

## Union Calendar No. 57

112TH CONGRESS  
1ST SESSION

# H. R. 1309

[Report No. 112-102]

To extend the authorization of the national flood insurance program, to achieve reforms to improve the financial integrity and stability of the program, and to increase the role of private markets in the management of flood insurance risk, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2011

Mrs. BIGGERT (for herself, Ms. WATERS, Mr. DOLD, Mr. GARRETT, Mr. STIVERS, and Mrs. CAPITO) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 9, 2011

Additional sponsors: Mr. HINOJOSA, Mr. RAHALL, Mr. MCKINLEY, Mr. BILIRAKIS, Mr. HARPER, Mr. BISHOP of Georgia, Mr. SIRES, Mr. AL GREEN of Texas, Ms. ESHOO, Mr. SESSIONS, Mr. HULTGREN, Mr. DOGGETT, Mr. HOLDEN, and Mrs. MCCARTHY of New York

JUNE 9, 2011

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on April 1, 2011]

# **A BILL**

To extend the authorization of the national flood insurance program, to achieve reforms to improve the financial integrity and stability of the program, and to increase the role of private markets in the management of flood insurance risk, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4        (a) *SHORT TITLE.*—*This Act may be cited as the*  
 5 *“Flood Insurance Reform Act of 2011”.*

6        (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 7 *this Act is as follows:*

- Sec. 1. Short title and table of contents.*
- Sec. 2. Extensions.*
- Sec. 3. Mandatory purchase.*
- Sec. 4. Reforms of coverage terms.*
- Sec. 5. Reforms of premium rates.*
- Sec. 6. Technical Mapping Advisory Council.*
- Sec. 7. FEMA incorporation of new mapping protocols.*
- Sec. 8. Treatment of levees.*
- Sec. 9. Privatization initiatives.*
- Sec. 10. FEMA annual report on insurance program.*
- Sec. 11. Actuarial rates for severe repetitive loss properties refusing mitigation or purchase offers.*
- Sec. 12. Mitigation assistance.*
- Sec. 13. Grants for direct funding of mitigation activities for individual repetitive claims properties.*
- Sec. 14. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.*
- Sec. 15. Notification of establishment of flood elevations.*
- Sec. 16. Notification to tenants of availability of contents insurance.*
- Sec. 17. Notification to policy holders regarding direct management of policy by FEMA.*
- Sec. 18. Notice of availability of flood insurance and escrow in RESPA good faith estimate.*
- Sec. 19. Reimbursement for costs incurred by homeowners obtaining letters of map amendment.*
- Sec. 20. Treatment of swimming pool enclosures outside of hurricane season.*
- Sec. 21. CDBG eligibility for flood insurance outreach activities and community building code administration grants.*
- Sec. 22. Technical corrections.*
- Sec. 23. Report on Write-Your-Own Program.*
- Sec. 24. Studies of voluntary community-based flood insurance options.*
- Sec. 25. Report on inclusion of building codes in floodplain management criteria.*
- Sec. 26. Study on graduated risk.*
- Sec. 27. No cause of action.*

1 **SEC. 2. EXTENSIONS.**

2 (a) *EXTENSION OF PROGRAM.*—Section 1319 of the  
3 *National Flood Insurance Act of 1968 (42 U.S.C. 4026)* is  
4 *amended by striking “September 30, 2011” and inserting*  
5 *“September 30, 2016”.*

6 (b) *EXTENSION OF FINANCING.*—Section 1309(a) of  
7 *such Act (42 U.S.C. 4016(a))* is amended by striking “Sep-  
8 *tember 30, 2011” and inserting “September 30, 2016”.*

9 **SEC. 3. MANDATORY PURCHASE.**

10 (a) *AUTHORITY TO TEMPORARILY SUSPEND MANDA-*  
11 *TORY PURCHASE REQUIREMENT.*—

12 (1) *IN GENERAL.*—Section 102 of the *Flood Dis-*  
13 *aster Protection Act of 1973 (42 U.S.C. 4012a)* is  
14 *amended by adding at the end the following new sub-*  
15 *section:*

16 “(i) *AUTHORITY TO TEMPORARILY SUSPEND MANDA-*  
17 *TORY PURCHASE REQUIREMENT.*—

18 “(1) *FINDING BY ADMINISTRATOR THAT AREA IS*  
19 *AN ELIGIBLE AREA.*—*For any area, upon a request*  
20 *submitted to the Administrator by a local government*  
21 *authority having jurisdiction over any portion of the*  
22 *area, the Administrator shall make a finding of*  
23 *whether the area is an eligible area under paragraph*  
24 *(3). If the Administrator finds that such area is an*  
25 *eligible area, the Administrator shall, in the discre-*  
26 *tion of the Administrator, designate a period during*

1       *which such finding shall be effective, which shall not*  
2       *be longer in duration than 12 months.*

3               “(2) *SUSPENSION OF MANDATORY PURCHASE RE-*  
4       *QUIREMENT.—If the Administrator makes a finding*  
5       *under paragraph (1) that an area is an eligible area*  
6       *under paragraph (3), during the period specified in*  
7       *the finding, the designation of such eligible area as an*  
8       *area having special flood hazards shall not be effective*  
9       *for purposes of subsection (a), (b), and (e) of this sec-*  
10       *tion, and section 202(a) of this Act. Nothing in this*  
11       *paragraph may be construed to prevent any lender,*  
12       *servicer, regulated lending institution, Federal agency*  
13       *lender, the Federal National Mortgage Association, or*  
14       *the Federal Home Loan Mortgage Corporation, at the*  
15       *discretion of such entity, from requiring the purchase*  
16       *of flood insurance coverage in connection with the*  
17       *making, increasing, extending, or renewing of a loan*  
18       *secured by improved real estate or a mobile home lo-*  
19       *cated or to be located in such eligible area during*  
20       *such period or a lender or servicer from purchasing*  
21       *coverage on behalf of a borrower pursuant to sub-*  
22       *section (e).*

23               “(3) *ELIGIBLE AREAS.—An eligible area under*  
24       *this paragraph is an area that is designated or will,*  
25       *pursuant to any issuance, revision, updating, or other*

1 *change in flood insurance maps that takes effect on or*  
2 *after the date of the enactment of the Flood Insurance*  
3 *Reform Act of 2011, become designated as an area*  
4 *having special flood hazards and that meets any one*  
5 *of the following 3 requirements:*

6 “(A) *AREAS WITH NO HISTORY OF SPECIAL*  
7 *FLOOD HAZARDS.—The area does not include*  
8 *any area that has ever previously been des-*  
9 *ignated as an area having special flood hazards.*

10 “(B) *AREAS WITH FLOOD PROTECTION SYS-*  
11 *TEMS UNDER IMPROVEMENTS.—The area was in-*  
12 *tended to be protected by a flood protection sys-*  
13 *tem—*

14 “(i) *that has been decertified, or is re-*  
15 *quired to be certified, as providing protec-*  
16 *tion for the 100-year frequency flood stand-*  
17 *ard;*

18 “(ii) *that is being improved, con-*  
19 *structed, or reconstructed; and*

20 “(iii) *for which the Administrator has*  
21 *determined measurable progress toward*  
22 *completion of such improvement, construc-*  
23 *tion, reconstruction is being made and to-*  
24 *ward securing financial commitments suffi-*  
25 *cient to fund such completion.*

1           “(C) *AREAS FOR WHICH APPEAL HAS BEEN*  
2           *FILED.—An area for which a community has*  
3           *appealed—*

4                     “(i) *designation of the area as having*  
5                     *special flood hazards in a timely manner*  
6                     *under section 1363; or*

7                     “(ii)     *any decertification or*  
8                     *deaccreditation of a dam, levee, or other*  
9                     *flood protection system or the level of pro-*  
10                    *tection afforded by a dam, levee, or system.*

11           “(4) *EXTENSION OF DELAY.—Upon a request*  
12           *submitted by a local government authority having ju-*  
13           *risdiction over any portion of the eligible area, the*  
14           *Administrator may extend the period during which a*  
15           *finding under paragraph (1) shall be effective, except*  
16           *that—*

17                     “(A) *each such extension under this para-*  
18                     *graph shall not be for a period exceeding 12*  
19                     *months; and*

20                     “(B) *for any area, the cumulative number*  
21                     *of such extensions may not exceed 2.*

22           “(5) *RULE OF CONSTRUCTION.—Nothing in this*  
23           *subsection may be construed to affect the applicability*  
24           *of a designation of any area as an area having spe-*  
25           *cial flood hazards for purposes of the availability of*

1 *flood insurance coverage, criteria for land manage-*  
2 *ment and use, notification of flood hazards, eligibility*  
3 *for mitigation assistance, or any other purpose or*  
4 *provision not specifically referred to in paragraph*  
5 *(2).*

6 “(6) *REPORTS.*—*The Administrator shall, in*  
7 *each annual report submitted pursuant to section*  
8 *1320, include information identifying each finding*  
9 *under paragraph (1) by the Administrator during the*  
10 *preceding year that an area is an area having special*  
11 *flood hazards, the basis for each such finding, any ex-*  
12 *tensions pursuant to paragraph (4) of the periods of*  
13 *effectiveness of such findings, and the reasons for such*  
14 *extensions.*”.

15 (2) *NO REFUNDS.*—*Nothing in this subsection or*  
16 *the amendments made by this subsection may be con-*  
17 *strued to authorize or require any payment or refund*  
18 *for flood insurance coverage purchased for any prop-*  
19 *erty that covered any period during which such cov-*  
20 *erage is not required for the property pursuant to the*  
21 *applicability of the amendment made by paragraph*  
22 *(1).*

23 (b) *TERMINATION OF FORCE-PLACED INSURANCE.*—  
24 *Section 102(e) of the Flood Disaster Protection Act of 1973*  
25 *(42 U.S.C. 4012a(e)) is amended—*



1           (1) *in paragraph (2), by striking “insurance.”*  
2           *and inserting “insurance, including premiums or fees*  
3           *incurred for coverage beginning on the date on which*  
4           *flood insurance coverage lapsed or did not provide a*  
5           *sufficient coverage amount.”;*

6           (2) *by redesignating paragraphs (3) and (4) as*  
7           *paragraphs (5) and 6), respectively; and*

8           (3) *by inserting after paragraph (2) the fol-*  
9           *lowing new paragraphs:*

10           “(3) *TERMINATION OF FORCE-PLACED INSUR-*  
11           *ANCE.—Within 30 days of receipt by the lender or*  
12           *servicer of a confirmation of a borrower’s existing*  
13           *flood insurance coverage, the lender or servicer shall—*

14                   “(A) *terminate the force-placed insurance;*

15                   *and*

16                   “(B) *refund to the borrower all force-placed*  
17                   *insurance premiums paid by the borrower dur-*  
18                   *ing any period during which the borrower’s flood*  
19                   *insurance coverage and the force-placed flood in-*  
20                   *surance coverage were each in effect, and any re-*  
21                   *lated fees charged to the borrower with respect to*  
22                   *the force-placed insurance during such period.*

