



State of Connecticut
GENERAL ASSEMBLY
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

July 31, 2018

The Honorable Paul Ryan
Speaker of the House
1233 Longworth HOB
Washington, D.C. 20515

Dear Mr. Speaker,

As members of the Connecticut Senate Republican and House Republican caucuses, we would like to draw your attention to an important issue. The State of Connecticut is facing a silent crisis which has an impact equal to that of any major natural disaster. Throughout a large portion of our state, the concrete foundations of potentially thousands of homes are crumbling due to the presence of a rare mineral called pyrrhotite. This mineral wreaks havoc on homes when it reacts with water and expands to cause extensive cracking. Once the structural integrity of the home is compromised, it is only a matter of time until it collapses. Insurance policies do not cover the issue, the company which produced the concrete aggregate cannot be held liable because no law was broken, and so far FEMA has rejected our pleas for assistance on the grounds this is not a "natural disaster." Thus, homeowners have seen the value of their homes depleted to nearly nothing with no financial recourse. The repercussions, however, are not limited to the individual homeowners. State and federally chartered banks and credit unions are forced to put these losses into capital reserve, municipal tax bases are eroding, and the broader housing market in the region has suffered from a pervasive fear.

In response, Connecticut's federal delegation has proposed three amendments to begin to address this issue. *House Amendment 881 to H.R. 6147* seeks to provide funding for the U.S. Geological Survey to develop a map showing pyrrhotite occurrences across the United States. This would help to ensure residents of other states never have to grapple with this crisis in the future. *House Amendment 292 to H.R. 3354* seeks to provide funding in the Community Development Block Grant program to examine the application of grant funds to mitigate and remediate the effects of pyrrhotite-related damage. Finally, *House Amendment 934 to H.R. 6147* seeks to provide funding within the Department of the Treasury, Departmental Office towards a study, led by Treasury with the participation of relevant regulators, to examine the financial impact of the mineral pyrrhotite in concrete home foundations. The study would provide recommendations on regulatory and legislative actions needed to help mitigate the impact on banks, mortgage lenders, tax revenues, and homeowners.

Furthermore, the State of Connecticut has agreed to bond \$100 million over the course of five years and has also imposed a \$12 surcharge on all homeowners insurance policies to provide assistance to affected homeowners. However, it is clear that this is an issue the state cannot tackle on its own. For that reason, we request that you support additional funding. Senator Christopher Murphy proposed *S.2744-Aid to Homeowners with Crumbling Foundations Act of 2018* and Senator Richard Blumenthal proposed *S.2745-Crumbling Foundations Small Business and Homeowners Assistance Act of 2018*. We hope you will consider supporting these or similar measures.

We deeply appreciate your attention to this issue and are grateful for the efforts the federal government has taken thus far. On June 4th, Department of Housing and Urban Development Secretary Ben Carson visited an affected home and had a constructive conversation with us and the victims of this tragic situation. We hope to build upon that dialogue with substantive legislative action at the federal level. Our constituents need your assistance. But, of equal importance, we hope that you will support pro-active measures to ensure that no one else in any other part of the country has to face this staggering disaster. Thank you for your attention.

Sincerely,



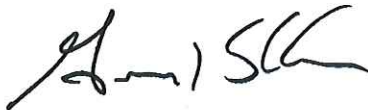
Christopher Davis
State Representative
57th District



Kurt Vail
State Representative
52nd District



Tami Zawistowski
State Representative
61st District



Greg Stokes
State Representative
58th District



Mark Tweedie
State Representative
13th District



John Kissel
State Senator
7th District



Carol Hall
State Representative
59th District



Samuel Belsito
State Representative
53rd District



Doug Dubitsky
State Representative
47th District



Prasad Srinivasan
State Representative
31st District



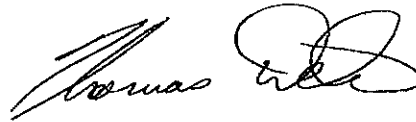
Timothy Ackert
State Representative
8th District



Anthony Guglielmo
State Senator
35th District



Robin Green
State Representative
55th District



Thomas Delnicki
State Representative
14th District

CC: The Honorable Richard Blumenthal (CT), United States Senate
The Honorable Christopher Murphy (CT), United States Senate
The Honorable John B. Larson (CT-1), United States House of Representatives
The Honorable Joseph Courtney (CT-2), United States House of Representatives
The Honorable Rosa DeLauro (CT-3), United States House of Representatives
The Honorable Jim Himes (CT-4), United States House of Representatives
The Honorable Elizabeth Esty (CT-5), United States House of Representatives