that would allow policyholders in the NFIP the ability to access the private market and if not, come back into the program without losing their status. Nutter said that the private flood insurance market is still very nascent. Rose asked what other governmental barriers are that prevent the private sector from insuring Americans. Nutter answered that 2.0 has the residual value of encouraging private companies to see if they can compete with NFIP. Rose asked about ramifications of being suspended from the NFIP program for not following proper floodplain guidelines. Nutter deferred to Wright. Wright said that this is a quid pro quo when you enter the NFIP and said that this is how insurance is made available and emphasized that FEMA is very patient and that it takes a long time for suspension. Rose asked what impact this has on the private market. Wright replied that once you have been suspended, the private market is the only place to get insurance.