23           “(4) *SUFFICIENCY OF DEMONSTRATION.—For*  
24           *purposes of confirming a borrower’s existing flood in-*  
25           *surance coverage, a lender or servicer for a loan shall*

1       *accept from the borrower an insurance policy declara-*  
2       *tions page that includes the existing flood insurance*  
3       *policy number and the identity of, and contact infor-*  
4       *mation for, the insurance company or agent.”.*

5       *(c) USE OF PRIVATE INSURANCE TO SATISFY MANDA-*  
6       *TORY PURCHASE REQUIREMENT.—Section 102(b) of the*  
7       *Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b))*  
8       *is amended—*

9               *(1) in paragraph (1)—*

10                   *(A) by striking “lending institutions not to*  
11                   *make” and inserting “lending institutions—*

12                   *“(A) not to make”;*

13                   *(B) in subparagraph (A), as designated by*  
14                   *subparagraph (A) of this paragraph, by striking*  
15                   *“less.” and inserting “less; and”; and*

16                   *(C) by adding at the end the following new*  
17                   *subparagraph:*

18                   *“(B) to accept private flood insurance as*  
19                   *satisfaction of the flood insurance coverage re-*  
20                   *quirement under subparagraph (A) if the cov-*  
21                   *erage provided by such private flood insurance*  
22                   *meets the requirements for coverage under such*  
23                   *subparagraph.”;*

24                   *(2) in paragraph (2), by inserting after “pro-*  
25                   *vided in paragraph (1).” the following new sentence:*

1       *“Each Federal agency lender shall accept private*  
2       *flood insurance as satisfaction of the flood insurance*  
3       *coverage requirement under the preceding sentence if*  
4       *the flood insurance coverage provided by such private*  
5       *flood insurance meets the requirements for coverage*  
6       *under such sentence.”;*

7               *(3) in paragraph (3), in the matter following*  
8       *subparagraph (B), by adding at the end the following*  
9       *new sentence: “The Federal National Mortgage Asso-*  
10       *ciation and the Federal Home Loan Mortgage Cor-*  
11       *poration shall accept private flood insurance as satis-*  
12       *faction of the flood insurance coverage requirement*  
13       *under the preceding sentence if the flood insurance*  
14       *coverage provided by such private flood insurance*  
15       *meets the requirements for coverage under such sen-*  
16       *tence.”; and*

17               *(4) by adding at the end the following new para-*  
18       *graph:*

19               *“(5) PRIVATE FLOOD INSURANCE DEFINED.—In*  
20       *this subsection, the term ‘private flood insurance’*  
21       *means a contract for flood insurance coverage allowed*  
22       *for sale under the laws of any State.”.*

1 **SEC. 4. REFORMS OF COVERAGE TERMS.**

2 (a) *MINIMUM DEDUCTIBLES FOR CLAIMS.*—Section  
3 1312 of the National Flood Insurance Act of 1968 (42  
4 U.S.C. 4019) is amended—

5 (1) by striking “The Director is” and inserting  
6 the following: “(a) *IN GENERAL.*—The Administrator  
7 is”; and

8 (2) by adding at the end the following:

9 “(b) *MINIMUM ANNUAL DEDUCTIBLES.*—

10 “(1) *SUBSIDIZED RATE PROPERTIES.*—For any  
11 structure that is covered by flood insurance under this  
12 title, and for which the chargeable rate for such cov-  
13 erage is less than the applicable estimated risk pre-  
14 mium rate under section 1307(a)(1) for the area (or  
15 subdivision thereof) in which such structure is lo-  
16 cated, the minimum annual deductible for damage to  
17 or loss of such structure shall be \$2,000.

18 “(2) *ACTUARIAL RATE PROPERTIES.*—For any  
19 structure that is covered by flood insurance under this  
20 title, for which the chargeable rate for such coverage  
21 is not less than the applicable estimated risk pre-  
22 mium rate under section 1307(a)(1) for the area (or  
23 subdivision thereof) in which such structure is lo-  
24 cated, the minimum annual deductible for damage to  
25 or loss of such structure shall be \$1,000.”.

1           (b) *CLARIFICATION OF RESIDENTIAL AND COMMERCIAL*  
2 *COVERAGE LIMITS.*—Section 1306(b) of the National  
3 *Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amend-*  
4 *ed—*

5           (1) *in paragraph (2)—*

6                   (A) *by striking “in the case of any residen-*  
7 *tial property” and inserting “in the case of any*  
8 *residential building designed for the occupancy*  
9 *of from one to four families”;* and

10                   (B) *by striking “shall be made available to*  
11 *every insured upon renewal and every applicant*  
12 *for insurance so as to enable such insured or ap-*  
13 *plicant to receive coverage up to a total amount*  
14 *(including such limits specified in paragraph*  
15 *(1)(A)(i)) of \$250,000” and inserting “shall be*  
16 *made available, with respect to any single such*  
17 *building, up to an aggregate liability (including*  
18 *such limits specified in paragraph (1)(A)(i)) of*  
19 *\$250,000”;* and

20           (2) *in paragraph (4)—*

21                   (A) *by striking “in the case of any nonresi-*  
22 *dential property, including churches,” and in-*  
23 *serting “in the case of any nonresidential build-*  
24 *ing, including a church,”;* and

1           (B) by striking “shall be made available to  
2           every insured upon renewal and every applicant  
3           for insurance, in respect to any single structure,  
4           up to a total amount (including such limit spec-  
5           ified in subparagraph (B) or (C) of paragraph  
6           (1), as applicable) of \$500,000 for each structure  
7           and \$500,000 for any contents related to each  
8           structure” and inserting “shall be made avail-  
9           able with respect to any single such building, up  
10          to an aggregate liability (including such limits  
11          specified in subparagraph (B) or (C) of para-  
12          graph (1), as applicable) of \$500,000, and cov-  
13          erage shall be made available up to a total of  
14          \$500,000 aggregate liability for contents owned  
15          by the building owner and \$500,000 aggregate li-  
16          ability for each unit within the building for con-  
17          tents owned by the tenant”.

18          (c) INDEXING OF MAXIMUM COVERAGE LIMITS.—Sub-  
19          section (b) of section 1306 of the National Flood Insurance  
20          Act of 1968 (42 U.S.C. 4013(b)) is amended—

21                 (1) in paragraph (4), by striking “and” at the  
22          end;

23                 (2) in paragraph (5), by striking the period at  
24          the end and inserting “; and”;

1           (3) by redesignating paragraph (5) as para-  
2 graph (7); and

3           (4) by adding at the end the following new para-  
4 graph:

5           “(8) each of the dollar amount limitations under  
6 paragraphs (2), (3), (4), (5), and (6) shall be adjusted  
7 effective on the date of the enactment of the Flood In-  
8 surance Reform Act of 2011, such adjustments shall  
9 be calculated using the percentage change, over the pe-  
10 riod beginning on September 30, 1994, and ending on  
11 such date of enactment, in such inflationary index as  
12 the Administrator shall, by regulation, specify, and  
13 the dollar amount of such adjustment shall be round-  
14 ed to the next lower dollar; and the Administrator  
15 shall cause to be published in the Federal Register the  
16 adjustments under this paragraph to such dollar  
17 amount limitations; except that in the case of cov-  
18 erage for a property that is made available, pursuant  
19 to this paragraph, in an amount that exceeds the lim-  
20 itation otherwise applicable to such coverage as speci-  
21 fied in paragraph (2), (3), (4), (5), or (6), the total  
22 of such coverage shall be made available only at  
23 chargeable rates that are not less than the estimated  
24 premium rates for such coverage determined in ac-  
25 cordance with section 1307(a)(1).”.

1           (d) *OPTIONAL COVERAGE FOR LOSS OF USE OF PER-*  
2 *SONAL RESIDENCE AND BUSINESS INTERRUPTION.*—Sub-  
3 *section (b) of section 1306 of the National Flood Insurance*  
4 *Act of 1968 (42 U.S.C. 4013(b)), as amended by the pre-*  
5 *ceding provisions of this section, is further amended by in-*  
6 *serting after paragraph (4) the following new paragraphs:*

7           “(5) *the Administrator may provide that, in the*  
8 *case of any residential property, each renewal or new*  
9 *contract for flood insurance coverage may provide not*  
10 *more than \$5,000 aggregate liability per dwelling*  
11 *unit for any necessary increases in living expenses in-*  
12 *curred by the insured when losses from a flood make*  
13 *the residence unfit to live in, except that—*

14           “(A) *purchase of such coverage shall be at*  
15 *the option of the insured;*

16           “(B) *any such coverage shall be made avail-*  
17 *able only at chargeable rates that are not less*  
18 *than the estimated premium rates for such cov-*  
19 *erage determined in accordance with section*  
20 *1307(a)(1); and*

21           “(C) *the Administrator may make such cov-*  
22 *erage available only if the Administrator makes*  
23 *a determination and causes notice of such deter-*  
24 *mination to be published in the Federal Register*  
25 *that—*



1           “(i) a competitive private insurance  
2           market for such coverage does not exist; and

3           “(ii) the national flood insurance pro-  
4           gram has the capacity to make such cov-  
5           erage available without borrowing funds  
6           from the Secretary of the Treasury under  
7           section 1309 or otherwise;

8           “(6) the Administrator may provide that, in the  
9           case of any commercial property or other residential  
10          property, including multifamily rental property, cov-  
11          erage for losses resulting from any partial or total  
12          interruption of the insured’s business caused by dam-  
13          age to, or loss of, such property from a flood may be  
14          made available to every insured upon renewal and  
15          every applicant, up to a total amount of \$20,000 per  
16          property, except that—

17               “(A) purchase of such coverage shall be at  
18               the option of the insured;

19               “(B) any such coverage shall be made avail-  
20               able only at chargeable rates that are not less  
21               than the estimated premium rates for such cov-  
22               erage determined in accordance with section  
23               1307(a)(1); and

24               “(C) the Administrator may make such cov-  
25               erage available only if the Administrator makes

1           *a determination and causes notice of such deter-*  
2           *mination to be published in the Federal Register*  
3           *that—*

4                     “(i) *a competitive private insurance*  
5                     *market for such coverage does not exist; and*

6                     “(ii) *the national flood insurance pro-*  
7                     *gram has the capacity to make such cov-*  
8                     *erage available without borrowing funds*  
9                     *from the Secretary of the Treasury under*  
10                    *section 1309 or otherwise;”.*

11           *(e) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR*  
12           *RESIDENTIAL PROPERTIES.—Section 1306 of the National*  
13           *Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended*  
14           *by adding at the end the following new subsection:*

15                    “(d) *PAYMENT OF PREMIUMS IN INSTALLMENTS FOR*  
16           *RESIDENTIAL PROPERTIES.—*

17                           “(1) *AUTHORITY.—In addition to any other*  
18                           *terms and conditions under subsection (a), such regu-*  
19                           *lations shall provide that, in the case of any residen-*  
20                           *tial property, premiums for flood insurance coverage*  
21                           *made available under this title for such property may*  
22                           *be paid in installments.*

23                           “(2) *LIMITATIONS.—In implementing the au-*  
24                           *thority under paragraph (1), the Administrator may*  
25                           *establish increased chargeable premium rates and sur-*

1        *charges, and deny coverage and establish such other*  
2        *sanctions, as the Administrator considers necessary to*  
3        *ensure that insureds purchase, pay for, and maintain*  
4        *coverage for the full term of a contract for flood insur-*  
5        *ance coverage or to prevent insureds from purchasing*  
6        *coverage only for periods during a year when risk of*  
7        *flooding is comparatively higher or canceling coverage*  
8        *for periods when such risk is comparatively lower.”.*

9        **SEC. 5. REFORMS OF PREMIUM RATES.**

10        *(a) INCREASE IN ANNUAL LIMITATION ON PREMIUM*  
11        *INCREASES.—Section 1308(e) of the National Flood Insur-*  
12        *ance Act of 1968 (42 U.S.C. 4015(e)) is amended by strik-*  
13        *ing “10 percent” and inserting “20 percent”.*

14        *(b) PHASE-IN OF RATES FOR CERTAIN PROPERTIES*  
15        *IN NEWLY MAPPED AREAS.—*

16                *(1) IN GENERAL.—Section 1308 of the National*  
17        *Flood Insurance Act of 1968 (42 U.S.C. 4015) is*  
18        *amended—*

19                        *(A) in subsection (a), in the matter pre-*  
20        *ceding paragraph (1), by inserting “or notice”*  
21        *after “prescribe by regulation”;*

22                        *(B) in subsection (c), by inserting “and*  
23        *subsection (g)” before the first comma; and*

24                        *(C) by adding at the end the following new*  
25        *subsection:*

1       “(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES  
2 FOR CERTAIN PROPERTIES IN NEWLY MAPPED AREAS.—

3               “(1) 50 PERCENT RATE FOR INITIAL YEAR.—Not-  
4 withstanding subsection (c) or any other provision of  
5 law relating to chargeable risk premium rates for  
6 flood insurance coverage under this title, in the case  
7 of any area that was not previously designated as an  
8 area having special flood hazards and that, pursuant  
9 to any issuance, revision, updating, or other change  
10 in flood insurance maps, becomes designated as such  
11 an area, during the 12-month period that begins, ex-  
12 cept as provided in paragraph (2), upon the date that  
13 such maps, as issued, revised, updated, or otherwise  
14 changed, become effective, the chargeable premium  
15 rate for flood insurance under this title with respect  
16 to any covered property that is located within such  
17 area shall be 50 percent of the chargeable risk pre-  
18 mium rate otherwise applicable under this title to the  
19 property.

20               “(2) APPLICABILITY TO PREFERRED RISK RATE  
21 AREAS.—In the case of any area described in para-  
22 graph (1) that consists of or includes an area that,  
23 as of date of the effectiveness of the flood insurance  
24 maps for such area referred to in paragraph (1) as  
25 so issued, revised, updated, or changed, is eligible for

1     *any reason for preferred risk rate method premiums*  
2     *for flood insurance coverage and was eligible for such*  
3     *premiums as of the enactment of the Flood Insurance*  
4     *Reform Act of 2011, the 12-month period referred to*  
5     *in paragraph (1) for such area eligible for preferred*  
6     *risk rate method premiums shall begin upon the expi-*  
7     *ration of the period during which such area is eligible*  
8     *for such preferred risk rate method premiums.*

9             “(3) *PHASE-IN OF FULL ACTUARIAL RATES.*—  
10     *With respect to any area described in paragraph (1),*  
11     *upon the expiration of the 12-month period under*  
12     *paragraph (1) or (2), as applicable, for such area, the*  
13     *Administrator shall increase the chargeable risk pre-*  
14     *mium rates for flood insurance under this title for*  
15     *covered properties in such area by 20 percent, and by*  
16     *20 percent upon the expiration of each successive 12-*  
17     *month period thereafter until the chargeable risk pre-*  
18     *mium rates comply with subsection (c).*

19             “(4) *COVERED PROPERTIES.*—*For purposes of*  
20     *the subsection, the term ‘covered property’ means any*  
21     *residential property occupied by its owner or a bona*  
22     *fide tenant as a primary residence.”.*

23             “(2) *REGULATION OR NOTICE.*—*The Adminis-*  
24     *trator of the Federal Emergency Management Agency*  
25     *shall issue an interim final rule or notice to imple-*

1        *ment this subsection and the amendments made by*  
2        *this subsection as soon as practicable after the date of*  
3        *the enactment of this Act.*

4        *(c) PHASE-IN OF ACTUARIAL RATES FOR CERTAIN*  
5        *PROPERTIES.—*

6                *(1) IN GENERAL.—Section 1308(c) of the Na-*  
7        *tional Flood Insurance Act of 1968 (42 U.S.C.*  
8        *4015(c)) is amended—*

9                        *(A) by redesignating paragraph (2) as*  
10        *paragraph (7); and*

11                        *(B) by inserting after paragraph (1) the fol-*  
12        *lowing new paragraphs:*

13                        *“(2) COMMERCIAL PROPERTIES.—Any nonresi-*  
14        *dential property.*

15                        *“(3) SECOND HOMES AND VACATION HOMES.—*  
16        *Any residential property that is not the primary resi-*  
17        *dence of any individual.*

18                        *“(4) HOMES SOLD TO NEW OWNERS.—Any single*  
19        *family property that—*

20                                *“(A) has been constructed or substantially*  
21        *improved and for which such construction or im-*  
22        *provement was started, as determined by the Ad-*  
23        *ministrator, before December 31, 1974, or before*  
24        *the effective date of the initial rate map pub-*  
25        *lished by the Administrator under paragraph (2)*

1           of section 1360(a) for the area in which such  
2           property is located, whichever is later; and

3           “(B) is purchased after the effective date of  
4           this paragraph, pursuant to section 5(c)(3)(A) of  
5           the Flood Insurance Reform Act of 2011.

6           “(5) HOMES DAMAGED OR IMPROVED.—Any  
7           property that, on or after the date of the enactment  
8           of the Flood Insurance Reform Act of 2011, has expe-  
9           rienced or sustained—

10           “(A) substantial flood damage exceeding 50  
11           percent of the fair market value of such property;  
12           or

13           “(B) substantial improvement exceeding 30  
14           percent of the fair market value of such property.

15           “(6) HOMES WITH MULTIPLE CLAIMS.—Any se-  
16           vere repetitive loss property (as such term is defined  
17           in section 1361A(b)).”.

18           (2) TECHNICAL AMENDMENTS.—Section 1308 of  
19           the National Flood Insurance Act of 1968 (42 U.S.C.  
20           4015) is amended—

21           (A) in subsection (c)—

22           (i) in the matter preceding paragraph  
23           (1), by striking “the limitations provided  
24           under paragraphs (1) and (2)” and insert-  
25           ing “subsection (e)”; and

1                   (ii) in paragraph (1), by striking “,  
2                   except” and all that follows through “sub-  
3                   section (e)”; and

4                   (B) in subsection (e), by striking “para-  
5                   graph (2) or (3)” and inserting “paragraph  
6                   (7)”.

7                   (3) *EFFECTIVE DATE AND TRANSITION.*—

8                   (A) *EFFECTIVE DATE.*—*The amendments*  
9                   *made by paragraphs (1) and (2) shall apply be-*  
10                   *ginning upon the expiration of the 12-month pe-*  
11                   *riod that begins on the date of the enactment of*  
12                   *this Act, except as provided in subparagraph (B)*  
13                   *of this paragraph.*

14                   (B) *TRANSITION FOR PROPERTIES COVERED*  
15                   *BY FLOOD INSURANCE UPON EFFECTIVE DATE.*—

16                   (i) *INCREASE OF RATES OVER TIME.*—

17                   *In the case of any property described in*  
18                   *paragraph (2), (3), (4), (5), or (6) of section*  
19                   *1308(c) of the National Flood Insurance Act*  
20                   *of 1968, as amended by paragraph (1) of*  
21                   *this subsection, that, as of the effective date*  
22                   *under subparagraph (A) of this paragraph,*  
23                   *is covered under a policy for flood insurance*  
24                   *made available under the national flood in-*  
25                   *surance program for which the chargeable*



1           *premium rates are less than the applicable*  
2           *estimated risk premium rate under section*  
3           *1307(a)(1) of such Act for the area in which*  
4           *the property is located, the Administrator of*  
5           *the Federal Emergency Management Agency*  
6           *shall increase the chargeable premium rates*  
7           *for such property over time to such applica-*  
8           *ble estimated risk premium rate under sec-*  
9           *tion 1307(a)(1).*

10           *(ii) AMOUNT OF ANNUAL INCREASE.—*

11           *Such increase shall be made by increasing*  
12           *the chargeable premium rates for the prop-*  
13           *erty (after application of any increase in*  
14           *the premium rates otherwise applicable to*  
15           *such property), once during the 12-month*  
16           *period that begins upon the effective date*  
17           *under subparagraph (A) of this paragraph*  
18           *and once every 12 months thereafter until*  
19           *such increase is accomplished, by 20 percent*  
20           *(or such lesser amount as may be necessary*  
21           *so that the chargeable rate does not exceed*  
22           *such applicable estimated risk premium*  
23           *rate or to comply with clause (iii)).*

24           *(iii) PROPERTIES SUBJECT TO PHASE-*

25           *IN AND ANNUAL INCREASES.—In the case of*

1           any pre-FIRM property (as such term is  
2           defined in section 578(b) of the National  
3           Flood Insurance Reform Act of 1974), the  
4           aggregate increase, during any 12-month  
5           period, in the chargeable premium rate for  
6           the property that is attributable to this sub-  
7           paragraph or to an increase described in  
8           section 1308(e) of the National Flood Insur-  
9           ance Act of 1968 may not exceed 20 percent.

10           (iv) *FULL ACTUARIAL RATES.*—The  
11           provisions of paragraphs (2), (3), (4), (5),  
12           and (6) of such section 1308(c) shall apply  
13           to such a property upon the accomplishment  
14           of the increase under this subparagraph and  
15           thereafter.

16           (d) *PROHIBITION OF EXTENSION OF SUBSIDIZED*  
17           *RATES TO LAPSED POLICIES.*—Section 1308 of the Na-  
18           tional Flood Insurance Act of 1968 (42 U.S.C. 4015), as  
19           amended by the preceding provisions of this Act, is further  
20           amended—

21           (1) in subsection (e), by inserting “or subsection  
22           (h)” after “subsection (c)”;

23           (2) by adding at the end the following new sub-  
24           section:

1           “(h) *PROHIBITION OF EXTENSION OF SUBSIDIZED*  
2 *RATES TO LAPSED POLICIES.*—*Notwithstanding any other*  
3 *provision of law relating to chargeable risk premium rates*  
4 *for flood insurance coverage under this title, the Adminis-*  
5 *trator shall not provide flood insurance coverage under this*  
6 *title for any property for which a policy for such coverage*  
7 *for the property has previously lapsed in coverage as a re-*  
8 *sult of the deliberate choice of the holder of such policy, at*  
9 *a rate less than the applicable estimated risk premium rates*  
10 *for the area (or subdivision thereof) in which such property*  
11 *is located.*”.

12           (e) *RECOGNITION OF STATE AND LOCAL FUNDING FOR*  
13 *CONSTRUCTION, RECONSTRUCTION, AND IMPROVEMENT OF*  
14 *FLOOD PROTECTION SYSTEMS IN DETERMINATION OF*  
15 *RATES.*—

16           (1) *IN GENERAL.*—*Section 1307 of the National*  
17 *Flood Insurance Act of 1968 (42 U.S.C. 4014) is*  
18 *amended—*

19           (A) *in subsection (e)—*

20           (i) *in the first sentence, by striking*  
21 *“construction of a flood protection system”*  
22 *and inserting “construction, reconstruction,*  
23 *or improvement of a flood protection system*  
24 *(without respect to the level of Federal in-*  
25 *vestment or participation)”*; and

1                   (ii) in the second sentence—

2                   (I) by striking “construction of a  
3 flood protection system” and inserting  
4 “construction, reconstruction, or im-  
5 provement of a flood protection sys-  
6 tem”; and

7                   (II) by inserting “based on the  
8 present value of the completed system”  
9 after “has been expended”; and

10                  (B) in subsection (f)—

11                  (i) in the first sentence in the matter  
12 preceding paragraph (1), by inserting  
13 “(without respect to the level of Federal in-  
14 vestment or participation)” before the pe-  
15 riod at the end;

16                  (ii) in the third sentence in the matter  
17 preceding paragraph (1), by inserting “,  
18 whether coastal or riverine,” after “special  
19 flood hazard”; and

20                  (iii) in paragraph (1), by striking “a  
21 Federal agency in consultation with the  
22 local project sponsor” and inserting “the en-  
23 tity or entities that own, operate, maintain,  
24 or repair such system”.

1           (2) *REGULATIONS.*—*The Administrator of the*  
2 *Federal Emergency Management Agency shall pro-*  
3 *mulgate regulations to implement this subsection and*  
4 *the amendments made by this subsection as soon as*  
5 *practicable, but not more than 18 months after the*  
6 *date of the enactment of this Act. Paragraph (3) may*  
7 *not be construed to annul, alter, affect, authorize any*  
8 *waiver of, or establish any exception to, the require-*  
9 *ment under the preceding sentence.*

10 **SEC. 6. TECHNICAL MAPPING ADVISORY COUNCIL.**

11           (a) *ESTABLISHMENT.*—*There is established a council*  
12 *to be known as the Technical Mapping Advisory Council*  
13 *(in this section referred to as the “Council”).*

14           (b) *MEMBERSHIP.*—

15                 (1) *IN GENERAL.*—*The Council shall consist of—*

16                         (A) *the Administrator of the Federal Emer-*  
17 *gency Management Agency (in this section re-*  
18 *ferred to as the “Administrator”), or the designee*  
19 *thereof;*

20                         (B) *the Director of the United States Geo-*  
21 *logical Survey of the Department of the Interior,*  
22 *or the designee thereof;*

23                         (C) *the Under Secretary of Commerce for*  
24 *Oceans and Atmosphere, or the designee thereof;*

1           (D) the commanding officer of the United  
2 States Army Corps of Engineers, or the designee  
3 thereof;

4           (E) the chief of the Natural Resources Con-  
5 servation Service of the Department of Agri-  
6 culture, or the designee thereof;

7           (F) the Director of the United States Fish  
8 and Wildlife Service of the Department of the In-  
9 terior, or the designee thereof;

10          (G) the Assistant Administrator for Fish-  
11 eries of the National Oceanic and Atmospheric  
12 Administration of the Department of Commerce,  
13 or the designee thereof; and

14          (H) 14 additional members to be appointed  
15 by the Administrator of the Federal Emergency  
16 Management Agency, who shall be—

17           (i) an expert in data management;

18           (ii) an expert in real estate;

19           (iii) an expert in insurance;

20           (iv) a member of a recognized regional  
21 flood and storm water management organi-  
22 zation;

23           (v) a representative of a State emer-  
24 gency management agency or association or  
25 organization for such agencies;

1                   (vi) a member of a recognized profes-  
2                   sional surveying association or organiza-  
3                   tion;

4                   (vii) a member of a recognized profes-  
5                   sional mapping association or organization;

6                   (viii) a member of a recognized profes-  
7                   sional engineering association or organiza-  
8                   tion;

9                   (ix) a member of a recognized profes-  
10                  sional association or organization rep-  
11                  resenting flood hazard determination firms;

12                  (x) a representative of State national  
13                  flood insurance coordination offices;

14                  (xi) representatives of two local govern-  
15                  ments, at least one of whom is a local levee  
16                  flood manager or executive, designated by  
17                  the Federal Emergency Management Agency  
18                  as Cooperating Technical Partners; and

19                  (xii) representatives of two State gov-  
20                  ernments designated by the Federal Emer-  
21                  gency Management Agency as Cooperating  
22                  Technical States.

23                  (2) *QUALIFICATIONS.*—Members of the Council  
24                  shall be appointed based on their demonstrated knowl-  
25                  edge and competence regarding surveying, cartog-

1        *raphy, remote sensing, geographic information sys-*  
2        *tems, or the technical aspects of preparing and using*  
3        *flood insurance rate maps. In appointing members*  
4        *under paragraph (1)(I), the Administrator shall en-*  
5        *sure that the membership of the Council has a balance*  
6        *of Federal, State, local, and private members.*

7        *(c) DUTIES.—*

8                *(1) NEW MAPPING STANDARDS.—Not later than*  
9        *the expiration of the 12-month period beginning upon*  
10        *the date of the enactment of this Act, the Council shall*  
11        *develop and submit to the Administrator and the*  
12        *Congress proposed new mapping standards for 100-*  
13        *year flood insurance rate maps used under the na-*  
14        *tional flood insurance program under the National*  
15        *Flood Insurance Act of 1968. In developing such pro-*  
16        *posed standards the Council shall—*

17                *(A) ensure that the flood insurance rate*  
18        *maps reflect true risk, including graduated risk*  
19        *that better reflects the financial risk to each*  
20        *property; such reflection of risk should be at the*  
21        *smallest geographic level possible (but not nec-*  
22        *essarily property-by-property) to ensure that*  
23        *communities are mapped in a manner that takes*  
24        *into consideration different risk levels within the*  
25        *community;*



1           (B) ensure the most efficient generation,  
2           display, and distribution of flood risk data, mod-  
3           els, and maps where practicable through dy-  
4           namic digital environments using spatial data-  
5           base technology and the Internet;

6           (C) ensure that flood insurance rate maps  
7           reflect current hydrologic and hydraulic data,  
8           current land use, and topography, incorporating  
9           the most current and accurate ground and bath-  
10          ymetric elevation data;

11          (D) determine the best ways to include in  
12          such flood insurance rate maps levees, decertified  
13          levees, and areas located below dams, including  
14          determining a methodology for ensuring that de-  
15          certified levees and other protections are included  
16          in flood insurance rate maps and their cor-  
17          responding flood zones reflect the level of protec-  
18          tion conferred;

19          (E) consider how to incorporate restored  
20          wetlands and other natural buffers into flood in-  
21          surance rate maps, which may include wetlands,  
22          groundwater recharge areas, erosion zones, mean-  
23          der belts, endangered species habitat, barrier is-  
24          lands and shoreline buffer features, riparian for-  
25          ests, and other features;

1           (F) consider whether to use vertical posi-  
2           tioning (as defined by the Administrator) for  
3           flood insurance rate maps;

4           (G) ensure that flood insurance rate maps  
5           differentiate between a property that is located  
6           in a flood zone and a structure located on such  
7           property that is not at the same risk level for  
8           flooding as such property due to the elevation of  
9           the structure;

10          (H) ensure that flood insurance rate maps  
11          take into consideration the best scientific data  
12          and potential future conditions (including pro-  
13          jections for sea level rise); and

14          (I) consider how to incorporate the new  
15          standards proposed pursuant to this paragraph  
16          in existing mapping efforts.

17          (2) *ONGOING DUTIES.*—The Council shall, on an  
18          ongoing basis, review the mapping protocols developed  
19          pursuant to paragraph (1), and make recommenda-  
20          tions to the Administrator when the Council deter-  
21          mines that mapping protocols should be altered.

22          (3) *MEETINGS.*—In carrying out its duties under  
23          this section, the Council shall consult with stake-  
24          holders through at least 4 public meetings annually,  
25          and shall seek input of all stakeholder interests in-

1 *cluding State and local representatives, environ-*  
2 *mental and conservation organizations, insurance in-*  
3 *dustry representatives, advocacy groups, planning or-*  
4 *ganizations, and mapping organizations.*

5 *(d) PROHIBITION ON COMPENSATION.—Members of the*  
6 *Council shall receive no additional compensation by reason*  
7 *of their service on the Council.*

8 *(e) CHAIRPERSON.—The Administrator shall serve as*  
9 *the Chairperson of the Council.*

10 *(f) STAFF.—*

11 *(1) FEMA.—Upon the request of the Council, the*  
12 *Administrator may detail, on a nonreimbursable*  
13 *basis, personnel of the Federal Emergency Manage-*  
14 *ment Agency to assist the Council in carrying out its*  
15 *duties.*

16 *(2) OTHER FEDERAL AGENCIES.—Upon request*  
17 *of the Council, any other Federal agency that is a*  
18 *member of the Council may detail, on a non-reim-*  
19 *bursable basis, personnel to assist the Council in car-*  
20 *rying out its duties.*

21 *(g) POWERS.—In carrying out this section, the Coun-*  
22 *cil may hold hearings, receive evidence and assistance, pro-*  
23 *vide information, and conduct research, as the Council con-*  
24 *siders appropriate.*

1       (h) *TERMINATION.*—*The Council shall terminate upon*  
2 *the expiration of the 5-year period beginning on the date*  
3 *of the enactment of this Act.*

4 **SEC. 7. FEMA INCORPORATION OF NEW MAPPING PROTO-**  
5 **COLS.**

6       (a) *NEW RATE MAPPING STANDARDS.*—*Not later than*  
7 *the expiration of the 6-month period beginning upon sub-*  
8 *mission by the Technical Mapping Advisory Council under*  
9 *section 6 of the proposed new mapping standards for flood*  
10 *insurance rate maps used under the national flood insur-*  
11 *ance program developed by the Council pursuant to section*  
12 *6(c), the Administrator of the Federal Emergency Manage-*  
13 *ment Agency (in this section referred to as the “Adminis-*  
14 *trator”)* shall establish new standards for such rate maps  
15 based on such proposed new standards and the rec-  
16 ommendations of the Council.

17       (b) *REQUIREMENTS.*—*The new standards for flood in-*  
18 *surance rate maps established by the Administrator pursu-*  
19 *ant to subsection (a) shall—*

20               (1) *delineate and include in any such rate*  
21 *maps—*

22                       (A) *all areas located within the 100-year*  
23 *flood plain;*

1           (B) areas of residual risk, including areas  
2 behind levees, dams, and other man-made struc-  
3 tures; and

4           (C) areas subject to graduated and other  
5 risk levels, to the maximum extent possible;

6       (2) ensure that any such rate maps—

7           (A) include levees, including decertified lev-  
8 ees, and the level of protection they confer;

9           (B) reflect current land use and topography  
10 and incorporate the most current and accurate  
11 ground level data;

12           (C) take into consideration the impacts and  
13 use of fill and the flood risks associated with al-  
14 tered hydrology;

15           (D) differentiate between a property that is  
16 located in a flood zone and a structure located  
17 on such property that is not at the same risk  
18 level for flooding as such property due to the ele-  
19 vation of the structure;

20           (E) identify and incorporate natural fea-  
21 tures and their associated flood protection bene-  
22 fits into mapping and rates; and

23           (F) identify, analyze, and incorporate the  
24 impact of significant changes to building and de-  
25 velopment throughout any river or costal water

1           *system, including all tributaries, which may im-*  
2           *pact flooding in areas downstream; and*

3           *(3) provide that such rate maps are developed on*  
4           *a watershed basis.*

5           *(c) REPORT.—If, in establishing new standards for*  
6           *flood insurance rate maps pursuant to subsection (a) of this*  
7           *section, the Administrator does not implement all of the rec-*  
8           *ommendations of the Council made under the proposed new*  
9           *mapping standards developed by the Council pursuant to*  
10          *section 6(c), upon establishment of the new standards the*  
11          *Administrator shall submit a report to the Committee on*  
12          *Financial Services of the House of Representatives and the*  
13          *Committee on Banking, Housing, and Urban Affairs of the*  
14          *Senate specifying which such recommendations were not*  
15          *adopted and explaining the reasons such recommendations*  
16          *were not adopted.*

17          *(d) IMPLEMENTATION.—The Administrator shall, not*  
18          *later than the expiration of the 6-month period beginning*  
19          *upon establishment of the new standards for flood insurance*  
20          *rate maps pursuant to subsection (a) of this section, com-*  
21          *mence use of the new standards and updating of flood insur-*  
22          *ance rate maps in accordance with the new standards. Not*  
23          *later than the expiration of the 5-year period beginning*  
24          *upon the establishment of such new standards, the Adminis-*  
25          *trator shall complete updating of all flood insurance rate*

1 maps in accordance with the new standards, subject to the  
2 availability of sufficient amounts for such activities pro-  
3 vided in appropriation Acts.

4 (e) TEMPORARY SUSPENSION OF MANDATORY PUR-  
5 CHASE REQUIREMENT FOR CERTAIN PROPERTIES.—

6 (1) SUBMISSION OF ELEVATION CERTIFICATE.—

7 Subject to paragraphs (2) and (3) of this subsection,  
8 subsections (a), (b), and (e) of section 102 of the Flood  
9 Disaster Protection Act of 1973 (42 U.S.C. 4012a),  
10 and section 202(a) of such Act, shall not apply to a  
11 property located in an area designated as having a  
12 special flood hazard if the owner of such property sub-  
13 mits to the Administrator an elevation certificate for  
14 such property showing that the lowest level of the pri-  
15 mary residence on such property is at an elevation  
16 that is at least three feet higher than the elevation of  
17 the 100-year flood plain.

18 (2) REVIEW OF SURVEY.—The Administrator  
19 shall accept as conclusive each elevation survey sub-  
20 mitted under paragraph (1) unless the Administrator  
21 conducts a subsequent elevation survey and deter-  
22 mines that the lowest level of the primary residence  
23 on the property in question is not at an elevation that  
24 is at least three feet higher than the elevation of the  
25 100-year flood plain. The Administrator shall provide

1        *any such subsequent elevation survey to the owner of*  
2        *such property.*

3                (3) *DETERMINATIONS FOR PROPERTIES ON BOR-*  
4        *ERS OF SPECIAL FLOOD HAZARD AREAS.—*

5                (A) *EXPEDITED DETERMINATION.—In the*  
6        *case of any survey for a property submitted to*  
7        *the Administrator pursuant to paragraph (1)*  
8        *showing that a portion of the property is located*  
9        *within an area having special flood hazards and*  
10        *that a structure located on the property is not lo-*  
11        *cated within such area having special flood haz-*  
12        *ards, the Administrator shall expeditiously proc-*  
13        *ess any request made by an owner of the prop-*  
14        *erty for a determination pursuant to paragraph*  
15        *(2) or a determination of whether the structure*  
16        *is located within the area having special flood*  
17        *hazards.*

18                (B) *PROHIBITION OF FEE.—If the Adminis-*  
19        *trator determines pursuant to subparagraph (A)*  
20        *that the structure on the property is not located*  
21        *within the area having special flood hazards, the*  
22        *Administrator shall not charge a fee for review-*  
23        *ing the flood hazard data and shall not require*  
24        *the owner to provide any additional elevation*  
25        *data.*



1                   (C) *SIMPLIFICATION OF REVIEW PROC-*  
2                   *ESS.—The Administrator shall collaborate with*  
3                   *private sector flood insurers to simplify the re-*  
4                   *view process for properties described in subpara-*  
5                   *graph (A) and to ensure that the review process*  
6                   *provides for accurate determinations.*

7                   (4) *TERMINATION OF AUTHORITY.—This sub-*  
8                   *section shall cease to apply to a property on the date*  
9                   *on which the Administrator updates the flood insur-*  
10                  *ance rate map that applies to such property in ac-*  
11                  *cordance with the requirements of subsection (d).*

12 **SEC. 8. TREATMENT OF LEVEES.**

13                  *Section 1360 of the National Flood Insurance Act of*  
14                  *1968 (42 U.S.C. 4101) is amended by adding at the end*  
15                  *the following new subsection:*

16                  “(k) *TREATMENT OF LEVEES.—The Administrator*  
17                  *may not issue flood insurance maps, or make effective up-*  
18                  *dated flood insurance maps, that omit or disregard the ac-*  
19                  *tual protection afforded by an existing levee, floodwall,*  
20                  *pump or other flood protection feature, regardless of the ac-*  
21                  *creditation status of such feature.”.*

22 **SEC. 9. PRIVATIZATION INITIATIVES.**

23                  (a) *FEMA AND GAO REPORTS.—Not later than the*  
24                  *expiration of the 18-month period beginning on the date*  
25                  *of the enactment of this Act, the Administrator of the Fed-*

1 *eral Emergency Management Agency and the Comptroller*  
2 *General of the United States shall each conduct a separate*  
3 *study to assess a broad range of options, methods, and strat-*  
4 *egies for privatizing the national flood insurance program*  
5 *and shall each submit a report to the Committee on Finan-*  
6 *cial Services of the House of Representatives and the Com-*  
7 *mittee on Banking, Housing, and Urban Affairs of the Sen-*  
8 *ate with recommendations for the best manner to accom-*  
9 *plish such privatization.*

10 *(b) PRIVATE RISK-MANAGEMENT INITIATIVES.—*

11 *(1) AUTHORITY.—The Administrator of the Fed-*  
12 *eral Emergency Management Agency may carry out*  
13 *such private risk-management initiatives under the*  
14 *national flood insurance program as the Adminis-*  
15 *trator considers appropriate to determine the capac-*  
16 *ity of private insurers, reinsurers, and financial mar-*  
17 *kets to assist communities, on a voluntary basis only,*  
18 *in managing the full range of financial risks associ-*  
19 *ated with flooding.*

20 *(2) ASSESSMENT.—Not later than the expiration*  
21 *of the 12-month period beginning on the date of the*  
22 *enactment of this Act, the Administrator shall assess*  
23 *the capacity of the private reinsurance, capital, and*  
24 *financial markets by seeking proposals to assume a*  
25 *portion of the program's insurance risk and submit to*

1       *the Congress a report describing the response to such*  
2       *request for proposals and the results of such assess-*  
3       *ment.*

4               (3) *PROTOCOL FOR RELEASE OF DATA.—The Ad-*  
5       *ministrator shall develop a protocol to provide for the*  
6       *release of data sufficient to conduct the assessment re-*  
7       *quired under paragraph (2).*

8       (c) *REINSURANCE.—The National Flood Insurance Act*  
9       *of 1968 is amended—*

10              (1) *in section 1331(a)(2) (42 U.S.C. 4051(a)(2)),*  
11       *by inserting “, including as reinsurance of insurance*  
12       *coverage provided by the flood insurance program”*  
13       *before “, on such terms”;*

14              (2) *in section 1332(c)(2) (42 U.S.C. 4052(c)(2)),*  
15       *by inserting “or reinsurance” after “flood insurance*  
16       *coverage”;*

17              (3) *in section 1335(a) (42 U.S.C. 4055(a))—*

18                      (A) *by inserting “(1)” after “(a)”;* and

19                      (B) *by adding at the end the following new*  
20       *paragraph:*

21       “(2) *The Administrator is authorized to secure rein-*  
22       *surance coverage of coverage provided by the flood insurance*  
23       *program from private market insurance, reinsurance, and*  
24       *capital market sources at rates and on terms determined*  
25       *by the Administrator to be reasonable and appropriate in*

1 *an amount sufficient to maintain the ability of the program*  
2 *to pay claims and that minimizes the likelihood that the*  
3 *program will utilize the borrowing authority provided*  
4 *under section 1309.”;*

5 *(4) in section 1346(a) (12 U.S.C. 4082(a))—*

6 *(A) in the matter preceding paragraph (1),*  
7 *by inserting “, or for purposes of securing rein-*  
8 *surance of insurance coverage provided by the*  
9 *program,” before “of any or all of”;*

10 *(B) in paragraph (1)—*

11 *(i) by striking “estimating” and in-*  
12 *serting “Estimating”; and*

13 *(ii) by striking the semicolon at the*  
14 *end and inserting a period;*

15 *(C) in paragraph (2)—*

16 *(i) by striking “receiving” and insert-*  
17 *ing “Receiving”; and*

18 *(ii) by striking the semicolon at the*  
19 *end and inserting a period;*

20 *(D) in paragraph (3)—*

21 *(i) by striking “making” and inserting*  
22 *“Making”; and*

23 *(ii) by striking “; and” and inserting*  
24 *a period;*

25 *(E) in paragraph (4)—*

1                   (i) by striking “otherwise” and insert-  
2                   ing “Otherwise”; and

3                   (ii) by redesignating such paragraph  
4                   as paragraph (5); and

5                   (F) by inserting after paragraph (3) the fol-  
6                   lowing new paragraph:

7                   “(4) Placing reinsurance coverage on insurance  
8                   provided by such program.”; and

9                   (5) in section 1370(a)(3) (42 U.S.C. 4121(a)(3)),  
10                  by inserting before the semicolon at the end the fol-  
11                  lowing: “, is subject to the reporting requirements of  
12                  the Securities Exchange Act of 1934, pursuant to sec-  
13                  tion 13(a) or 15(d) of such Act (15 U.S.C. 78m(a),  
14                  78o(d)), or is authorized by the Administrator to as-  
15                  sume reinsurance on risks insured by the flood insur-  
16                  ance program”.

17                  (d) ASSESSMENT OF CLAIMS-PAYING ABILITY.—

18                  (1) ASSESSMENT.—Not later than September 30  
19                  of each year, the Administrator of the Federal Emer-  
20                  gency Management Agency shall conduct an assess-  
21                  ment of the claims-paying ability of the national  
22                  flood insurance program, including the program’s uti-  
23                  lization of private sector reinsurance and reinsurance  
24                  equivalents, with and without reliance on borrowing  
25                  authority under section 1309 of the National Flood

1        *Insurance Act of 1968 (42 U.S.C. 4016). In con-*  
2        *ducting the assessment, the Administrator shall take*  
3        *into consideration regional concentrations of coverage*  
4        *written by the program, peak flood zones, and rel-*  
5        *evant mitigation measures.*

6                (2) *REPORT.—The Administrator shall submit a*  
7        *report to the Congress of the results of each such as-*  
8        *essment, and make such report available to the pub-*  
9        *lic, not later than 30 days after completion of the as-*  
10       *essment.*

11    **SEC. 10. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.**

12        *Section 1320 of the National Flood Insurance Act of*  
13        *1968 (42 U.S.C. 4027) is amended—*

14                (1) *in the section heading, by striking “REPORT*  
15        *TO THE PRESIDENT” and inserting “ANNUAL REPORT*  
16        *TO CONGRESS”;*

17                (2) *in subsection (a)—*

18                        (A) *by striking “biennially”;*

19                        (B) *by striking “the President for submis-*  
20        *sion to”;* and

21                        (C) *by inserting “not later than June 30 of*  
22        *each year” before the period at the end;*

23                (3) *in subsection (b), by striking “biennial” and*  
24        *inserting “annual”;* and

1           (4) by adding at the end the following new sub-  
2           section:

3           “(c) *FINANCIAL STATUS OF PROGRAM.*—The report  
4           under this section for each year shall include information  
5           regarding the financial status of the national flood insur-  
6           ance program under this title, including a description of  
7           the financial status of the National Flood Insurance Fund  
8           and current and projected levels of claims, premium re-  
9           ceipts, expenses, and borrowing under the program.”.

10 **SEC. 11. ACTUARIAL RATES FOR SEVERE REPETITIVE LOSS**

11                           **PROPERTIES REFUSING MITIGATION OR PUR-**  
12                           **CHASE OFFERS.**

13           Subsection (h) of section 1361A of the National Flood  
14           Insurance Act of 1968 (42 U.S.C. 4102a(h)) is amended—

15           (1) in paragraph (1)—

16                           (A) in subparagraph (B), by striking “150  
17                           percent” and all that follows through “para-  
18                           graph (3)” and inserting “the applicable esti-  
19                           mated risk premium rate for such coverage for  
20                           the area (or subdivision thereof) determined in  
21                           accordance with section 1307(a), subject to  
22                           phase-in of such rates in the same manner pro-  
23                           vided under paragraph (2) of section 1308(g) for  
24                           properties described in paragraph (1) of such  
25                           section”; and

1                   (B) by inserting after and below subpara-  
2                   graph (B) the following:

3                   “An offer to take action under paragraph (1) or (2)  
4                   of subsection (c) shall be considered to be made for  
5                   purposes of this paragraph with respect to a severe re-  
6                   petitive loss property regardless of the time that the  
7                   offer was made and regardless of whether the Admin-  
8                   istrator has transferred financial assistance under  
9                   this section to the State or community making the  
10                  offer for funding such action, but only if the owner  
11                  of the property is provided a reasonable period of  
12                  time, not to exceed 15 days, to respond to the offer.”;

13                  (2) by striking paragraphs (2) and (3); and

14                  (3) by redesignating paragraphs (4) through (6)  
15                  as paragraphs (2) through (4), respectively.

16 **SEC. 12. MITIGATION ASSISTANCE.**

17                  Subsection (e) of section 1366 of the National Flood  
18                  Insurance Act of 1968 (42 U.S.C. 4104c(e)) is amended by  
19                  adding at the end the following new paragraph:

20                  “(6) *ELIGIBILITY OF DEMOLITION AND REBUILD-*  
21                  *ING OF PROPERTIES.*—The Administrator shall con-  
22                  sider as an eligible activity the demolition and re-  
23                  building of properties to at least base flood levels or  
24                  higher, if required by the Administrator or if required  
25                  by any State or local ordinance, and in accordance



1       with project implementation criteria established by  
2       the Administrator.”.

3       **SEC. 13. GRANTS FOR DIRECT FUNDING OF MITIGATION AC-**  
4                               **TIVITIES FOR INDIVIDUAL REPETITIVE**  
5                               **CLAIMS PROPERTIES.**

6       (a) *DIRECT GRANTS TO OWNERS.*—Section 1323 of the  
7       National Flood Insurance Act of 1968 (42 U.S.C. 4030) is  
8       amended—

9               (1) in the section heading, by inserting “**DI-**  
10       **RECT**” before “**GRANTS**”; and

11              (2) in subsection (a), in the the matter preceding  
12       paragraph (1)—

13                      (A) by inserting “, to owners of such prop-  
14                      erties,” before “for mitigation actions”; and

15                      (B) by striking “1” and inserting “two”.

16       (b) *AVAILABILITY OF FUNDS.*—Paragraph (9) of sec-  
17       tion 1310(a) of the National Flood Insurance Act of 1968  
18       (42 U.S.C. 4017(a)) is amended by inserting “which shall  
19       remain available until expended,” after “any fiscal year,”.

20       **SEC. 14. NOTIFICATION TO HOMEOWNERS REGARDING**  
21                               **MANDATORY PURCHASE REQUIREMENT AP-**  
22                               **PLICABILITY AND RATE PHASE-INS.**

23       Section 201 of the Flood Disaster Protection Act of  
24       1973 (42 U.S.C. 4105) is amended by adding at the end  
25       the following new subsection:

1       “(f) *ANNUAL NOTIFICATION.*—*The Administrator, in*  
2 *consultation with affected communities, shall establish and*  
3 *carry out a plan to notify residents of areas having special*  
4 *flood hazards, on an annual basis—*

5               “(1) *that they reside in such an area;*

6               “(2) *of the geographical boundaries of such area;*

7               “(3) *of whether section 1308(h) of the National*  
8 *Flood Insurance Act of 1968 applies to properties*  
9 *within such area;*

10              “(4) *of the provisions of section 102 requiring*  
11 *purchase of flood insurance coverage for properties lo-*  
12 *cated in such an area, including the date on which*  
13 *such provisions apply with respect to such area, tak-*  
14 *ing into consideration section 102(i); and*

15              “(5) *of a general estimate of what similar home-*  
16 *owners in similar areas typically pay for flood insur-*  
17 *ance coverage, taking into consideration section*  
18 *1308(g) of the National Flood Insurance Act of*  
19 *1968.”.*

20 **SEC. 15. NOTIFICATION OF ESTABLISHMENT OF FLOOD**  
21 **ELEVATIONS.**

22       *Section 1360 of the National Flood Insurance Act of*  
23 *1968 (42 U.S.C. 4101), as amended by the preceding provi-*  
24 *sions of this Act, is further amended by adding at the end*  
25 *the following new subsection:*

1       “(l) *NOTIFICATION TO MEMBERS OF CONGRESS OF*  
2 *MAP MODERNIZATION.*—*Upon any revision or update of*  
3 *any floodplain area or flood-risk zone pursuant to sub-*  
4 *section (f), any decision pursuant to subsection (f)(1) that*  
5 *such revision or update is necessary, any issuance of pre-*  
6 *liminary maps for such revision or updating, or any other*  
7 *significant action relating to any such revision or update,*  
8 *the Administrator shall notify the Senators for each State*  
9 *affected, and each Member of the House of Representatives*  
10 *for each congressional district affected, by such revision or*  
11 *update in writing of the action taken.”.*

12 **SEC. 16. NOTIFICATION TO TENANTS OF AVAILABILITY OF**  
13 **CONTENTS INSURANCE.**

14       *The National Flood Insurance Act of 1968 is amended*  
15 *by inserting after section 1308 (42 U.S.C. 4015) the fol-*  
16 *lowing new section:*

17 **“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY**  
18 **OF CONTENTS INSURANCE.**

19       “(a) *IN GENERAL.*—*The Administrator shall, upon en-*  
20 *tering into a contract for flood insurance coverage under*  
21 *this title for any property—*

22               “(1) *provide to the insured sufficient copies of*  
23 *the notice developed pursuant to subsection (b); and*

24               “(2) *require the insured to provide a copy of the*  
25 *notice, or otherwise provide notification of the infor-*

1        *mation under subsection (b) in the manner that the*  
2        *manager or landlord deems most appropriate, to each*  
3        *such tenant and to each new tenant upon commence-*  
4        *ment of such a tenancy.*

5        “(b) NOTICE.—Notice to a tenant of a property in ac-  
6        *cordance with this subsection is written notice that clearly*  
7        *informs a tenant—*

8                *“(1) whether the property is located in an area*  
9                *having special flood hazards;*

10                *“(2) that flood insurance coverage is available*  
11                *under the national flood insurance program under*  
12                *this title for contents of the unit or structure leased*  
13                *by the tenant;*

14                *“(3) of the maximum amount of such coverage*  
15                *for contents available under this title at that time;*  
16                *and*

17                *“(4) of where to obtain information regarding*  
18                *how to obtain such coverage, including a telephone*  
19                *number, mailing address, and Internet site of the Ad-*  
20                *ministrator where such information is available.”.*

21        **SEC. 17. NOTIFICATION TO POLICY HOLDERS REGARDING**

22                                **DIRECT MANAGEMENT OF POLICY BY FEMA.**

23        *Part C of chapter II of the National Flood Insurance*  
24        *Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding*  
25        *at the end the following new section:*

1 **“SEC. 1349. NOTIFICATION TO POLICY HOLDERS REGARD-**  
2 **ING DIRECT MANAGEMENT OF POLICY BY**  
3 **FEMA.**

4 “(a) *NOTIFICATION.*—Not later than 60 days before the  
5 date on which a transferred flood insurance policy expires,  
6 and annually thereafter until such time as the Federal  
7 Emergency Management Agency is no longer directly ad-  
8 ministering such policy, the Administrator shall notify the  
9 holder of such policy that—

10 “(1) *the Federal Emergency Management Agency*  
11 *is directly administering the policy;*

12 “(2) *such holder may purchase flood insurance*  
13 *that is directly administered by an insurance com-*  
14 *pany; and*

15 “(3) *purchasing flood insurance offered under the*  
16 *National Flood Insurance Program that is directly*  
17 *administered by an insurance company will not alter*  
18 *the coverage provided or the premiums charged to*  
19 *such holder that otherwise would be provided or*  
20 *charged if the policy was directly administered by the*  
21 *Federal Emergency Management Agency.*

22 “(b) *DEFINITION.*—*In this section, the term ‘trans-*  
23 *ferred flood insurance policy’ means a flood insurance pol-*  
24 *icy that—*

1           “(1) was directly administered by an insurance  
2           company at the time the policy was originally pur-  
3           chased by the policy holder; and

4           “(2) at the time of renewal of the policy, direct  
5           administration of the policy was or will be trans-  
6           ferred to the Federal Emergency Management Agen-  
7           cy.”.

8   **SEC. 18. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**  
9                           **AND ESCROW IN RESPA GOOD FAITH ESTI-**  
10                           **MATE.**

11           Subsection (c) of section 5 of the Real Estate Settle-  
12           ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is amend-  
13           ed by adding at the end the following new sentence: “Each  
14           such good faith estimate shall include the following con-  
15           spicuous statements and information: (1) that flood insur-  
16           ance coverage for residential real estate is generally avail-  
17           able under the national flood insurance program whether  
18           or not the real estate is located in an area having special  
19           flood hazards and that, to obtain such coverage, a home  
20           owner or purchaser should contact the national flood insur-  
21           ance program; (2) a telephone number and a location on  
22           the Internet by which a home owner or purchaser can con-  
23           tact the national flood insurance program; and (3) that the  
24           escrowing of flood insurance payments is required for many  
25           loans under section 102(d) of the Flood Disaster Protection

1 *Act of 1973, and may be a convenient and available option*  
2 *with respect to other loans.”.*

3 **SEC. 19. REIMBURSEMENT FOR COSTS INCURRED BY HOME-**  
4 **OWNERS OBTAINING LETTERS OF MAP**  
5 **AMENDMENT.**

6 *(a) IN GENERAL.—Section 1360 of the National Flood*  
7 *Insurance Act of 1968 (42 U.S.C. 4101), as amended by*  
8 *the preceding provisions of this Act, is further amended by*  
9 *adding at the end the following new subsection:*

10 *“(m) REIMBURSEMENT.—*

11 *“(1) REQUIREMENT UPON BONA FIDE OFFER.—*

12 *If an owner of any property located in an area de-*  
13 *scribed in section 102(i)(3) of the Flood Disaster Pro-*  
14 *tection Act of 1973 obtains a letter of map amend-*  
15 *ment due to a bona fide error on the part of the Ad-*  
16 *ministrator of the Federal Emergency Management*  
17 *Agency, the Administrator shall reimburse such*  
18 *owner, or such entity or jurisdiction acting on such*  
19 *owner’s behalf, for any reasonable costs incurred in*  
20 *obtaining such letter.*

21 *“(2) REASONABLE COSTS.—The Administrator*  
22 *shall, by regulation or notice, determine a reasonable*  
23 *amount of costs to be reimbursed under paragraph*  
24 *(1), except that such costs shall not include legal or*  
25 *attorneys fees. In determining the reasonableness of*

1 *costs, the Administrator shall only consider the actual*  
2 *costs to the owner of utilizing the services of an engi-*  
3 *neer, surveyor, or similar services.”.*

4 *(b) REGULATIONS.—Not later than 90 days after the*  
5 *date of the enactment of this Act, the Administrator of the*  
6 *Federal Emergency Management Agency shall issue the reg-*  
7 *ulations or notice required under section 1360(m)(2) of the*  
8 *National Flood Insurance Act of 1968, as added by the*  
9 *amendment made by subsection (a) of this section.*

10 **SEC. 20. TREATMENT OF SWIMMING POOL ENCLOSURES**

11 **OUTSIDE OF HURRICANE SEASON.**

12 *Chapter I of the National Flood Insurance Act of 1968*  
13 *(42 U.S.C. 4001 et seq.) is amended by adding at the end*  
14 *the following new section:*

15 **“SEC. 1325. TREATMENT OF SWIMMING POOL ENCLOSURES**

16 **OUTSIDE OF HURRICANE SEASON.**

17 *“In the case of any property that is otherwise in com-*  
18 *pliance with the coverage and building requirements of the*  
19 *national flood insurance program, the presence of an en-*  
20 *closed swimming pool located at ground level or in the space*  
21 *below the lowest floor of a building after November 30 and*  
22 *before June 1 of any year shall have no effect on the terms*  
23 *of coverage or the ability to receive coverage for such build-*  
24 *ing under the national flood insurance program established*



1 *pursuant to this title, if the pool is enclosed with non-sup-*  
2 *porting breakaway walls.”.*

3 **SEC. 21. CDBG ELIGIBILITY FOR FLOOD INSURANCE OUT-**  
4 **REACH ACTIVITIES AND COMMUNITY BUILD-**  
5 **ING CODE ADMINISTRATION GRANTS.**

6 *Section 105(a) of the Housing and Community Devel-*  
7 *opment Act of 1974 (42 U.S.C. 5305(a)) is amended—*

8 *(1) in paragraph (24), by striking “and” at the*  
9 *end;*

10 *(2) in paragraph (25), by striking the period at*  
11 *the end and inserting a semicolon; and*

12 *(3) by adding at the end the following new para-*  
13 *graphs:*

14 *“(26) supplementing existing State or local fund-*  
15 *ing for administration of building code enforcement*  
16 *by local building code enforcement departments, in-*  
17 *cluding for increasing staffing, providing staff train-*  
18 *ing, increasing staff competence and professional*  
19 *qualifications, and supporting individual certifi-*  
20 *cation or departmental accreditation, and for capital*  
21 *expenditures specifically dedicated to the administra-*  
22 *tion of the building code enforcement department, ex-*  
23 *cept that, to be eligible to use amounts as provided in*  
24 *this paragraph—*

1           “(A) a building code enforcement depart-  
2           ment shall provide matching, non-Federal funds  
3           to be used in conjunction with amounts used  
4           under this paragraph in an amount—

5                   “(i) in the case of a building code en-  
6                   forcement department serving an area with  
7                   a population of more than 50,000, equal to  
8                   not less than 50 percent of the total amount  
9                   of any funds made available under this title  
10                  that are used under this paragraph;

11                   “(ii) in the case of a building code en-  
12                   forcement department serving an area with  
13                   a population of between 20,001 and 50,000,  
14                   equal to not less than 25 percent of the total  
15                   amount of any funds made available under  
16                   this title that are used under this para-  
17                   graph; and

18                   “(iii) in the case of a building code en-  
19                   forcement department serving an area with  
20                   a population of less than 20,000, equal to  
21                   not less than 12.5 percent of the total  
22                   amount of any funds made available under  
23                   this title that are used under this para-  
24                   graph;

1           *except that the Secretary may waive the match-*  
2           *ing fund requirements under this subparagraph,*  
3           *in whole or in part, based upon the level of eco-*  
4           *nomical distress of the jurisdiction in which is lo-*  
5           *cated the local building code enforcement depart-*  
6           *ment that is using amounts for purposes under*  
7           *this paragraph, and shall waive such matching*  
8           *fund requirements in whole for any recipient ju-*  
9           *risdiction that has dedicated all building code*  
10          *permitting fees to the conduct of local building*  
11          *code enforcement; and*

12            “(B) any building code enforcement depart-

13            *ment using funds made available under this title*  
14            *for purposes under this paragraph shall empanel*  
15            *a code administration and enforcement team*  
16            *consisting of at least 1 full-time building code*  
17            *enforcement officer, a city planner, and a health*  
18            *planner or similar officer; and*

19            “(27) provision of assistance to local govern-

20            *mental agencies responsible for floodplain manage-*  
21            *ment activities (including such agencies of Indians*  
22            *tribes, as such term is defined in section 4 of the Na-*  
23            *tive American Housing Assistance and Self-Deter-*  
24            *mination Act of 1996 (25 U.S.C. 4103)) in commu-*  
25            *nities that participate in the national flood insurance*

1        *program under the National Flood Insurance Act of*  
2        *1968 (42 U.S.C. 4001 et seq.), only for carrying out*  
3        *outreach activities to encourage and facilitate the*  
4        *purchase of flood insurance protection under such Act*  
5        *by owners and renters of properties in such commu-*  
6        *nities and to promote educational activities that in-*  
7        *crease awareness of flood risk reduction; except that—*

8                *“(A) amounts used as provided under this*  
9                *paragraph shall be used only for activities de-*  
10               *signed to—*

11                    *“(i) identify owners and renters of*  
12                    *properties in communities that participate*  
13                    *in the national flood insurance program,*  
14                    *including owners of residential and com-*  
15                    *mercial properties;*

16                    *“(ii) notify such owners and renters*  
17                    *when their properties become included in, or*  
18                    *when they are excluded from, an area hav-*  
19                    *ing special flood hazards and the effect of*  
20                    *such inclusion or exclusion on the applica-*  
21                    *bility of the mandatory flood insurance*  
22                    *purchase requirement under section 102 of*  
23                    *the Flood Disaster Protection Act of 1973*  
24                    *(42 U.S.C. 4012a) to such properties;*

1           “(iii) educate such owners and renters  
2           regarding the flood risk and reduction of  
3           this risk in their community, including the  
4           continued flood risks to areas that are no  
5           longer subject to the flood insurance manda-  
6           tory purchase requirement;

7           “(iv) educate such owners and renters  
8           regarding the benefits and costs of main-  
9           taining or acquiring flood insurance, in-  
10          cluding, where applicable, lower-cost pre-  
11          ferred risk policies under this title for such  
12          properties and the contents of such prop-  
13          erties;

14          “(v) encourage such owners and renters  
15          to maintain or acquire such coverage;

16          “(vi) notify such owners of where to  
17          obtain information regarding how to obtain  
18          such coverage, including a telephone num-  
19          ber, mailing address, and Internet site of  
20          the Administrator of the Federal Emergency  
21          Management Agency (in this paragraph re-  
22          ferred to as the ‘Administrator’) where such  
23          information is available; and

24          “(vii) educate local real estate agents  
25          in communities participating in the na-

1            *tional flood insurance program regarding*  
2            *the program and the availability of cov-*  
3            *erage under the program for owners and*  
4            *renters of properties in such communities,*  
5            *and establish coordination and liaisons*  
6            *with such real estate agents to facilitate*  
7            *purchase of coverage under the National*  
8            *Flood Insurance Act of 1968 and increase*  
9            *awareness of flood risk reduction;*

10            *“(B) in any fiscal year, a local govern-*  
11            *mental agency may not use an amount under*  
12            *this paragraph that exceeds 3 times the amount*  
13            *that the agency certifies, as the Secretary, in*  
14            *consultation with the Administrator, shall re-*  
15            *quire, that the agency will contribute from non-*  
16            *Federal funds to be used with such amounts used*  
17            *under this paragraph only for carrying out ac-*  
18            *tivities described in subparagraph (A); and for*  
19            *purposes of this subparagraph, the term ‘non-*  
20            *Federal funds’ includes State or local govern-*  
21            *ment agency amounts, in-kind contributions,*  
22            *any salary paid to staff to carry out the eligible*  
23            *activities of the local governmental agency in-*  
24            *volved, the value of the time and services contrib-*  
25            *uted by volunteers to carry out such services (at*

1           *a rate determined by the Secretary), and the*  
2           *value of any donated material or building and*  
3           *the value of any lease on a building;*

4           “(C) *a local governmental agency that uses*  
5           *amounts as provided under this paragraph may*  
6           *coordinate or contract with other agencies and*  
7           *entities having particular capacities, specialties,*  
8           *or experience with respect to certain populations*  
9           *or constituencies, including elderly or disabled*  
10          *families or persons, to carry out activities de-*  
11          *scribed in subparagraph (A) with respect to such*  
12          *populations or constituencies; and*

13          “(D) *each local government agency that uses*  
14          *amounts as provided under this paragraph shall*  
15          *submit a report to the Secretary and the Admin-*  
16          *istrator, not later than 12 months after such*  
17          *amounts are first received, which shall include*  
18          *such information as the Secretary and the Ad-*  
19          *ministrator jointly consider appropriate to de-*  
20          *scribe the activities conducted using such*  
21          *amounts and the effect of such activities on the*  
22          *retention or acquisition of flood insurance cov-*  
23          *erage.”.*

1 **SEC. 22. TECHNICAL CORRECTIONS.**

2 (a) *FLOOD DISASTER PROTECTION ACT OF 1973.*—  
3 *The Flood Disaster Protection Act of 1973 (42 U.S.C. 4002*  
4 *et seq.) is amended—*

5 (1) *by striking “Director” each place such term*  
6 *appears, except in section 102(f)(3) (42 U.S.C.*  
7 *4012a(f)(3)), and inserting “Administrator”; and*

8 (2) *in section 201(b) (42 U.S.C. 4105(b)), by*  
9 *striking “Director’s” and inserting “Administra-*  
10 *tor’s”.*

11 (b) *NATIONAL FLOOD INSURANCE ACT OF 1968.*—*The*  
12 *National Flood Insurance Act of 1968 (42 U.S.C. 4001 et*  
13 *seq.) is amended—*

14 (1) *by striking “Director” each place such term*  
15 *appears and inserting “Administrator”; and*

16 (2) *in sections 1363 (42 U.S.C. 4104), by strik-*  
17 *ing “Director’s” each place such term appears and*  
18 *inserting “Administrator’s”.*

19 (c) *FEDERAL FLOOD INSURANCE ACT OF 1956.*—*Sec-*  
20 *tion 15(e) of the Federal Flood Insurance Act of 1956 (42*  
21 *U.S.C. 2414(e)) is amended by striking “Director” each*  
22 *place such term appears and inserting “Administrator”.*

23 **SEC. 23. REPORT ON WRITE-YOUR-OWN PROGRAM.**

24 *Not later than one year after the date of the enactment*  
25 *of this Act, the Administrator of the Federal Emergency*  
26 *Management Agency shall submit to Congress a report de-*



1 *scribing procedures and policies that the Administrator can*  
2 *implement to limit the percentage of flood insurance policies*  
3 *directly managed by the Agency to not more than 10 per-*  
4 *cent, if possible, of all flood insurance policies issued in ac-*  
5 *cordance with the National Flood Insurance Program.*

6 **SEC. 24. STUDIES OF VOLUNTARY COMMUNITY-BASED**  
7 **FLOOD INSURANCE OPTIONS.**

8 (a) *STUDIES.*—*The Administrator of the Federal*  
9 *Emergency Management Agency and the Comptroller Gen-*  
10 *eral of the United States shall each conduct a separate study*  
11 *to assess options, methods, and strategies for offering vol-*  
12 *untary community-based flood insurance policy options*  
13 *and incorporating such options into the national flood in-*  
14 *surance program. Such studies shall take into consideration*  
15 *and analyze how the policy options would affect commu-*  
16 *nities having varying economic bases, geographic locations,*  
17 *flood hazard characteristics or classifications, and flood*  
18 *management approaches.*

19 (b) *REPORTS.*—*Not later than the expiration of the 18-*  
20 *month period beginning on the date of the enactment of this*  
21 *Act, the Administrator of the Federal Emergency Manage-*  
22 *ment Agency and the Comptroller General of the United*  
23 *States shall each submit a report to the Committee on Fi-*  
24 *nancial Services of the House of Representatives and the*  
25 *Committee on Banking, Housing, and Urban Affairs of the*

1 *Senate on the results and conclusions of the study such*  
2 *agency conducted under subsection (a), and each such re-*  
3 *port shall include recommendations for the best manner to*  
4 *incorporate voluntary community-based flood insurance op-*  
5 *tions into the national flood insurance program and for a*  
6 *strategy to implement such options that would encourage*  
7 *communities to undertake flood mitigation activities.*

8 **SEC. 25. REPORT ON INCLUSION OF BUILDING CODES IN**  
9 **FLOODPLAIN MANAGEMENT CRITERIA.**

10 *Not later than the expiration of the 6-month period*  
11 *beginning on the date of the enactment of this Act, the Ad-*  
12 *ministrator of the Federal Emergency Management Agency*  
13 *shall conduct a study and submit a report to the Committee*  
14 *on Financial Services of the House of Representatives and*  
15 *the Committee on Banking, Housing, and Urban Affairs*  
16 *of the Senate regarding the impact, effectiveness, and feasi-*  
17 *bility of amending section 1361 of the National Flood In-*  
18 *surance Act of 1968 (42 U.S.C. 4102) to include widely used*  
19 *and nationally recognized building codes as part of the*  
20 *floodplain management criteria developed under such sec-*  
21 *tion, and shall determine—*

22 *(1) the regulatory, financial, and economic im-*  
23 *pacts of such a building code requirement on home-*  
24 *owners, States and local communities, local land use*

1        *policies, and the Federal Emergency Management*  
2        *Agency;*

3                *(2) the resources required of State and local com-*  
4        *munities to administer and enforce such a building*  
5        *code requirement;*

6                *(3) the effectiveness of such a building code re-*  
7        *quirement in reducing flood-related damage to build-*  
8        *ings and contents;*

9                *(4) the impact of such a building code require-*  
10       *ment on the actuarial soundness of the National*  
11       *Flood Insurance Program;*

12               *(5) the effectiveness of nationally recognized*  
13       *codes in allowing innovative materials and systems*  
14       *for flood-resistant construction;*

15               *(6) the feasibility and effectiveness of providing*  
16       *an incentive in lower premium rates for flood insur-*  
17       *ance coverage under such Act for structures meeting*  
18       *whichever of such widely used and nationally recog-*  
19       *nized building code or any applicable local building*  
20       *code provides greater protection from flood damage;*

21               *(7) the impact of such a building code require-*  
22       *ment on rural communities with different building*  
23       *code challenges than more urban environments; and*

24               *(8) the impact of such a building code require-*  
25       *ment on Indian reservations.*

1 **SEC. 26. STUDY ON GRADUATED RISK.**

2       (a) *STUDY.*—*The National Academy of Sciences shall*  
3 *conduct a study exploring methods for understanding grad-*  
4 *uated risk behind levees and the associated land develop-*  
5 *ment, insurance, and risk communication dimensions,*  
6 *which shall—*

7           (1) *research, review, and recommend current best*  
8 *practices for estimating direct annualized flood losses*  
9 *behind levees for residential and commercial struc-*  
10 *tures;*

11           (2) *rank such practices based on their best value,*  
12 *balancing cost, scientific integrity, and the inherent*  
13 *uncertainties associated with all aspects of the loss es-*  
14 *timate, including geotechnical engineering, flood fre-*  
15 *quency estimates, economic value, and direct dam-*  
16 *ages;*

17           (3) *research, review, and identify current best*  
18 *floodplain management and land use practices behind*  
19 *levees that effectively balance social, economic, and*  
20 *environmental considerations as part of an overall*  
21 *flood risk management strategy;*

22           (4) *identify examples where such practices have*  
23 *proven effective and recommend methods and proc-*  
24 *esses by which they could be applied more broadly*  
25 *across the United States, given the variety of different*

1 *flood risks, State and local legal frameworks, and*  
2 *evolving judicial opinions;*

3 (5) *research, review, and identify a variety of*  
4 *flood insurance pricing options for flood hazards be-*  
5 *hind levees which are actuarially sound and based on*  
6 *the flood risk data developed using the top three best*  
7 *value approaches identified pursuant to paragraph*  
8 *(1);*

9 (6) *evaluate and recommend methods to reduce*  
10 *insurance costs through creative arrangements be-*  
11 *tween insureds and insurers while keeping a clear ac-*  
12 *counting of how much financial risk is being borne by*  
13 *various parties such that the entire risk is accounted*  
14 *for, including establishment of explicit limits on dis-*  
15 *aster aid or other assistance in the event of a flood;*  
16 *and*

17 (7) *taking into consideration the recommenda-*  
18 *tions pursuant to paragraphs (1) through (3), rec-*  
19 *ommend approaches to communicating the associated*  
20 *risks to community officials, homeowners, and other*  
21 *residents.*

22 (b) *REPORT.—Not later than the expiration of the 12-*  
23 *month period beginning on the date of the enactment of this*  
24 *Act, the National Academy of Sciences shall submit a report*  
25 *to the Committees on Financial Services and Science,*

1 *Space, and Technology of the House of Representatives and*  
2 *the Committees on Banking, Housing, and Urban Affairs*  
3 *and Commerce, Science and Transportation of the Senate*  
4 *on the study under subsection (a) including the information*  
5 *and recommendations required under such subsection.*

6 **SEC. 27. NO CAUSE OF ACTION.**

7 *No cause of action shall exist and no claim may be*  
8 *brought against the United States for violation of any noti-*  
9 *fication requirement imposed upon the United States by*  
10 *this Act or any amendment made by this Act.*



Union Calendar No. 57

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 1309**

[Report No. 112-102]

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**A BILL**

To extend the authorization of the national flood insurance program, to achieve reforms to improve the financial integrity and stability of the program, and to increase the role of private markets in the management of flood insurance risk, and for other purposes.

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JUNE 9, 2011

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed