

116TH CONGRESS
1ST SESSION

H. R. 3872

To reauthorize the National Flood Insurance Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2019

Mr. PALLONE (for himself, Mr. HIGGINS of Louisiana, Mr. PASCRELL, Ms. SHERRILL, Mr. VAN DREW, Mr. SIRES, Mr. NORCROSS, Mr. MALINOWSKI, Mrs. WATSON COLEMAN, Ms. MUCARSEL-POWELL, Mr. CRIST, Mr. PAYNE, Mr. KIM, Mr. SMITH of New Jersey, Mrs. MURPHY, and Mr. GOTTHEIMER) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reauthorize the National Flood Insurance Program, 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.**

4 This Act may be cited as the “National Flood Insur-
5 ance Program Reauthorization and Reform Act of 2019”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

- Sec. 101. Reauthorization.
- Sec. 102. Cap on annual premium increases.
- Sec. 103. Means tested affordability voucher.
- Sec. 104. Optional monthly installment premium payment plans.
- Sec. 105. Study on business interruption coverage.
- Sec. 106. Cooperative coverage fairness.
- Sec. 107. Coverage limits.
- Sec. 108. Study on participation rates.

TITLE II—MITIGATION AND MAPPING

- Sec. 201. Mitigation for high-risk properties.
- Sec. 202. Increased cost of compliance coverage.
- Sec. 203. Flood mitigation assistance grants.
- Sec. 204. Urban mitigation opportunities.
- Sec. 205. Community Rating System Regional Coordinator.
- Sec. 206. Mitigation loan program.
- Sec. 207. Revolving loan funds.
- Sec. 208. Mapping modernization.
- Sec. 209. Protected areas.
- Sec. 210. Community-wide flood mitigation activities.

TITLE III—SOLVENCY

- Sec. 301. Forbearance on NFIP interest payments.
- Sec. 302. Cap on Write Your Own company compensation.
- Sec. 303. Taxpayer protection.
- Sec. 304. Vendor costs; transparency.
- Sec. 305. Availability of NFIP claims data.
- Sec. 306. Refusal of mitigation assistance.

TITLE IV—POLICYHOLDER PROTECTION AND FAIRNESS

- Sec. 401. Earth movement fix and engineer standards.
- Sec. 402. Coverage of pre-FIRM condominium basements and study on street raising.
- Sec. 403. Guidance on remediation and policyholder duties.
- Sec. 404. Appeal of decisions relating to flood insurance coverage.
- Sec. 405. Accountability for underpayments and overpayments by Write Your Own companies.
- Sec. 406. Policyholders' right to know.
- Sec. 407. Increasing statute of limitations for lawsuits.
- Sec. 408. Authority to terminate contractors and vendors.
- Sec. 409. Easing proof of loss requirements.
- Sec. 410. Deadline for claim processing.
- Sec. 411. No manipulation of engineer reports.
- Sec. 412. Improved training of floodplain managers, agents, and adjusters.
- Sec. 413. Attorney fee shifting.
- Sec. 414. DOJ defense against policyholder lawsuits.
- Sec. 415. Pilot program for pre-existing structural conditions.

Sec. 416. Agent Advisory Council.

Sec. 417. Disclosure of flood risk information upon transfer of property.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the Federal
5 Emergency Management Agency.

6 (2) FEDERAL FLOOD INSURANCE.—The term
7 “Federal flood insurance” means an insurance policy
8 made available under the National Flood Insurance
9 Act of 1968 (42 U.S.C. 4001 et seq.).

10 (3) NATIONAL FLOOD INSURANCE PROGRAM.—
11 The term “National Flood Insurance Program”
12 means the program established under the National
13 Flood Insurance Act of 1968 (42 U.S.C. 4001 et
14 seq.).

15 (4) NATIONAL FLOOD MITIGATION FUND.—The
16 term “National Flood Mitigation Fund” means the
17 fund established under section 1367 of the National
18 Flood Insurance Act of 1968 (42 U.S.C. 4104d).

19 (5) WRITE YOUR OWN COMPANY.—The term
20 “Write Your Own Company” means a private prop-
21 erty insurance company that participates in the
22 Write Your Own Program.

23 (6) WRITE YOUR OWN PROGRAM.—The term
24 “Write Your Own Program” means the program

1 under which the Federal Emergency Management
2 Agency enters into a standard arrangement with pri-
3 vate property insurance companies to—

4 (A) sell contracts for Federal flood insur-
5 ance under their own business lines of insur-
6 ance; and

7 (B) adjust and pay claims arising under
8 the contracts described in subparagraph (A).

9 **TITLE I—REAUTHORIZATION**
10 **AND AFFORDABILITY**

11 **SEC. 101. REAUTHORIZATION.**

12 (a) **FINANCING.**—Section 1309(a) of the National
13 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is
14 amended by striking “September 30, 2019” and inserting
15 “September 30, 2024”.

16 (b) **PROGRAM EXPIRATION.**—Section 1319 of the Na-
17 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is
18 amended by striking “September 30, 2019” and inserting
19 “September 30, 2024”.

20 (c) **PROGRAM CONTINUATION.**—

21 (1) **IN GENERAL.**—Section 1310 of the Na-
22 tional Flood Insurance Act of 1968 (42 U.S.C.
23 4017) is amended by adding at the end the fol-
24 lowing:

1 “(g) Amounts in the National Flood Insurance Re-
2 serve Fund established under section 1310A may be cred-
3 ited to the National Flood Insurance Fund to enter into,
4 and renew, contracts for flood insurance under this title
5 during any lapse in appropriations.”.

6 (2) TECHNICAL AND CONFORMING AMEND-
7 MENTS.—Section 1310A(a)(2) of the National Flood
8 Insurance Act of 1968 (42 U.S.C. 4017A(a)(2)) is
9 amended—

10 (A) in subparagraph (B), by striking
11 “and” at the end;

12 (B) in subparagraph (C), by striking the
13 period at the end and inserting “; and”; and

14 (C) by adding at the end the following:

15 “(D) for the purpose described in section
16 1310(g).”.

17 **SEC. 102. CAP ON ANNUAL PREMIUM INCREASES.**

18 (a) DEFINITION.—In this section, the term “covered
19 cost” means—

20 (1) the amount of an annual premium with re-
21 spect to any policy for flood insurance under the Na-
22 tional Flood Insurance Program;

23 (2) any surcharge imposed with respect to a
24 policy described in paragraph (1), including a sur-
25 charge imposed under—

1 (A) section 1304(b) of the National Flood
2 Insurance Act of 1968 (42 U.S.C. 4011(b)); or

3 (B) section 1308A(a) of the National
4 Flood Insurance Act of 1968 (42 U.S.C.
5 4015a(a)); and

6 (3) a fee described in paragraph (1)(B)(iii) or
7 (2) of section 1307(a) of the National Flood Insur-
8 ance Act of 1968 (42 U.S.C. 4014(a)).

9 (b) LIMITATION ON INCREASES.—During the 5-year
10 period beginning on the date of enactment of this Act, and
11 notwithstanding section 1308(e) of the National Flood In-
12 surance Act of 1968 (42 U.S.C. 4015(e)), the Adminis-
13 trator may not, in any year, increase the amount of any
14 covered cost by an amount that is more than 9 percent,
15 as compared with the amount of the covered cost during
16 the previous year.

17 (c) RULE OF CONSTRUCTION.—Nothing in sub-
18 section (b) may be construed as prohibiting the Adminis-
19 trator from reducing, in any year, the amount of any cov-
20 ered cost, as compared with the amount of the covered
21 cost during the previous year.

22 (d) AVERAGE HISTORICAL LOSS YEAR.—Section
23 1308 of the National Flood Insurance Act of 1968 (42
24 U.S.C. 4015) is amended by striking subsection (h) and
25 inserting the following:

1 “(h) **RULE OF CONSTRUCTION.**—For purposes of this
2 section, the calculation of an ‘average historical loss year’
3 shall be computed in accordance with generally accepted
4 actuarial principles.”.

5 (e) **DISCLOSURE WITH RESPECT TO THE AFFORD-**
6 **ABILITY STANDARD.**—Section 1308(j) of the National
7 Flood Insurance Act of 1968 (42 U.S.C. 4015(j)) is
8 amended, in the second sentence, by inserting “and shall
9 include in the report the number of those exceptions as
10 of the date on which the Administrator submits the report
11 and the location of each policyholder insured under those
12 exceptions, organized by county and State” after “of the
13 Senate”.

14 **SEC. 103. MEANS TESTED AFFORDABILITY VOUCHER.**

15 Chapter I of the National Flood Insurance Act of
16 1968 (42 U.S.C. 4011 et seq.) is amended by adding at
17 the end the following:

18 **“SEC. 1326. AFFORDABILITY ASSISTANCE.**

19 “(a) **AFFORDABILITY ASSISTANCE FUND.**—

20 “(1) **ESTABLISHMENT.**—The Administrator
21 shall establish in the Treasury of the United States
22 an Affordability Assistance Fund (referred to in this
23 section as the ‘Fund’), which shall be—

1 “(A) an account separate from any other
2 accounts or funds available to the Adminis-
3 trator; and

4 “(B) available without fiscal year limita-
5 tion.

6 “(2) USE OF FUNDS.—Amounts from the Fund
7 shall be available to provide financial assistance
8 under subsection (b).

9 “(3) SOURCE OF FUNDS.—The Fund shall be
10 credited with the amounts saved as a direct result
11 of the limitation imposed under section 1311(b).

12 “(b) FINANCIAL ASSISTANCE.—

13 “(1) DEFINITIONS.—In this subsection—

14 “(A) the term ‘adjusted gross income’ has
15 the meaning given the term in section 62 of the
16 Internal Revenue Code of 1986;

17 “(B) the term ‘eligible household’ means a
18 household for which—

19 “(i) housing expenses exceed 30 per-
20 cent of the adjusted gross income of the
21 household in a year; and

22 “(ii)(I) the total assets owned by the
23 household are in an amount that is not
24 greater than 220 percent of the median

1 household income for the State in which
2 the household is located; or

3 “(II) with respect to a household that
4 has a total household income that is not
5 greater than 120 percent of the area me-
6 dian income for the area in which the
7 household is located, the amount of pre-
8 miums, surcharges, and fees for a flood in-
9 surance policy provided under this title in
10 a year for the household exceeds 1 percent
11 of the coverage limit of that policy under
12 section 1306(b); and

13 “(C) the term ‘housing expenses’ means,
14 with respect to a household, the total amount
15 that the household spends in a year on—

16 “(i) mortgage payments;

17 “(ii) property taxes;

18 “(iii) homeowners insurance; and

19 “(iv) premiums for flood insurance
20 under the national flood insurance pro-
21 gram.

22 “(2) AUTHORITY.—

23 “(A) OTHER FINANCIAL ASSISTANCE.—

24 The Administrator shall provide a voucher,
25 grant, or premium credit to an eligible house-

1 hold for a year in an amount that, subject to
2 subparagraph (B), is equal to the lesser of—

3 “(i) the difference between—

4 “(I) the housing expenses of the
5 household for the year; and

6 “(II) 30 percent of the adjusted
7 gross income of the household for the
8 year; and

9 “(ii) the cost of premiums for the
10 household for flood insurance under the
11 national flood insurance program for the
12 year.

13 “(B) REDUCTION.—The amount of the as-
14 sistance provided under subparagraph (A) to an
15 eligible household shall be reduced by 1 percent
16 for each percent that the income of the eligible
17 household exceeds 120 percent of the median
18 household income for the State in which the
19 property that is the subject of the assistance is
20 located.

21 “(3) RELATIONSHIPS WITH OTHER AGEN-
22 CIES.—The Administrator may enter into a memo-
23 randum of understanding with the head of any other
24 Federal agency to administer the paragraph
25 (2)(A).”.

1 **SEC. 104. OPTIONAL MONTHLY INSTALLMENT PREMIUM**
2 **PAYMENT PLANS.**

3 Section 1308(g) of the National Flood Insurance Act
4 of 1968 (42 U.S.C. 4015(g)) is amended—

5 (1) by striking “With respect to” and inserting
6 the following:

7 “(1) ANNUAL OR MONTHLY OPTION.—Subject
8 to paragraph (2), with respect to”; and

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

10 “(2) MONTHLY INSTALLMENT.—With respect
11 to a policyholder that opts under paragraph (1) to
12 pay premiums on a monthly basis, the Administrator
13 may charge the policyholder an annual fee of not
14 more than \$15.

15 “(3) EXEMPTION FROM RULE MAKING; PILOT
16 PROGRAM.—During the period beginning on the date
17 of enactment of this paragraph and ending on the
18 date on which the Administrator promulgates regu-
19 lations carrying out paragraph (1), the Adminis-
20 trator may, notwithstanding any other provision of
21 law—

22 “(A) adopt policies and procedures to carry
23 out that paragraph without—

24 “(i) undergoing notice and comment
25 rule making under section 553 of title 5,
26 United States Code; or

1 “(ii) conducting regulatory analyses
2 otherwise required by statute, regulation,
3 or Executive order; or

4 “(B) carry out that paragraph by estab-
5 lishing a pilot program that gradually imple-
6 ments the requirements of that paragraph.”.

7 **SEC. 105. STUDY ON BUSINESS INTERRUPTION COVERAGE.**

8 (a) IN GENERAL.—The Administrator shall conduct
9 a study on the feasibility and soundness of offering cov-
10 erage for interruption business losses caused by a flood
11 under the National Flood Insurance Program (referred to
12 in this section as “business interruption coverage”).

13 (b) CONTENTS.—In conducting the study under sub-
14 section (a), the Administrator shall, at a minimum—

15 (1) evaluate insurance industry best practices
16 for offering business interruption coverage, including
17 the types of coverage provided and the utilization
18 rate;

19 (2) estimate the potential risk premium rates
20 for business interruption coverage based on the flood
21 risk reflected in the flood insurance rate map or
22 other risk metrics in effect at the time of purchase;

23 (3) analyze the operational and administrative
24 expenses associated with providing business inter-
25 ruption coverage and adjusting claims;

1 (4) identify potential obstacles that may prevent
2 the Administrator from offering business interrup-
3 tion coverage;

4 (5) evaluate the benefits of providing business
5 interruption coverage;

6 (6) analyze any potential impacts on the finan-
7 cial position of the National Flood Insurance Pro-
8 gram; and

9 (7) develop a feasibility implementation plan
10 and projected timelines for offering business inter-
11 ruption coverage.

12 (c) AVAILABILITY OF EXPERTS.—In conducting the
13 study under subsection (a), the Administrator may accept
14 and utilize the personnel and services of any other Federal
15 agency, and appoint and fix the compensation of tem-
16 porary personnel without regard to the provisions of title
17 5, United States Code, governing appointments in the
18 competitive service, or employ experts and consultants in
19 accordance with the provisions of section 3109 of such
20 title, without regard to the provisions of chapter 51 and
21 subchapter III of chapter 53 of such title relating to classi-
22 fication and General Schedule pay rates.

23 (d) DEADLINE.—The Administrator shall complete
24 the study required under subsection (a) not later than

1 September 30 of the second full fiscal year after the date
2 of enactment of this Act.

3 **SEC. 106. COOPERATIVE COVERAGE FAIRNESS.**

4 (a) IN GENERAL.—Section 1306 of the National
5 Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended
6 by adding at the end the following:

7 “(e) COOPERATIVES.—

8 “(1) DEFINITION.—In this subsection, the term
9 ‘cooperative building’ has the meaning given the
10 term in section 1312(d).

11 “(2) EQUAL TREATMENT WITH CONDOMINIUMS.—Notwithstanding any other provision of law,
12 an owner of a share of a cooperative building shall
13 be eligible to purchase flood insurance coverage
14 under the national flood insurance program on the
15 same terms as a condominium owner.”.

17 (b) PAYMENT OF CLAIMS.—Section 1312 of the Na-
18 tional Flood Insurance Act of 1968 (42 U.S.C. 4019) is
19 amended—

20 (1) in subsection (c)—

21 (A) in the subsection heading, by inserting
22 “AND COOPERATIVE” after “CONDOMINIUM”;

23 (B) by inserting “or owners of a share of
24 a cooperative building” after “condominium
25 owners”; and

1 (C) by inserting “or cooperative associa-
2 tion” after “condominium association” each
3 place that term appears; and

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

5 “(d) DEFINITIONS.—In this section, the terms ‘coop-
6 erative association’ and ‘cooperative building’ have the
7 meanings given the terms by the Administrator.”.

8 **SEC. 107. COVERAGE LIMITS.**

9 (a) IN GENERAL.—Section 1306 of the National
10 Flood Insurance Act of 1968 (42 U.S.C. 4013), as amend-
11 ed by section 106(a), is amended—

12 (1) in subsection (b)—

13 (A) in the matter preceding paragraph (1),
14 by striking “In addition to any other terms and
15 conditions under subsection (a), such regula-
16 tions” and inserting “The Administrator”;

17 (B) in paragraph (2)—

18 (i) by striking “shall be made” and
19 inserting “may be made”; and

20 (ii) by striking “\$250,000” and in-
21 serting “the baseline amount”;

22 (C) in paragraph (3)—

23 (i) by striking “shall be made” and
24 inserting “may be made”; and

1 (ii) by striking “\$100,000” and in-
2 serting “50 percent of the baseline
3 amount”; and

4 (D) in paragraph (4)—

5 (i) by striking “shall be made” each
6 place that term appears and inserting
7 “may be made”; and

8 (ii) by striking “\$500,000” each place
9 that term appears and inserting “200 per-
10 cent of the baseline amount”; and

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

12 “(f) DEFINITION.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 in this section, the term ‘baseline amount’, with re-
15 spect to a property, means the maximum original
16 principal obligation of a conventional mortgage that
17 may be purchased by the Federal National Mortgage
18 Association in the area in which the property as lo-
19 cated, as established under section 302(b)(2) of the
20 Federal National Mortgage Association Charter Act
21 (12 U.S.C. 1717(b)(2)).

22 “(2) CLARIFICATION.—If, after the date of en-
23 actment of this subsection, the baseline amount, as
24 defined in paragraph (1), decreases as compared
25 with the baseline amount in effect on the day before

1 the date of enactment of this subsection, the base-
2 line amount that was in effect on the day before the
3 date of enactment of this subsection shall be deemed
4 to be the baseline amount for the purposes of para-
5 graphs (2), (3), and (4) of subsection (b).”.

6 (b) **AUTHORITY OF ADMINISTRATOR TO SELL POLI-**
7 **CIES.**—The Administrator may sell a policy for flood in-
8 surance under the National Flood Insurance Program that
9 meets the requirements of paragraphs (2), (3), and (4)
10 of section 1306(b) of the National Flood Insurance Act
11 of 1968 (42 U.S.C. 4013(b)), as amended by subsection
12 (a), without regard to—

13 (1) section 61.6 of title 44, Code of Federal
14 Regulations, as in effect on the day before the date
15 of enactment of this Act; or

16 (2) any other provision of law.

17 **SEC. 108. STUDY ON PARTICIPATION RATES.**

18 (a) **DEFINITIONS.**—In this section—

19 (1) the term “500-year floodplain” has the
20 meaning given the term in section 100202(a) of the
21 Biggert-Waters Flood Insurance Reform Act of
22 2012 (40 U.S.C. 4004(a));

23 (2) the terms “Federal agency lender”, “im-
24 proved real estate”, and “regulated lending institu-
25 tion” have the meanings given those terms in section

1 3(a) of the Flood Disaster Protection Act of 1973
2 (42 U.S.C. 4003(a)); and

3 (3) the term “property with a Federally backed
4 mortgage” means improved real estate or a mobile
5 home securing a loan that was—

6 (A) made by a regulated lending institu-
7 tion or Federal agency lender; or

8 (B) purchased by the Federal National
9 Mortgage Association or the Federal Home
10 Loan Mortgage Corporation.

11 (b) STUDY.—The Comptroller General of the United
12 States shall conduct a study that proposes to address,
13 through programmatic and regulatory changes, how to in-
14 crease the rate at which properties in the United States
15 are covered by flood insurance.

16 (c) CONSIDERATIONS.—In conducting the study re-
17 quired under subsection (b), the Comptroller General of
18 the United States shall—

19 (1) consider—

20 (A) expanding participation in the Na-
21 tional Flood Insurance Program beyond areas
22 having special flood hazards to areas of mod-
23 erate or minimum risk with respect to flooding;

24 (B) automatically enrolling consumers in
25 the National Flood Insurance Program and

1 providing those consumers with the opportunity
2 to decline such enrollment; and

3 (C) bundling flood insurance coverage that
4 diversifies risk across all or multiple forms of
5 peril; and

6 (2) determine—

7 (A) the percentage of properties with Fed-
8 erally backed mortgages located in an area hav-
9 ing special flood hazards that are covered by
10 flood insurance that satisfies the requirement
11 under section 102(b) of the Flood Disaster Pro-
12 tection Act of 1973 (42 U.S.C. 4012a(b)); and

13 (B) the percentage of properties with Fed-
14 erally backed mortgages located in the 500-year
15 floodplain that are covered by flood insurance
16 that would satisfy the requirement described in
17 subparagraph (A) if that requirement applied to
18 such properties.

19 (d) REPORT.—Not later than 18 months after the
20 date of enactment of this Act, the Comptroller General
21 of the United States shall submit to the Committee on
22 Banking, Housing, and Urban Affairs of the Senate and
23 the Committee on Financial Services of the House of Rep-
24 resentatives a report regarding the results of the study
25 conducted under subsection (b).

1 **TITLE II—MITIGATION AND**
2 **MAPPING**

3 **SEC. 201. MITIGATION FOR HIGH-RISK PROPERTIES.**

4 (a) IN GENERAL.—Section 203 of the Robert T.
5 Stafford Disaster Relief and Emergency Assistance Act
6 (42 U.S.C. 5133) is amended by adding at the end the
7 following:

8 “(n) FLOOD MITIGATION ACTIVITIES.—The Presi-
9 dent shall set aside from the Disaster Relief Fund an
10 amount equal to 10 percent of the average amount appro-
11 priated to the Fund during the preceding 10 fiscal years
12 to provide assistance for mitigation activities under section
13 1366 of the National Flood Insurance Act of 1968 (42
14 U.S.C. 4104c) for—

15 “(1) severe repetitive loss structures; and

16 “(2) properties insured under the national flood
17 insurance program with the largest increase in the
18 actuarial risk for the property compared to the actu-
19 arial risk for the previous fiscal year as a result of
20 Risk Rating 2.0, as in effect on October 1, 2020.”.

21 (b) APPLICABILITY.—The amendment made to sec-
22 tion 203 of the Robert T. Stafford Disaster Relief and
23 Emergency Assistance Act (42 U.S.C. 5133) by subsection
24 (a) shall apply to funds appropriated on or after the date
25 of enactment of this Act.

1 (c) **TECHNICAL AND CONFORMING AMENDMENT.**—
2 Effective on October 5, 2023, section 203 of the Robert
3 T. Stafford Disaster Relief and Emergency Assistance Act
4 (42 U.S.C. 5133) is amended by redesignating subsection
5 (n), as added by subsection (a) of this section, as sub-
6 section (m).

7 **SEC. 202. INCREASED COST OF COMPLIANCE COVERAGE.**

8 Section 1304(b) of the National Flood Insurance Act
9 of 1968 (42 U.S.C. 4011(b)) is amended—

10 (1) in paragraph (4), by redesignating subpara-
11 graphs (A) through (D) as clauses (i) through (iv),
12 respectively, and adjusting the margins accordingly;

13 (2) by redesignating paragraphs (1) through
14 (3) as subparagraphs (A) through (C), respectively,
15 and adjusting the margins accordingly;

16 (3) in subparagraph (C), as so redesignated, by
17 striking the period at the end and inserting a semi-
18 colon;

19 (4) by redesignating paragraph (4) as subpara-
20 graph (F), and adjusting the margins accordingly;

21 (5) by inserting after subparagraph (C), as so
22 redesignated, the following:

23 “(D) properties identified by the Adminis-
24 trator as priorities for mitigation activities be-

1 fore the occurrence of damage to or loss of
2 property which is covered by flood insurance;

3 “(E) properties outside an area having
4 special flood hazards if the communities in
5 which the properties are located have, under
6 section 1361, established land use and control
7 measures for the areas in which the properties
8 are located; and”;

9 (6) by inserting before “The national flood in-
10 surance program” the following: “(1) IN GEN-
11 ERAL.—”;

12 (7) in the flush text following subparagraph
13 (F)(iv), by striking “The Administrator” and insert-
14 ing the following:

15 “(2) PREMIUM.—The Administrator”; and

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

17 “(3) AMOUNT OF COVERAGE.—Each policy for flood
18 insurance coverage made available under this title shall
19 provide coverage under this subsection having an aggre-
20 gate liability for any single property of \$60,000.

21 “(4) ELIGIBLE MITIGATION ACTIVITIES.—

22 “(A) IN GENERAL.—Eligible mitigation meth-
23 ods the cost of which is covered by coverage provided
24 under this subsection shall include—

1 “(i) alternative methods of mitigation iden-
2 tified in the guidelines issued pursuant to sec-
3 tion 1361(d);

4 “(ii) pre-disaster mitigation projects for el-
5 igible structures; and

6 “(iii) costs associated with the purchase,
7 clearing, and stabilization of property that is
8 part of an acquisition or relocation project that
9 complies with subparagraph (B).

10 “(B) ACQUISITION AND RELOCATION PROJECT
11 ELIGIBILITY AND REQUIREMENTS.—

12 “(i) IN GENERAL.—An acquisition or relo-
13 cation project shall be eligible to receive assist-
14 ance pursuant to subparagraph (A)(iii) only
15 if—

16 “(I) any property acquired, accepted,
17 or from which a structure will be removed
18 shall be dedicated and maintained in per-
19 petuity for a use that is compatible with
20 open space, recreational, or wetland and
21 natural floodplain management practices;
22 and

23 “(II) any new structure erected on
24 such property will be—

1 “(aa) a public facility that is
2 open on all sides and functionally re-
3 lated to a designated open space;

4 “(bb) a restroom; or

5 “(cc) a structure that the Admin-
6 istrator approves in writing before the
7 commencement of the construction of
8 the structure.

9 “(ii) FURTHER ASSISTANCE.—If an acqui-
10 sition or relocation project is assisted pursuant
11 to subparagraph (A)(iii)—

12 “(I) no person may apply to a Federal
13 entity for disaster assistance with regard
14 to any property acquired, accepted, or
15 from which a structure was removed as
16 part of such acquisition or relocation
17 project; and

18 “(II) no Federal entity may provide
19 disaster assistance for such property.

20 “(iii) REQUIREMENT TO MAINTAIN FLOOD
21 INSURANCE COVERAGE.—

22 “(I) IN GENERAL.—Notwithstanding
23 any other provision of law, any assisted
24 structure shall, at all times, maintain in-
25 surance against flood damage, in accord-

1 ance with Federal law, for the life of such
2 structure.

3 “(II) TRANSFER OF PROPERTY.—

4 “(aa) DUTY TO NOTIFY.—If any
5 part of a property on which an as-
6 sisted structure is located is trans-
7 ferred, the transferor shall, not later
8 than the date on which such transfer
9 occurs, notify the transferee in writ-
10 ing, including in all documents evi-
11 dencing the transfer of ownership of
12 the property, that such transferee is
13 required to—

14 “(AA) obtain flood insur-
15 ance in accordance with applica-
16 ble Federal law with respect to
17 such assisted structure, if such
18 structure is not so insured on the
19 date on which the structure is
20 transferred; and

21 “(BB) maintain flood insur-
22 ance in accordance with applica-
23 ble Federal law with respect to
24 such structure.

1 “(bb) FAILURE TO NOTIFY.—If a
2 transferor fails to make a notification
3 in accordance with item (aa) and such
4 assisted structure is damaged by a
5 flood disaster, the transferor shall pay
6 the Federal Government an amount
7 equal to the amount of any disaster
8 relief provided by the Federal Govern-
9 ment with respect to such assisted
10 structure.

11 “(III) ASSISTED STRUCTURE DE-
12 FINED.—For the purposes of this clause,
13 the term ‘assisted structure’ means a
14 structure on property that is part of an ac-
15 quisition or relocation project assisted pur-
16 suant to subparagraph (A) that was, as
17 part of such acquisition or relocation
18 project—

19 “(aa) altered;

20 “(bb) improved;

21 “(cc) replaced;

22 “(dd) repaired; or

23 “(ee) restored.

1 “(C) ELIGIBLE STRUCTURE DEFINED.—For
2 purposes of this paragraph, the term ‘eligible struc-
3 ture’ means any structure that—

4 “(i) was constructed in compliance with
5 the Flood Insurance Rate Map and local build-
6 ing and zoning codes in effect on the date of
7 construction of the structure; and

8 “(ii) has not previously been altered, im-
9 proved, replaced, or repaired using assistance
10 provided under this subsection.

11 “(5) TREATMENT OF COVERAGE LIMITS.—Any
12 amount of coverage provided for a property pursuant to
13 this subsection shall not be considered or counted for pur-
14 poses of any limitation on coverage applicable to such
15 property under section 1306(b) and any claim on such cov-
16 erage shall not be considered a claim for purposes of sec-
17 tion 1307(h) or subsection (a)(3) or (h)(3) of section
18 1366.

19 “(6) IMPLEMENTATION.—Notwithstanding any other
20 provision of law, the Administrator may implement this
21 subsection by adopting 1 or more standard endorsements
22 to the Standard Flood Insurance Policy by publication of
23 such standards in the Federal Register, or by comparable
24 means.”.

1 **SEC. 203. FLOOD MITIGATION ASSISTANCE GRANTS.**

2 (a) FLOOD MITIGATION ASSISTANCE GRANT PRO-
3 GRAM PRIORITY.—Section 1366 of the National Flood In-
4 surance Act (42 U.S.C. 4104c) is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (1), (2),
7 and (3) as subparagraphs (A), (B), and (C), re-
8 spectively, and adjusting the margins accord-
9 ingly;

10 (B) in the second sentence of the matter
11 preceding subparagraph (A), as so redesign-
12 ated, by striking “assistance shall be” and in-
13 serting the following: “assistance shall—
14 “(1) be”;

15 (C) in paragraph (1)(C), as so redesign-
16 ated, by striking the period at the end and in-
17 serting “; and”; and

18 (D) by adding at the end the following:

19 “(2) in addition to the requirement under para-
20 graph (1)(C), give priority to properties—

21 “(A) that are repetitive loss structures;

22 “(B) with respect to which the Adminis-
23 trator makes a determination that the premium
24 rates with respect to a policy for flood insur-
25 ance coverage under this title—

26 “(i) are unaffordable; or

1 “(ii) will soon become unaffordable as
2 a result of a risk adjustment under Risk
3 Rating 2.0, as in effect on the date of that
4 determination; and

5 “(C) for which aggregate losses exceed the
6 replacement value of the properties.”; and

7 (2) in subsection (h), by adding at the end the
8 following:

9 “(4) UNAFFORDABLE.—The term
10 ‘unaffordable’ means, with respect to the premium
11 rates for a policy for flood insurance coverage under
12 this title, that, in a year, those rates are in an such
13 an amount that the housing expenses (as defined in
14 section 1326(b)(1)) of the household that is the sub-
15 ject of the policy are, for that year, more than 30
16 percent of the adjusted gross income (as defined in
17 section 1326(b)(1)) of the household for that year.”.

18 (b) ADDITIONAL MITIGATION ASSISTANCE.—

19 (1) APPROPRIATIONS FROM GENERAL FUND OF
20 TREASURY.—For each of the first 5 full fiscal years
21 after the date of enactment of this Act, there is au-
22 thorized to be appropriated \$1,000,000,000 to the
23 National Flood Mitigation Fund to provide mitiga-
24 tion assistance under this subsection.

1 (2) **RULE OF CONSTRUCTION.**—The authoriza-
2 tion of appropriations under subparagraph (A) shall
3 not be construed to authorize the transfer or cred-
4 iting to the National Flood Mitigation Fund of any
5 amounts from the National Flood Insurance Fund.

6 **SEC. 204. URBAN MITIGATION OPPORTUNITIES.**

7 (a) **MITIGATION STRATEGIES.**—Section 1361(d)(1)
8 of the National Flood Insurance Act of 1968 (42 U.S.C.
9 4102(d)(1)) is amended—

10 (1) in subparagraph (A), by striking “and” at
11 the end;

12 (2) in subparagraph (B), by striking “and” at
13 the end; and

14 (3) by inserting after subparagraph (B) the fol-
15 lowing:

16 “(C) with respect to buildings in dense
17 urban environments, methods that can be de-
18 ployed on a block or neighborhood scale; and

19 “(D) elevation of mechanical systems;
20 and”.

21 (b) **MITIGATION CREDIT.**—Section 1308(k) of the
22 National Flood Insurance Act of 1968 (42 U.S.C.
23 4015(k)) is amended—

24 (1) by striking “shall take into account” and
25 inserting “shall—

1 “(1) take into account”;

2 (2) in paragraph (1), as so designated, by strik-
3 ing the period at the end and inserting “; and”; and

4 (3) by adding at the end the following:

5 “(2) offer a reduction of the risk premium rate
6 charged to a policyholder in an amount that is not
7 less than 10 percent of that rate if the policyholder
8 implements any mitigation method described in
9 paragraph (1).”.

10 **SEC. 205. COMMUNITY RATING SYSTEM REGIONAL COORDI-**
11 **NATOR.**

12 Section 1315(b) of the National Flood Insurance Act
13 of 1968 (42 U.S.C. 4022(b)) is amended by adding at the
14 end the following:

15 “(5) REGIONAL COORDINATOR.—

16 “(A) IN GENERAL.—The Administrator
17 shall appoint a regional coordinator in each re-
18 gion served by a Regional Office (as defined in
19 section 501 of the Homeland Security Act of
20 2002 (6 U.S.C. 311)) to provide technical as-
21 sistance to small communities to enable those
22 communities to effectively participate in and
23 benefit from the community rating system pro-
24 gram.

1 “(B) AUTHORIZATION OF APPROPRIA-
2 TIONS.—There are authorized to be appro-
3 priated such sums as may be necessary to carry
4 out this paragraph, which shall remain available
5 until expended.”.

6 **SEC. 206. MITIGATION LOAN PROGRAM.**

7 (a) DEFINITION.—In this section, the term “mitiga-
8 tion measure” means, with respect to a structure, a meas-
9 ure undertaken to reduce the risk of flood damage to the
10 structure.

11 (b) ESTABLISHMENT.—The Administrator may es-
12 tablish a pilot program through which the Administrator
13 may provide low-interest loans to policyholders under the
14 National Flood Insurance Program for the purposes de-
15 scribed in subsection (c).

16 (c) PURPOSES OF LOANS.—A loan provided to a pol-
17 icyholder under the pilot program established under sub-
18 section (b) shall be used to undertake mitigation measures
19 with respect to the insured property that cost less than
20 the cost of the estimated amount of premiums that would
21 be paid with respect to the property during the 50-year
22 period beginning in the year in which the loan is made
23 and if those mitigation measures were not undertaken.

1 (d) SALE OF PROPERTY.—If a property with respect
2 to which a loan has been made under this section is sold,
3 upon that sale, the outstanding loan balance shall—

4 (1) be repaid using the proceeds of the sale; or

5 (2) carry over to the purchaser of the property
6 if the purchaser so consents before the execution of
7 the sale.

8 **SEC. 207. REVOLVING LOAN FUNDS.**

9 (a) IN GENERAL.—Chapter I of the National Flood
10 Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as
11 amended by section 103, is amended by adding at the end
12 the following:

13 **“SEC. 1327. STATE REVOLVING LOAN FUNDS FOR FLOOD**
14 **MITIGATION.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) COMMUNITY RATING SYSTEM.—The term
17 ‘Community Rating System’ means the community
18 rating system program carried out under section
19 1315(b).

20 “(2) ELIGIBLE STATE.—The term ‘eligible
21 State’ means a State, the District of Columbia, and
22 the Commonwealth of Puerto Rico.

23 “(3) INSULAR AREA.—The term ‘insular area’
24 means—

25 “(A) Guam;

1 “(B) American Samoa;

2 “(C) the Commonwealth of the Northern
3 Mariana Islands;

4 “(D) the Federated States of Micronesia;

5 “(E) the Republic of the Marshall Islands;

6 “(F) the Republic of Palau; and

7 “(G) the United States Virgin Islands.

8 “(4) INTENDED USE PLAN.—The term ‘in-
9 tended use plan’ means a plan prepared under sub-
10 section (d)(1).

11 “(5) LOW-INCOME GEOGRAPHIC AREA.—The
12 term ‘low-income geographic area’ means an area
13 described in paragraph (1) or (2) of section 301(a)
14 of the Public Works and Economic Development Act
15 of 1965 (42 U.S.C. 3161(a)).

16 “(6) LOW-INCOME HOMEOWNER.—The term
17 ‘low-income homeowner’ means the owner of a pri-
18 mary residence, the household income of which in a
19 taxable year is not more than 80 percent of the me-
20 dian income for the area in which the residence is
21 located.

22 “(7) PARTICIPATING STATE.—The term ‘par-
23 ticipating State’ means an eligible State that—

24 “(A) has entered into an agreement under
25 subsection (b)(1); and

1 “(B) agrees to comply with the require-
2 ments of this section.

3 “(8) PRE-FIRM BUILDING.—The term ‘pre-
4 FIRM building’ means a building for which con-
5 struction or substantial improvement occurred before
6 the effective date of the initial Flood Insurance Rate
7 Map published by the Administrator under section
8 1360 for the area in which the building is located.

9 “(9) REPETITIVE LOSS STRUCTURE.—The term
10 ‘repetitive loss structure’ has the meaning given the
11 term in section 1370(a).

12 “(10) SEVERE REPETITIVE LOSS PROPERTY.—
13 The term ‘severe repetitive loss property’ has the
14 meaning given the term in section 1307(h).

15 “(11) STATE LOAN FUND.—The term ‘State
16 loan fund’ means a flood mitigation assistance re-
17 volving loan fund established by an eligible State
18 under this section.

19 “(12) TRIBAL GOVERNMENT.—The term ‘tribal
20 government’ means the recognized government of an
21 Indian tribe, or the governing body of an Alaska Na-
22 tive regional or village corporation, that has been de-
23 termined eligible to receive services from the Bureau
24 of Indian Affairs.

25 “(b) GENERAL AUTHORITY.—

1 “(1) IN GENERAL.—The Administrator may
2 enter into an agreement with an eligible State to
3 provide a capitalization grant for the eligible State
4 to establish a revolving fund that will provide fund-
5 ing assistance to help homeowners, businesses, non-
6 profit organizations, and communities reduce flood
7 risk in order to decrease—

8 “(A) the loss of life and property;

9 “(B) the cost of flood insurance; and

10 “(C) Federal disaster payments.

11 “(2) TIMING OF DEPOSIT AND AGREEMENTS
12 FOR DISTRIBUTION OF FUNDS.—

13 “(A) IN GENERAL.—Not later than the
14 last day of the fiscal year following the fiscal
15 year in which a capitalization grant is made to
16 a participating State under paragraph (1), the
17 participating State shall—

18 “(i) deposit the grant in the State
19 loan fund of the State; and

20 “(ii) enter into 1 or more binding
21 agreements that provide for the State to
22 distribute the grant funds for purposes au-
23 thorized under subsection (c) such that—

24 “(I) in the case of the initial
25 grant made to a State under this sec-

1 tion, not less than 75 percent of the
2 amount of the grant shall be distrib-
3 uted before the end of the 2-year pe-
4 riod beginning on the date on which
5 the funds are deposited in the State
6 loan fund of the State; and

7 “(II) in the case of any subse-
8 quent grant made to a State under
9 this section, not less than 90 percent
10 of the amount of the grant shall be
11 distributed before the end of the 1-
12 year period beginning on the date on
13 which the funds are deposited in the
14 State loan fund of the State.

15 “(B) NONCOMPLIANCE.—Except as pro-
16 vided in subparagraph (C), if a participating
17 State does not comply with subparagraph (A)
18 with respect to a grant, the Administrator shall
19 reallocate the grant in accordance with para-
20 graph (3)(B).

21 “(C) EXCEPTION.—The Administrator
22 may not reallocate any funds under subpara-
23 graph (B) to a participating State that violated
24 subparagraph (A) with respect to a grant made

1 during the same fiscal year in which the funds
2 to be reallocated were originally made available.

3 “(3) ALLOCATION.—

4 “(A) IN GENERAL.—The Administrator
5 shall allocate amounts made available to carry
6 out this section to participating States—

7 “(i) for the participating States to de-
8 posit in the State loan funds established by
9 the participating States; and

10 “(ii) except as provided in paragraph
11 (6), in accordance with the requirements
12 described in subparagraph (B).

13 “(B) REQUIREMENTS.—The requirements
14 described in this subparagraph are as follows:

15 “(i) Fifty percent of the total amount
16 made available under subparagraph (A)
17 shall be allocated so that each partici-
18 pating State receives the percentage
19 amount that is obtained by dividing the
20 number of properties that were insured
21 under the national flood insurance pro-
22 gram in that State in the fiscal year pre-
23 ceding the fiscal year in which the amount
24 is allocated by the total number of prop-
25 erties that were insured under the national

1 flood insurance program in the fiscal year
2 preceding the fiscal year in which the
3 amount is allocated.

4 “(ii) Fifty percent of the total amount
5 made available under subparagraph (A)
6 shall be allocated so that each partici-
7 pating State receives a percentage of funds
8 that is equal to the product obtained under
9 clause (iii)(IV) with respect to that partici-
10 pating State after following the procedures
11 described in clause (iii).

12 “(iii) The procedures described in this
13 clause are as follows:

14 “(I) Divide the total amount col-
15 lected in premiums for properties in-
16 sured under the national flood insur-
17 ance program in each participating
18 State during the previous fiscal year
19 by the number of properties insured
20 under the national flood insurance
21 program in that State for that fiscal
22 year.

23 “(II) Add together each quotient
24 obtained under subclause (I).

1 “(III) For each participating
2 State, divide the quotient obtained
3 under subclause (I) with respect to
4 that State by the sum obtained under
5 subclause (II).

6 “(IV) For each participating
7 State, multiply the amount that is 50
8 percent of the total amount made
9 available under subparagraph (A) by
10 the quotient obtained under subclause
11 (III).

12 “(iv) Except as provided in paragraph
13 (5), in a fiscal year—

14 “(I) a participating State may
15 not receive more than 15 percent of
16 the total amount that is made avail-
17 able under subparagraph (A) in that
18 fiscal year; and

19 “(II) if a participating State,
20 based on the requirements under
21 clauses (i) through (iii), would, but
22 for the limitation under subclause (I)
23 of this clause, receive an amount that
24 is greater than the amount that the
25 State is authorized to receive under

1 that subclause, the difference between
2 the authorized amount and the
3 amount otherwise due to the State
4 under clauses (i) through (iii) shall be
5 allocated to other participating
6 States—

7 “(aa) that, in that fiscal
8 year, have not received an
9 amount under subparagraph (A)
10 that is more than the authorized
11 amount under subclause (I) of
12 this clause; and

13 “(bb) by using the require-
14 ments under clauses (i) through
15 (iii), except that a participating
16 State may receive an allocation
17 under this subclause only if the
18 allocation does not result in the
19 State receiving a total amount
20 for the fiscal year under subpara-
21 graph (A) that is greater than
22 the authorized amount under
23 subclause (I).

24 “(4) NO REVOLVING FUND REQUIRED.—

1 “(A) IN GENERAL.—Notwithstanding any
2 other provision of this section, and subject to
3 subparagraph (B), a participating State that
4 receives less than \$4,000,000 under paragraph
5 (3)(B) in a fiscal year may distribute the funds
6 directly in the form of grants or technical as-
7 sistance for a purpose described in subsection
8 (c)(2), without regard to whether the State has
9 established a State loan fund.

10 “(B) STATE MATCHING.—A participating
11 State that exercises the authority under sub-
12 paragraph (A) in a fiscal year shall provide
13 matching funds from non-Federal sources in an
14 amount that is equal to 25 percent of the
15 amount that the State receives under paragraph
16 (3)(B) in that fiscal year for purposes described
17 in subparagraph (A).

18 “(5) ALLOCATION OF REMAINING FUNDS.—
19 After allocating amounts made available to carry out
20 this section for a fiscal year in accordance with
21 paragraph (3), the Administrator shall allocate any
22 remaining amounts made available for that fiscal
23 year to participating States, using the procedures
24 described in clauses (i) through (iii) of paragraph
25 (3)(B).

1 “(6) RESERVATION OF FUNDS.—The Adminis-
2 trator shall reserve not more than 1.5 percent of the
3 amount made available to carry out this section in
4 a fiscal year—

5 “(A) for administrative costs incurred in
6 carrying out this section;

7 “(B) to provide technical assistance to re-
8 cipients of grants under this section; and

9 “(C) to enter into grant agreements with
10 tribal governments and insular areas, with the
11 grant funds to be distributed—

12 “(i) according to criteria established
13 by the Administrator; and

14 “(ii) for a purpose described in sub-
15 section (c)(2).

16 “(c) USE OF FUNDS.—

17 “(1) IN GENERAL.—Amounts deposited in a
18 State loan fund, including repayments of loans made
19 from the fund and interest earned on the amounts
20 in the fund, shall be used—

21 “(A) consistent with paragraph (2) and
22 subsection (g), to provide financial assistance
23 for—

24 “(i) homeowners, businesses, and non-
25 profit organizations that are eligible to

1 participate in the national flood insurance
2 program; and

3 “(ii) any local government that par-
4 ticipates in the national flood insurance
5 program;

6 “(B) as a source of revenue and security
7 for leveraged loans, the proceeds of which shall
8 be deposited in the State loan fund; or

9 “(C) for the sale of bonds as security for
10 payment of the principal and interest on rev-
11 enue or general obligation bonds issued by the
12 participating State to provide matching funds
13 under subsection (f), if the proceeds from the
14 sale of the bonds are deposited in the State
15 loan fund.

16 “(2) PURPOSES.—A recipient of financial as-
17 sistance provided through amounts from a State
18 loan fund—

19 “(A) shall use the amounts to reduce—

20 “(i) flood risk; or

21 “(ii) potential claims for losses cov-
22 ered under the national flood insurance
23 program;

24 “(B) shall use the amounts in a cost-effec-
25 tive manner under requirements established by

1 the State, which may require an applicant for
2 financial assistance to submit any information
3 that the State considers relevant or necessary
4 before the date on which the applicant receives
5 the assistance;

6 “(C) shall use the amounts for projects
7 that—

8 “(i) meet design and construction
9 standards established by the Adminis-
10 trator;

11 “(ii) are located in communities
12 that—

13 “(I) participate in the national
14 flood insurance program; and

15 “(II) have developed a State or
16 community flood risk mitigation plan
17 that has been approved by the Admin-
18 istrator under section 1366;

19 “(iii) address—

20 “(I) a repetitive loss structure or
21 a severe repetitive loss property; or

22 “(II) flood risk in the 500-year
23 floodplain, areas of residual flood risk,
24 or other areas of potential flood risk,

1 as identified by the Administrator;

2 and

3 “(iv) address current risk and antici-

4 pate future risk, such as sea-level rise;

5 “(D) may use the amounts—

6 “(i) for projects relating to—

7 “(I) structural elevation;

8 “(II) floodproofing;

9 “(III) the relocation or removal
10 of buildings from the 100-year flood-
11 plain or other areas of flood risk, in-
12 cluding the acquisition of properties
13 for such a purpose;

14 “(IV) environmental restoration
15 activities that directly reduce flood
16 risk;

17 “(V) any eligible activity de-
18 scribed in subparagraphs (A) through
19 (G) of section 1366(e)(3); or

20 “(VI) other activities determined
21 appropriate by the Administrator;

22 “(ii) with respect to a project de-
23 scribed in clause (i), only for expenditures
24 directly related to a project described in
25 that clause, including expenditures for

1 planning, design, and associated pre-con-
2 struction activities; and

3 “(iii) to acquire, for the purposes of
4 permanent protection, land, buildings, or a
5 conservation easement from a willing seller
6 or grantor;

7 “(E) may not use the amounts—

8 “(i) to construct buildings or expand
9 existing buildings, unless the activity is for
10 the purpose of flood mitigation;

11 “(ii) to improve any structure, unless
12 the recipient has obtained flood insurance
13 coverage, which shall be maintained for the
14 useful life of the structure, in an amount
15 that is not less than the lesser of—

16 “(I) the eligible project costs with
17 respect to the structure; and

18 “(II) the maximum insurable
19 limit for the structure under the na-
20 tional flood insurance program cov-
21 erage for the structure;

22 “(iii) to improve a residential property
23 with an appraised value that is not less
24 than 125 percent of the limitation on the
25 maximum original principal obligation of a

1 conventional mortgage that may be pur-
2 chased by the Federal National Mortgage
3 Association or the Federal Home Loan
4 Mortgage Corporation in the area in which
5 the property is located, as established
6 under section 302(b)(2) of the Federal Na-
7 tional Mortgage Association Charter Act
8 (12 U.S.C. 1717(b)(2)) and section
9 305(a)(2) of the Federal Home Loan
10 Mortgage Corporation Act (12 U.S.C.
11 1454(a)(2));

12 “(iv) for the direct benefit of a home-
13 owner if the annual household adjusted
14 gross income of the homeowner during the
15 previous fiscal year was not less than
16 \$200,000, as annually adjusted by the Ad-
17 ministrator to reflect changes in the Con-
18 sumer Price Index for All Urban Con-
19 sumers, as published by the Bureau of
20 Labor Statistics of the Department of
21 Labor and rounded to the nearest \$25; or

22 “(v) to acquire real property or an in-
23 terest in real property unless the property
24 is purchased from a willing seller; and

1 “(F) to the maximum extent practicable,
2 shall, in using those amounts, give priority to
3 projects that assist low-income homeowners and
4 low-income geographical areas.

5 “(d) INTENDED USE PLANS.—

6 “(1) IN GENERAL.—After providing the oppor-
7 tunity for public review and comment, each partici-
8 pating State shall annually prepare a plan that iden-
9 tifies, for the year following the date of issuance of
10 the intended use plan, the intended uses of the
11 amounts available in the State loan fund of the par-
12 ticipating State.

13 “(2) CONSULTATION DURING PREPARATION.—
14 Each participating State, in preparing an intended
15 use plan, shall ensure that the State agency with
16 primary responsibility for floodplain management—

17 “(A) provides oversight with respect to the
18 preparation of the intended use plan; and

19 “(B) consults with any other appropriate
20 State agency, including agencies responsible for
21 coastal and environmental management.

22 “(3) CONTENTS.—A participating State shall,
23 in each intended use plan—

24 “(A) include—

1 “(i) an explanation of the mitigation
2 and resiliency benefits the State intends to
3 achieve, including by—

4 “(I) reducing future damage and
5 loss associated with flooding;

6 “(II) reducing the number of se-
7 vere repetitive loss properties and re-
8 petitive loss structures in the State;

9 “(III) decreasing the number of
10 flood insurance claims in the State;
11 and

12 “(IV) increasing the rating under
13 the Community Rating System for
14 communities in the State;

15 “(ii) information with respect to the
16 availability of, and the application process
17 for receiving, financial assistance from the
18 State loan fund of the State;

19 “(iii) the criteria and methods estab-
20 lished for the distribution of amounts from
21 the State loan fund of the State;

22 “(iv) the amount of financial assist-
23 ance that the State anticipates providing
24 to—

1 “(I) local government projects;

2 and

3 “(II) projects for homeowners,

4 business, or nonprofit organizations;

5 “(v) the expected terms of the assist-

6 ance provided under clause (iv); and

7 “(vi) a description of the financial sta-

8 tus of the State loan fund and the short-

9 term and long-term goals of the State loan

10 fund; and

11 “(B) provide, to the maximum extent prac-

12 ticable, that priority for the use of amounts

13 from the State loan fund shall be given to

14 projects that—

15 “(i) address severe repetitive loss

16 properties and repetitive loss structures;

17 “(ii) assist low-income homeowners

18 and low-income geographic areas; and

19 “(iii) address flood risk for pre-FIRM

20 buildings.

21 “(4) PUBLICATION.—Each participating State

22 shall publish and periodically update a list of all

23 projects receiving funding from the State loan fund

24 of the State, which shall include identification of—

1 “(A) the community in which the project is
2 located;

3 “(B) the type and amount of assistance
4 provided for each project; and

5 “(C) the expected funding schedule and
6 date of completion of each project.

7 “(e) FUND MANAGEMENT.—Amounts in a State loan
8 fund shall—

9 “(1) remain available for providing financial as-
10 sistance under this section until distributed;

11 “(2) if the amounts are not required for imme-
12 diate distribution or expenditure, be invested in in-
13 terest-bearing obligations; and

14 “(3) except as provided in subsection (i), in-
15 clude only—

16 “(A) amounts received from capitalization
17 grants made under this section;

18 “(B) repayments of loans made from the
19 fund; and

20 “(C) interest earned on amounts in the
21 fund.

22 “(f) MATCHING FUNDS.—

23 “(1) FULL GRANT.—On or before the date on
24 which a participating State receives a capitalization
25 grant, the State shall deposit into the State loan

1 fund of the State, in addition to the amount of the
2 capitalization grant, an amount from non-Federal
3 sources that is not less than 20 percent of the total
4 amount of the capitalization grant.

5 “(2) REDUCED GRANT.—If, with respect to a
6 capitalization grant, a participating State deposits in
7 the State loan fund of the State an amount from
8 non-Federal sources that is less than 20 percent of
9 the total amount of the capitalization grant that the
10 participating State would otherwise receive, the Ad-
11 ministrator shall—

12 “(A) reduce the amount of the capitaliza-
13 tion grant received by the State to the amount
14 that is 5 times the amount so deposited; and

15 “(B) in accordance with subsection (b)(5),
16 allocate the difference between the amount that
17 the participating State would have received if
18 the State had complied with paragraph (1) and
19 the amount of the reduced grant that the par-
20 ticipating State receives under subparagraph
21 (A).

22 “(g) TYPES OF ASSISTANCE.—Unless otherwise pro-
23 hibited by State law, a participating State may use the
24 amounts deposited into a State loan fund under this sec-
25 tion only—

1 “(1) to make a loan, on the condition that—

2 “(A) the interest rate for the loan is not
3 more than the market interest rate;

4 “(B) the recipient of the loan will begin
5 making principal and interest payments on the
6 loan not later than 1 year after the date on
7 which the project for which the loan was made
8 is completed;

9 “(C) the loan will be fully amortized not
10 later than 20 years after the date on which the
11 project for which the loan was made is com-
12 pleted, except that, in the case of a loan made
13 for a project in a low-income geographic area or
14 to a low-income homeowner, the State may pro-
15 vide a longer amortization period for the loan if
16 that longer period—

17 “(i) ends on a date that is not later
18 than 30 years after the date on which the
19 project is completed; and

20 “(ii) is not longer than the expected
21 design life of the project;

22 “(D) the recipient of the loan dem-
23 onstrates, based on verified and documented in-
24 formation that, as of the date on which the loan
25 is made, the recipient has a reasonable ability

1 to repay the loan, according to the terms of the
2 loan, except that this subparagraph may not be
3 construed to authorize any reduction or limita-
4 tion in efforts to comply with the requirements
5 of subsection (c)(2)(F); and

6 “(E) payments of principal and interest
7 with respect to the loan will be deposited into
8 the State loan fund;

9 “(2) to buy or refinance the debt obligation of
10 a local government at an interest rate that is not
11 more than the market interest rate;

12 “(3) to guarantee, or purchase insurance for, a
13 local obligation, the proceeds of which finance a
14 project eligible for assistance under this section, if
15 the guarantee or purchase, as applicable, would—

16 “(A) improve credit market access; or

17 “(B) reduce the interest rate with respect
18 to the obligation;

19 “(4) as a source of revenue or as security for
20 the payment of principal and interest on revenue or
21 general obligation bonds issued by the State if the
22 proceeds of the sale of the bonds will be deposited
23 into the State loan fund; or

24 “(5) to earn interest on those amounts.

1 “(h) ASSISTANCE FOR LOW-INCOME HOMEOWNERS
2 AND LOW-INCOME GEOGRAPHIC AREAS.—

3 “(1) IN GENERAL.—Notwithstanding any other
4 provision of this section, if a participating State uses
5 amounts from a State loan fund to provide financial
6 assistance under subsection (c) in a low-income geo-
7 graphic area or to a low-income homeowner, the
8 State may provide additional subsidization to the re-
9 cipient of the assistance, including forgiveness of the
10 principal of a loan.

11 “(2) LIMITATION.—For each fiscal year, the
12 total amount of additional subsidization provided by
13 a participating State under paragraph (1) may not
14 exceed 30 percent of the amount of the capitaliza-
15 tion grant allocated to the State for that fiscal year.

16 “(i) ADMINISTRATION OF FUND.—

17 “(1) IN GENERAL.—A participating State may
18 combine the financial administration of a State loan
19 fund with the financial administration of any other
20 revolving fund established by the State if—

21 “(A) combining the administration of the
22 funds would—

23 “(i) be convenient and avoid adminis-
24 trative costs; and

1 “(ii) not violate the law of the State;

2 and

3 “(B) the Administrator determines that—

4 “(i) amounts obtained from a grant
5 made under this section, amounts obtained
6 from the repayment of a loan made from
7 a State loan fund, and interest earned on
8 amounts in a State loan fund will be—

9 “(I) accounted for separately
10 from amounts from other revolving
11 funds; and

12 “(II) used only for purposes au-
13 thorized under this section; and

14 “(ii) after consulting with the appro-
15 priate State agencies, the authority to es-
16 tablish assistance priorities and carry out
17 oversight and related activities, other than
18 financial administration, with respect to
19 flood assistance remains with the State
20 agency with primary responsibility for
21 floodplain management.

22 “(2) ADMINISTRATIVE AND TECHNICAL
23 COSTS.—

1 “(A) IN GENERAL.—For each fiscal year, a
2 participating State may use the amount de-
3 scribed in subparagraph (B) to—

4 “(i) pay the reasonable costs of ad-
5 ministration of the programs under this
6 section, including the recovery of reason-
7 able costs incurred in establishing a State
8 loan fund;

9 “(ii) provide appropriate oversight of
10 projects authorized under this section; and

11 “(iii) provide technical assistance and
12 outreach to recipients in the State of
13 amounts under this section, including with
14 respect to updating hazard mitigation
15 plans and participating in the Community
16 Rating System, in an amount that is not
17 more than 4 percent of the funds made
18 available to the State under this section.

19 “(B) DESCRIPTION.—The amount de-
20 scribed in this subparagraph is an amount
21 equal to the sum of—

22 “(i) any fees collected by a partici-
23 pating State to recover the costs described
24 in subparagraph (A)(i), regardless of the
25 source; and

1 “(ii) the greatest of—

2 “(I) \$400,000;

3 “(II) 0.2 percent of the value of
4 the State loan fund of a State, as of
5 the date on which the valuation is
6 made; and

7 “(III) an amount equal to 7 per-
8 cent of all grant awards made to a
9 participating State for the State loan
10 fund of the State under this section
11 for the fiscal year.

12 “(3) AUDIT AND REPORT.—

13 “(A) AUDIT REQUIREMENT.—Not less fre-
14 quently than biennially, each participating State
15 shall conduct an audit of the State loan fund of
16 the State.

17 “(B) REPORT.—Each participating State
18 shall submit to the Administrator a biennial re-
19 port regarding the activities of the State under
20 this section during the period covered by the re-
21 port, including—

22 “(i) the result of any audit conducted
23 by the State under subparagraph (A); and

1 “(ii) a review of the effectiveness of
2 the State loan fund of the State with re-
3 spect to—

4 “(I) the intended use plans of the
5 State; and

6 “(II) meeting the objectives de-
7 scribed in subsection (b)(1).

8 “(4) OVERSIGHT.—In conducting oversight with
9 respect to State loan funds established under this
10 section, the Administrator—

11 “(A) shall—

12 “(i) periodically audit the funds in ac-
13 cordance with procedures established by
14 the Comptroller General of the United
15 States; and

16 “(ii) not less frequently than once
17 every 4 years, review each State loan fund
18 to determine the effectiveness of the fund
19 in reducing flood risk; and

20 “(B) may, at any time—

21 “(i) make recommendations to a par-
22 ticipating State with respect to the admin-
23 istration of the State loan fund of the
24 State; or

1 “(ii) require specific changes with re-
2 spect to a State loan fund in order to im-
3 prove the effectiveness of the fund.

4 “(j) LIABILITY PROTECTIONS.—The Federal Emer-
5 gency Management Agency shall not be liable for any
6 claim based on the exercise or performance of, or the fail-
7 ure to exercise or perform, a discretionary function or duty
8 by the Agency, or an employee of the Agency, in carrying
9 out this section.

10 “(k) REGULATIONS.—The Administrator shall pro-
11 mulgate such guidance or regulations as may be necessary
12 to carry out this section, including guidance or regulations
13 that—

14 “(1) ensure that each participating State to
15 which funds are allocated under this section uses the
16 funds as efficiently as possible;

17 “(2) reduce, to the maximum extent prac-
18 ticable, waste, fraud, and abuse with respect to the
19 implementation of this section; and

20 “(3) require any party that receives funds di-
21 rectly or indirectly under this section, including a
22 participating State and a recipient of amounts from
23 a State loan fund, to use procedures with respect to
24 the management of the funds that conform to gen-
25 erally accepted accounting standards.

1 “(1) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated such sums as may be
3 necessary to carry out this section for fiscal years 2020
4 through 2029.”.

5 (b) CONSIDERATION OF MITIGATION MEASURES
6 FUNDED BY STATE LOAN FUNDS IN FLOOD INSURANCE
7 PREMIUM RATES.—

8 (1) ESTIMATED RATES.—Section
9 1307(a)(1)(A)(ii) of the National Flood Insurance
10 Act of 1968 (42 U.S.C. 4014(a)(1)(A)(ii)) is amend-
11 ed by striking “and similar measures” and inserting
12 “similar measures, and any activities funded
13 through amounts from a State loan fund established
14 under section 1326”.

15 (2) CHARGEABLE RATES.—Section 1308(b)(1)
16 of the National Flood Insurance Act of 1968 (42
17 U.S.C. 4015(b)(1)) is amended by striking “and
18 similar measures” and inserting “similar measures,
19 and any activities funded through amounts from a
20 State loan fund established under section 1326”.

21 **SEC. 208. MAPPING MODERNIZATION.**

22 (a) AMENDMENTS TO THE BIGGERT-WATERS FLOOD
23 INSURANCE REFORM ACT OF 2012.—The Biggert-Waters
24 Flood Insurance Reform Act of 2012 (42 U.S.C. 4004 et
25 seq.) is amended—

1 (1) in section 100215 (42 U.S.C. 4101a)—

2 (A) in subsection (b)(1)—

3 (i) by redesignating subparagraphs

4 (A) through (E) as subparagraphs (B)

5 through (F), respectively;

6 (ii) by inserting before subparagraph

7 (B), as so redesignated, the following:

8 “(A) the Director of the United States Ge-
9 ological Survey;”; and

10 (iii) in subparagraph (F), as so redesi-
11 gnated—

12 (I) in the matter preceding clause

13 (i), by striking “16” and inserting
14 “17”;

15 (II) in clause (xiii), by striking
16 “and” at the end;

17 (III) in clause (xiv), by striking
18 the period at the end and inserting “;
19 and”;

20 (IV) by adding at the end the fol-
21 lowing:

22 “(xv) an expert in the field of cata-
23 strophic risk modeling.”; and

24 (B) by adding at the end the following:

25 “(m) PRIVATE OR COMMUNITY FLOOD MAPS.—

1 “(1) STANDARDS AND PROCEDURES.—In addi-
2 tion to the other duties of the Council under this
3 section, not later than 1 year after the date of enact-
4 ment of this subsection, the Council shall develop
5 and establish a set of standards, guidelines, and pro-
6 cedures for—

7 “(A) State and local governments, feder-
8 ally or State-recognized metropolitan planning
9 organizations (commonly known as ‘MPOs’),
10 federally or State-recognized councils of local
11 governments, and federally or State-recognized
12 rural transportation planning organizations to
13 use in mapping flood risks and developing alter-
14 native maps to the flood insurance rate maps
15 developed by the Administrator; and

16 “(B) certification, by the Administrator
17 not later than 90 days after the date on which
18 a map developed under subparagraph (A) is
19 submitted to the Administrator, for use under
20 the National Flood Insurance Program in the
21 case of any area covered by a flood insurance
22 rate map developed or approved by the Admin-
23 istrator that has not been updated or reissued
24 during the preceding 3-year period.

1 “(2) TREATMENT.—On and after the date on
2 which the Administrator certifies a map under para-
3 graph (1)(B), the map—

4 “(A) shall be considered the flood insur-
5 ance rate map in effect for all purposes of the
6 National Flood Insurance Program with respect
7 to the area covered by the map; and

8 “(B) may not be revised, updated, or re-
9 placed in accordance with the standards, guide-
10 lines, and procedures established under para-
11 graph (1) before the expiration of the 3-year
12 period beginning on that date of certification.

13 “(3) EXEMPTION FROM RULEMAKING.—Until
14 the date on which the Administrator promulgates
15 regulations implementing paragraphs (1) and (2),
16 the Administrator may adopt policies and proce-
17 dures, notwithstanding any other provision of law,
18 necessary to implement those paragraphs without re-
19 gard to section 553 of title 5, United States Code,
20 and without conducting regulatory analyses other-
21 wise required by statute, regulation, or Executive
22 order.”; and

23 (2) in section 100216 (42 U.S.C. 4101b)—

24 (A) in subsection (b)—

25 (i) in paragraph (1)—

1 (I) in subparagraph (A), by strik-
2 ing “to—” and all that follows
3 through the end of clause (vi) and in-
4 serting “to all areas of the United
5 States;”;

6 (II) in subparagraph (B), by
7 striking “and” at the end;

8 (III) in subparagraph (C), by
9 striking “accurate topography” and
10 all that follows through the period at
11 the end and inserting “current and
12 best remote sensing technology;”;

13 (IV) by adding at the end the fol-
14 lowing:

15 “(D) when appropriate, partner with other
16 Federal agencies and private entities in order to
17 meet the objectives of the program; and

18 “(E) consult and coordinate with the Sec-
19 retary of Defense, the Director of the United
20 States Geological Survey, and the Adminis-
21 trator of the National Oceanic and Atmospheric
22 Administration to obtain the most up-to-date
23 maps and other information of those agencies,
24 including information relating to topography,
25 water flow, watershed characteristics, and any

1 other issues that are relevant to identifying, re-
2 viewing, updating, maintaining, and publishing
3 National Flood Insurance Program rate
4 maps.”; and

5 (ii) in paragraph (3)—

6 (I) in subparagraph (A), by re-
7 designating clauses (i) and (ii) as sub-
8 clauses (I) and (II), respectively, and
9 adjusting the margins accordingly;

10 (II) by redesignating subpara-
11 graphs (A) through (E) as clauses (i)
12 through (v), respectively, and adjust-
13 ing the margins accordingly;

14 (III) in the matter preceding
15 clause (i), as so redesignated, by
16 striking “Administrator shall in-
17 clude—” and inserting the following:

18 “Administrator—

19 “(A) shall include—”;

20 (IV) in subparagraph (A)(v), as
21 so redesignated, by striking the period
22 at the end and inserting “; and”; and

23 (V) by adding at the end the fol-
24 lowing:

25 “(B) may include—

1 “(i) any relevant information that is
2 obtained under paragraph (1)(D); and
3 “(ii) cadastral features, including, for
4 each cadastral feature—
5 “(I) the associated parcel identi-
6 fication data for that feature; and
7 “(II) to the maximum extent
8 practicable, using public and private
9 sector address data, the address of
10 that feature.”;
11 (B) in subsection (c)(2)—
12 (i) in subparagraph (B), by striking
13 “and” at the end;
14 (ii) in subparagraph (C), by striking
15 the period at the end and inserting “;
16 and”; and
17 (iii) by adding at the end the fol-
18 lowing:
19 “(D) not later than 5 years after the date
20 on which the National Geodetic Survey com-
21 pletes the modernization of the National Spatial
22 Reference System in 2022, updated to conform
23 with the geospatial data provided by that sys-
24 tem; and

1 “(E) spatially accurate in accordance with
2 the common protocols for geographic informa-
3 tion systems under section 216 of the E-Gov-
4 ernment Act of 2002 (44 U.S.C. 3501 note).”;

5 (C) by redesignating subsection (f) as sub-
6 section (g);

7 (D) by inserting after subsection (e) the
8 following:

9 “(f) INCORPORATING BUILDING-SPECIFIC FLOOD
10 RISK INFORMATION.—

11 “(1) ESTABLISHMENT.—

12 “(A) IN GENERAL.—Not later than 5 years
13 after the date of enactment of the National
14 Flood Insurance Program Reauthorization and
15 Reform Act of 2019, the Administrator, in co-
16 ordination with, and as recommended by, the
17 Technical Mapping Advisory Council, shall es-
18 tablish a dynamic, database-derived digital dis-
19 play environment for flood hazard risk produc-
20 tion and dissemination.

21 “(B) CONSULTATION WITH STATES AND
22 COMMUNITIES.—In designing and constructing
23 the environment under subparagraph (A), the
24 Administrator shall—

1 “(i) leverage and partner with States
2 and communities that have successfully im-
3 plemented the same approach; and

4 “(ii) consider adopting the techniques
5 and technologies used by States and com-
6 munities described in clause (i) and apply-
7 ing them nationwide.

8 “(2) DIGITAL DISPLAY.—

9 “(A) IN GENERAL.—In carrying out para-
10 graph (1), the Administrator shall create a dig-
11 ital display prompted through dynamic querying
12 of a spatial, relational building database that
13 includes—

14 “(i) special flood hazard areas and
15 base flood elevations for purposes of lender
16 compliance with the requirements under
17 section 102 of the Flood Disaster Protec-
18 tion Act of 1973 (42 U.S.C. 4012a); and

19 “(ii) structure-specific flood risk infor-
20 mation, including, for each property ad-
21 dress—

22 “(I) the spatial footprint and ele-
23 vation of the structure relative to spe-
24 cial flood hazard areas and base flood
25 elevations;

1 “(II) the most current elevation
2 certificate applicable to the property;

3 “(III) any letter of map changes;

4 “(IV) the full risk premium rate
5 estimated for the structure under sec-
6 tion 1307(a)(1) of the National Flood
7 Insurance Act of 1968 (42 U.S.C.
8 4014(a)(1)) based on elevation data;

9 “(V) the disclosure described in
10 section 1308(l) of the National Flood
11 Insurance Act of 1968 (42 U.S.C.
12 4015(l)), which shall include—

13 “(aa) the extent to which, if
14 any, the chargeable premium rate
15 applicable to the property is less
16 than the full risk premium rate
17 under section 1307(a)(1) of that
18 Act (42 U.S.C. 4014(a)(1)); and

19 “(bb) an explanation of the
20 difference described in item (aa)
21 and the methodology used to rate
22 the property;

23 “(VI) the estimated cost to re-
24 pair the structure in the case of dam-
25 age from floods with recurrence inter-

1 vals ranging from the 10 percent an-
2 nual chance event to the 0.2 percent
3 annual chance event;

4 “(VII) the cost-effectiveness of
5 mitigating the structure using com-
6 mon methods and how the chargeable
7 premium rate would change based on
8 each mitigation method; and

9 “(VIII) the claims history of the
10 structure, including the amount and
11 date of each loss.

12 “(B) PRIVACY REQUIREMENTS.—With re-
13 spect to the database described in subparagraph
14 (A), including any data used to create that
15 database, the Administrator may not dissemi-
16 nate the database to any person other than the
17 owner or leaseholder of a property identified in
18 the database.

19 “(3) DATABASE.—

20 “(A) IN GENERAL.—The Administrator
21 shall—

22 “(i) develop a spatial, relational data-
23 base of buildings in the National Flood In-
24 surance Program; and

1 “(ii) obtain the data necessary to sup-
2 port the digital display created under para-
3 graph (2).

4 “(B) DATA.—The data obtained under
5 subparagraph (A) shall include, at a min-
6 imum—

7 “(i) footprints and elevations (includ-
8 ing lowest adjacent grade and first floor)
9 from Light Detection and Ranging (com-
10 monly known as ‘LiDAR’) data collections
11 or other data collection methods that meet
12 or exceed the standards for buildings, as
13 determined by the Administrator;

14 “(ii) elevation certificates;

15 “(iii) parcel, address, and imagery
16 data necessary for the identification, as-
17 sessment, and reduction of flood hazards
18 for individual properties;

19 “(iv) flood insurance rate maps, stud-
20 ies, and supporting data;

21 “(v) letters of map change; and

22 “(vi) any other data that the Adminis-
23 trator determines necessary to collect to
24 meet the objectives of this section.

1 “(4) DATA PROCUREMENT.—The Administrator
2 shall obtain any data necessary to establish the envi-
3 ronment under paragraph (1), including by—

4 “(A) directing communities participating
5 in the National Flood Insurance Program, by
6 regulation, to collect and supply information,
7 including elevation data, for each structure that
8 obtains a construction or other development
9 permit within—

10 “(i) a special flood hazard area; or

11 “(ii) an advisory special flood hazard
12 area adopted by the community;

13 “(B) issuing guidelines and standards, as
14 determined by the Administrator;

15 “(C) partnering with other Federal, State,
16 local, and private stakeholders to the greatest
17 extent possible to obtain and share existing
18 data that meets or exceeds the standards deter-
19 mined by the Administrator under subpara-
20 graph (B); and

21 “(D) contracting with private companies to
22 obtain new LiDAR data collections or elevation
23 certificates.

1 “(5) NFIP PREMIUM CREDIT.—The Adminis-
2 trator shall provide a 1-time premium credit of not
3 more than \$500 to a policyholder for—

4 “(A) the purchase of an elevation certifi-
5 cate; or

6 “(B) the purposes of appealing the charge-
7 able premium rate with respect to the property
8 to which the premium applies.

9 “(6) MASS LETTERS OF MAP CHANGE.—In co-
10 ordination with States and communities that have
11 successfully implemented a dynamic, database-de-
12 rived digital display environment for flood hazard
13 risk production and dissemination, the Adminis-
14 trator shall issue guidelines for the adoption and in-
15 tegration into the program established under sub-
16 section (a) of LiDAR-based letter of map amend-
17 ment approaches.

18 “(7) ANNUAL REPORT.—The Administrator
19 shall submit to the Committee on Banking, Housing,
20 and Urban Affairs of the Senate and the Committee
21 on Financial Services of the House of Representa-
22 tives an annual progress report on the implementa-
23 tion of this subsection, which shall include rec-
24 ommendations to reduce the cost and improve the
25 implementation of this subsection.”; and

1 (E) in subsection (g), as so redesignated—

2 (i) by striking “this section
3 \$400,000,000” and inserting the following:

4 “this section—

5 “(1) \$400,000,000”; and

6 (ii) by striking the period at the end

7 and inserting the following: “; and

8 “(2) \$400,000,000 for each of fiscal years 2020
9 through 2025.”.

10 (b) APPEALS.—

11 (1) IN GENERAL.—

12 (A) RIGHT TO APPEAL.—Section 1360 of
13 the National Flood Insurance Act of 1968 (42
14 U.S.C. 4101) is amended by adding at the end
15 the following:

16 “(k) APPEALS OF EXISTING MAPS.—

17 “(1) RIGHT TO APPEAL.—Subject to paragraph
18 (6), a State or local government, or the owner or les-
19 see of real property, that makes a formal request to
20 the Administrator to update a flood insurance rate
21 map that the Administrator denies may at any time
22 appeal the denial in accordance with this subsection.

23 “(2) BASIS FOR APPEAL.—The basis for an ap-
24 peal under this subsection shall be the possession of
25 knowledge or information that—

1 “(A) the base flood elevation level or des-
2 ignation of any aspect of a flood insurance rate
3 map is scientifically or technically inaccurate; or

4 “(B) factors exist that mitigate the risk of
5 flooding, including ditches, banks, walls, vegeta-
6 tion, levees, lakes, dams, reservoirs, basin, re-
7 tention ponds, and other natural or manmade
8 topographical features.

9 “(3) APPEALS PROCESS.—

10 “(A) ADMINISTRATIVE ADJUDICATION.—

11 The Administrator shall determine an appeal
12 under this subsection by making a final adju-
13 dication on the record, after providing an op-
14 portunity for an administrative hearing.

15 “(B) RIGHTS UPON ADVERSE DECISION.—

16 “(i) OPTIONAL ARBITRATION.—If an
17 appeal determined under subparagraph (A)
18 does not result in a decision in favor of the
19 State, local government, owner, or lessee,
20 that party may request that an appeal of
21 the adverse decision be heard through
22 independent, non-binding arbitration.

23 “(ii) PROCESS.—The Administrator
24 shall establish a process for arbitration
25 under clause (i) under which the arbitrator

1 provides a non-binding recommendation to
2 the Administrator.

3 “(4) RELIEF.—

4 “(A) WHOLLY SUCCESSFUL APPEALS.—If
5 the Administrator determines, in an appeal
6 under this subsection, that the property of a
7 policyholder that had been included in a special
8 flood hazard area under the flood insurance
9 rate map is actually not in a special flood haz-
10 ard area—

11 “(i) the policyholder may cancel the
12 policy at any time during the year in which
13 the Administrator makes the determina-
14 tion; and

15 “(ii) the Administrator shall provide
16 the policyholder a refund equal to the
17 amount of—

18 “(I) any premiums that the pol-
19 icyholder paid during the year de-
20 scribed in clause (i); and

21 “(II) any premiums that the pol-
22 icyholder paid for flood insurance cov-
23 erage that the policyholder was re-
24 quired to purchase or maintain during

1 the 2-year period preceding the year
2 described in clause (i).

3 “(B) PARTIALLY SUCCESSFUL APPEALS.—

4 If the Administrator determines in an appeal
5 under this subsection that mitigating factors
6 have reduced, but not eliminated, the risk of
7 flooding to a property, the Administrator
8 shall—

9 “(i) reduce the amount of flood insur-
10 ance coverage required to be maintained
11 for the property by the ratio of the suc-
12 cessful portion of the appeal as compared
13 to the entire appeal; and

14 “(ii) provide the policyholder a refund
15 equal to the difference between—

16 “(I) the amount of any premiums
17 that the policyholder paid during the
18 period—

19 “(aa) beginning on the later
20 of—

21 “(AA) the date on
22 which the mitigating factor
23 was created; or

24 “(BB) January 1 of the
25 second year preceding the

1 date on which the deter-
2 mination is made; and

3 “(bb) ending on the date on
4 which the reduction in the
5 amount of flood insurance re-
6 quired, as described in clause (i),
7 takes effect; and

8 “(II) the amount of premiums
9 that the policyholder would have been
10 required to pay if the reduced amount
11 of flood insurance coverage required,
12 as described in clause (i), had been in
13 effect during the period described in
14 subclause (I) of this clause.

15 “(C) ADDITIONAL RELIEF.—The Adminis-
16 trator may provide additional refunds in excess
17 of the amounts required under subparagraphs
18 (A) and (B) if the Administrator determines
19 that such additional refunds are warranted.

20 “(5) RECOVERY OF COSTS.—

21 “(A) APPEAL EXPENSES.—If a State or
22 local government, or the owner or lessee of real
23 property, incurs any expense in connection with
24 an appeal under this subsection that is based
25 on a scientific or technical error made by the

1 Administrator and that is successful in whole or
2 part regarding the designation of the base flood
3 elevation or any aspect of a flood insurance rate
4 map, including elevation or designation of a
5 special flood hazard area, the Administrator
6 shall reimburse the State, local government,
7 owner, or lessee in accordance with subpara-
8 graph (B).

9 “(B) REIMBURSABLE EXPENSES.—The
10 Administrator—

11 “(i) may reimburse a party under
12 subparagraph (A) for reasonable expenses
13 described in that subparagraph—

14 “(I) including for a service pro-
15 vided by a surveyor, engineer, or sci-
16 entific expert; and

17 “(II) to the extent measured by
18 the ratio of the successful portion of
19 the appeal as compared to the entire
20 appeal; and

21 “(ii) may not reimburse a party under
22 subparagraph (A) for—

23 “(I) the cost of legal services; or

24 “(II) the payment of any fee or
25 expense, the payment of which was

1 agreed to be contingent upon the re-
2 sult of the appeal.

3 “(6) GUIDANCE.—The Administrator shall
4 issue guidance to implement this subsection, which
5 shall not be subject to the notice and comment re-
6 quirements under section 553 of title 5, United
7 States Code.”.

8 (B) TECHNICAL AND CONFORMING AMEND-
9 MENTS.—Section 1310(a) of the National Flood
10 Insurance Act of 1968 (42 U.S.C. 4017(a)) is
11 amended—

12 (i) in paragraph (7), by striking
13 “and” at the end;

14 (ii) in paragraph (8), by striking the
15 period at the end and inserting “; and”;
16 and

17 (iii) by adding at the end the fol-
18 lowing:

19 “(9) for providing reimbursements of expenses
20 of flood insurance rate map appeals under section
21 1360(k)(5).”.

22 (2) DEADLINE FOR ISSUANCE OF GUIDANCE.—
23 Not later than 180 days after the date of enactment
24 of this Act, the Administrator shall issue the guid-
25 ance required under subsection (k)(6) of section

1 1360 of the National Flood Insurance Act of 1968
2 (42 U.S.C. 4101), as added by paragraph (1)(A).

3 **SEC. 209. PROTECTED AREAS.**

4 Section 100216(b) of the Biggert-Waters Flood In-
5 surance Reform Act of 2012 (42 U.S.C. 4101b(b)) is
6 amended by adding at the end the following:

7 “(4) ZONES PROTECTED BY LEVEE SYSTEMS.—

8 “(A) APPLICABILITY.—Subject to full im-
9 plementation of this section, and notwith-
10 standing any other provision of law, this para-
11 graph shall apply to a community in which the
12 Administrator maps or re-maps a levee-im-
13 pacted area in which the pertinent levee system
14 fails to meet the minimum design, operation,
15 and maintenance standards of the National
16 Flood Insurance Program required for levee ac-
17 creditation on a National Flood Insurance Pro-
18 gram rate map.

19 “(B) AL ZONES.—For levee-impacted
20 areas described in subparagraph (A), the Ad-
21 ministrator shall establish flood risk zones
22 known as ‘AL Zones’ on the National Flood In-
23 surance Program rate map.

24 “(C) ACTUARIAL RATES.—

1 “(i) IN GENERAL.—The Administrator
2 shall make available flood insurance to
3 properties in AL Zones at actuarial rates
4 based upon the risk associated with struc-
5 tures within the applicable AL Zone.

6 “(ii) TEMPORARY RATES.—Until the
7 Administrator promulgates actuarial rates
8 for the various AL Zones, a structure with-
9 in a portion of a community located within
10 a levee-impacted area described in sub-
11 paragraph (A) shall be eligible for rates as-
12 sociated with areas of moderate flood haz-
13 ards (also known as ‘Standard X zone’
14 rates).”.

15 **SEC. 210. COMMUNITY-WIDE FLOOD MITIGATION ACTIVI-**
16 **TIES.**

17 It is the sense of Congress that the Administrator
18 should consider flood mitigation activities that—

19 (1) provide benefits to an entire floodplain or
20 community, or to a portion of such a community;

21 (2) consider all available and practicable ap-
22 proaches; and

23 (3) the Administrator determines—

24 (A) are technically feasible;

25 (B) have the highest net benefits; and

1 (C) are consistent with mitigation plans
2 approved by the Administrator.

3 **TITLE III—SOLVENCY**

4 **SEC. 301. FORBEARANCE ON NFIP INTEREST PAYMENTS.**

5 (a) IN GENERAL.—During the 5-year period begin-
6 ning on the date of enactment of this Act, the Secretary
7 of the Treasury may not charge the Administrator interest
8 on amounts borrowed by the Administrator under section
9 1309(a) of the National Flood Insurance Act of 1968 (42
10 U.S.C. 4016(a)) that were outstanding as of that date of
11 enactment.

12 (b) USE OF SAVED AMOUNTS.—There shall be depos-
13 ited into the National Flood Mitigation Fund an amount
14 equal to the interest that would have accrued on the bor-
15 rowed amounts during the 5-year period described in sub-
16 section (a), which, notwithstanding any provision of sec-
17 tion 1367 of the National Flood Insurance Act of 1968
18 (42 U.S.C. 4104d), the Administrator shall use to carry
19 out the program established under section 1366 of the Na-
20 tional Flood Insurance Act of 1968 (42 U.S.C. 4104c).

21 (c) NO RETROACTIVE ACCRUAL.—After the 5-year
22 period described in subsection (a), the Secretary of the
23 Treasury shall not require the Administrator to repay any
24 interest that, but for that subsection, would have accrued

1 on the borrowed amounts described in that subsection dur-
2 ing that 5-year period.

3 **SEC. 302. CAP ON WRITE YOUR OWN COMPANY COMPENSA-**
4 **TION.**

5 (a) IN GENERAL.—Section 1311 of the National
6 Flood Insurance Act of 1968 (42 U.S.C. 4018) is amend-
7 ed—

8 (1) by redesignating subsection (b) as sub-
9 section (c); and

10 (2) by inserting after subsection (a) the fol-
11 lowing:

12 “(b) LIMITATION ON COMPENSATION; MINIMUM
13 AGENT COMMISSIONS.—In negotiating with appropriate
14 representatives of the insurance industry under subsection
15 (a), the Administrator shall ensure that—

16 “(1) any reimbursement paid to a property and
17 casualty insurance company for selling, writing, and
18 servicing flood insurance policies is not more than
19 22.46 percent of the aggregate amount of premiums
20 charged by the insurance company; and

21 “(2) an insurance company pays a portion of
22 the reimbursement described in paragraph (1) to
23 agents of the company as a commission, in an
24 amount that is not less than 15 percent of the ag-

1 gregate amount of the premiums sold by the
2 agent.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 Section 1311 of the National Flood Insurance Act of 1968
5 (42 U.S.C. 4018), as amended by subsection (a), is
6 amended—

7 (1) in subsection (a), by striking “The Adminis-
8 trator” and inserting “IN GENERAL.—The Adminis-
9 trator”; and

10 (2) in subsection (c), as so redesignated by sub-
11 section (a) of this section, by striking “For purposes
12 of subsection (a)” and inserting “DEFINITIONS.—
13 For purposes of this section”.

14 **SEC. 303. TAXPAYER PROTECTION.**

15 Section 1360(g) of the National Flood Insurance Act
16 of 1968 (42 U.S.C. 4101(g)) is amended—

17 (1) in the first sentence, by inserting “, subject
18 to the following sentence,” after “at a reasonable
19 cost”; and

20 (2) by inserting after the first sentence the fol-
21 lowing: “The Administrator shall develop a fee
22 schedule based on recovering the actual costs of pro-
23 viding flood insurance rate maps to such other per-
24 sons, and shall charge a fee based on the schedule
25 to any private entity for the use of such a map.”.

1 **SEC. 304. VENDOR COSTS; TRANSPARENCY.**

2 (a) IN GENERAL.—Section 100224(d) of the Biggert-
3 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.
4 4081 note) is amended—

5 (1) by striking “Not later than 12 months after
6 the date of enactment of this Act, the Adminis-
7 trator” and inserting the following:

8 “(1) IN GENERAL.—The Administrator”; and

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

10 “(2) VENDOR COSTS; TRANSPARENCY.—In
11 issuing the rule under paragraph (1), the Adminis-
12 trator shall—

13 “(A) develop a schedule to determine the
14 actual costs of Write Your Own vendors, includ-
15 ing claims adjusters and engineering companies;

16 “(B) provide that if a Write Your Own
17 company requests reimbursement for the costs
18 of a service or product provided to the company
19 by a vendor, the Administrator only reimburses
20 the company for the actual costs of the service
21 or products; and

22 “(C) require that all reimbursements to
23 Write Your Own companies be made public, in-
24 cluding a description of the product or service
25 provided to which the reimbursement per-
26 tains.”.

1 (b) DEADLINE FOR REVISED RULE.—Not later than
2 90 days after the date of enactment of this Act, the Ad-
3 ministrator shall issue a revised rule under section
4 100224(d) of the Biggert-Waters Flood Insurance Reform
5 Act of 2012 (42 U.S.C. 4081 note), as amended by sub-
6 section (a).

7 **SEC. 305. AVAILABILITY OF NFIP CLAIMS DATA.**

8 (a) STUDY REQUIRED.—

9 (1) IN GENERAL.—The Administrator shall
10 study the feasibility of selling or licensing the use of
11 historical structure-specific National Flood Insur-
12 ance Program claims data (referred to in this sec-
13 tion as “covered claims data”) to nongovernmental
14 entities.

15 (2) CONTENTS.—In conducting the study re-
16 quired under paragraph (1), the Administrator shall,
17 at a minimum—

18 (A) investigate 1 or more methods of pro-
19 viding the most specific covered claims data
20 possible while reasonably protecting policyholder
21 privacy;

22 (B) review existing means, as of the date
23 of enactment of this Act, by which the Federal
24 Government and nongovernmental entities pro-
25 vide leases or licenses to private persons, and

1 the various regulations, terms, conditions, and
2 guidance employed;

3 (C) identify potential uses for covered
4 claims data and any known risks concerning
5 those uses, including the risk that private insur-
6 ance companies will use the data to issue flood
7 insurance policies with respect to properties
8 that have the lowest level of flood risk, which
9 would require the National Flood Insurance
10 Program to issue those policies with respect to
11 properties with higher levels of flood risk;

12 (D) identify mechanisms for determining
13 the likely market value for access to covered
14 claims data;

15 (E) consider whether selling or licensing
16 the use of covered claims data, as described in
17 paragraph (1), would be in compliance with sec-
18 tion 552a of title 5, United States Code; and

19 (F) recommend actions the Administrator
20 could take, if any, to prevent unintended con-
21 sequences associated with the sale or licensing
22 for private insurance purposes covered claims
23 data.

24 (b) REPORT BY ADMINISTRATOR.—Not later than 1
25 year after the date of enactment of this Act, the Adminis-

1 trator shall submit to the Committee on Banking, Hous-
2 ing, and Urban Affairs of the Senate and the Committee
3 on Financial Services of the House of Representatives a
4 report that contains the results and conclusions of the
5 study conducted under subsection (a), which shall include
6 an analysis of any recommendations made by the study.

7 **SEC. 306. REFUSAL OF MITIGATION ASSISTANCE.**

8 Section 1366 of the National Flood Insurance Act of
9 1968 (42 U.S.C. 4104c) is amended—

10 (1) in subsection (a), in the matter preceding
11 paragraph (1), in the first sentence, by inserting
12 “and, with respect to financial assistance described
13 in paragraph (2), using amounts made available
14 from the Disaster Relief Fund in accordance with
15 section 203(n) of the Robert T. Stafford Disaster
16 Relief and Emergency Assistance Act (42 U.S.C.
17 5133(n))” after “section 1367”;

18 (2) by redesignating subsection (h) as sub-
19 section (i); and

20 (3) by inserting after subsection (g) the fol-
21 lowing:

22 “(h) REFUSAL OF ASSISTANCE.—

23 “(1) DEFINITION.—In this subsection, the term
24 ‘bona fide offer of assistance’ means an offer of as-

1 assistance made by the Administrator to a policyholder
2 under the national flood insurance program that—

3 “(A) relates to mitigation activities with
4 respect to the structure insured under that pro-
5 gram;

6 “(B) covers 100 percent of the cost of the
7 mitigation activities described in subparagraph
8 (A);

9 “(C) permits the policyholder to continue
10 to live in the structure to which the policy re-
11 lates; and

12 “(D) is carried out under a mitigation
13 plan.

14 “(2) PENALTY.—If, after the date of enactment
15 of this subsection, a policyholder under the national
16 flood insurance program refuses a bona fide offer of
17 assistance with respect to the property so insured,
18 the Administrator shall, notwithstanding any other
19 provision of this title, increase the chargeable risk
20 premium rate for flood insurance under this title for
21 the property by 25 percent each year until—

22 “(A) the policyholder accepts the bona fide
23 offer of assistance; or

24 “(B) that chargeable risk premium rate is
25 actuarially sound.”.

1 **TITLE IV—POLICYHOLDER**
2 **PROTECTION AND FAIRNESS**

3 **SEC. 401. EARTH MOVEMENT FIX AND ENGINEER STAND-**
4 **ARDS.**

5 (a) REBUTTABLE PRESUMPTION FOR FOUNDATION
6 AND STRUCTURAL DAMAGE.—

7 (1) IN GENERAL.—Section 1312 of the Na-
8 tional Flood Insurance Act of 1968 (42 U.S.C.
9 4019) is amended by adding at the end the fol-
10 lowing:

11 “(d) REBUTTABLE PRESUMPTION FOR FOUNDATION
12 AND STRUCTURAL DAMAGE.—

13 “(1) IN GENERAL.—For the purposes of the
14 Administrator determining coverage under the
15 standard flood insurance policy under the national
16 flood insurance program, a rebuttable presumption
17 that physical damage to the foundation of, or struc-
18 tural damage to, a structure was not caused by
19 earth movement shall apply if—

20 “(A) flood caused direct physical change to
21 the structure; and

22 “(B) there is damage to the foundation of,
23 or structural damage to, the structure that was
24 not present before the flood, as demonstrated
25 by a certification from the policyholder.

1 “(2) REBUTTAL.—In determining coverage as a
2 result of the rebuttable presumption under para-
3 graph (1), an insurance company may rebut the pre-
4 sumption only by providing the Administrator with
5 an engineering report that—

6 “(A) meets standards issued by the Ad-
7 ministrator under paragraph (3); and

8 “(B) clearly demonstrates that the physical
9 damage to the foundation of, or structural dam-
10 age to, a structure described in paragraph (1)
11 was caused directly by earth movement that
12 was not caused by—

13 “(i) the horizontal pressure from
14 standing or slow-moving floodwater (com-
15 monly known as ‘hydrostatic pressure’);

16 “(ii) the force of floodwater that
17 causes the vertical uplift from the under-
18 side of a horizontal foundation component,
19 such as a concrete slab, footer, or a struc-
20 tural floor assembly (commonly known as
21 ‘buoyancy’);

22 “(iii) pressure imposed on an object,
23 such as a wall of a building, by high-veloc-
24 ity floodwater or waves flowing against and

1 around the building (commonly known as
2 ‘hydrodynamic force’);

3 “(iv) floodwater moving along the sur-
4 face of the ground causing soil to suddenly
5 erode or undermine, resulting in failure of
6 a foundation or to one of the structural
7 components of the foundation (commonly
8 known as ‘scouring’); or

9 “(v) earth movement otherwise caused
10 by flood.

11 “(3) IN GENERAL.—The Administrator shall
12 issue minimum standards—

13 “(A) regarding the form and content of en-
14 gineering reports used to assist insurance
15 claims adjusters with respect to carrying out
16 this subsection; and

17 “(B) which shall—

18 “(i) include a requirement that any
19 such engineering report shall be signed and
20 have a seal affixed by an engineer who is
21 licensed in the State in which the property
22 to which the claim relates is located; and

23 “(ii) be consistent with generally ac-
24 cepted practices in—

1 “(I) the field of forensic engi-
2 neering; and

3 “(II) the insurance industry.

4 “(4) RULE OF CONSTRUCTION.—Nothing in
5 this subsection may be construed to modify the
6 terms and conditions of the standard flood insurance
7 policy.”.

8 (2) APPLICATION.—The amendments made by
9 paragraph (1) shall apply with respect to a claim
10 with a date of loss that is on or after the date that
11 is 90 days after the date of enactment of this Act.

12 (b) REGULATIONS.—Not later than 90 days after the
13 date of enactment of this Act, the Administrator shall
14 issue the standards required under subsection (d)(3) of
15 section 1312 of the National Flood Insurance Act of 1968
16 (42 U.S.C. 4019), as added by subsection (a)(1).

17 **SEC. 402. COVERAGE OF PRE-FIRM CONDOMINIUM BASE-**
18 **MENTS AND STUDY ON STREET RAISING.**

19 (a) BASEMENT CLARIFICATION.—

20 (1) IN GENERAL.—Section 1305 of the Na-
21 tional Flood Insurance Act of 1968 (42 U.S.C.
22 4012) is amended by adding at the end the fol-
23 lowing:

24 “(e) AVAILABILITY OF INSURANCE FOR PRE-FIRM
25 CONDOMINIUM BASEMENTS.—

1 “(1) DEFINITION.—In this subsection, the term
2 ‘pre-FIRM condominium building’ means a condo-
3 minium building that was not constructed or sub-
4 stantially improved after the later of—

5 “(A) December 31, 1974; or

6 “(B) the effective date of the initial flood
7 insurance rate map published by the Adminis-
8 trator under section 1360 for the area in which
9 the building is located.

10 “(2) COVERAGE.—The Administrator shall
11 make flood insurance available to cover the base-
12 ment of any pre-FIRM condominium building if that
13 basement serves as a separate residential unit within
14 that condominium building.”.

15 (2) AMENDMENTS TO REGULATIONS.—Not later
16 than 180 days after the date of enactment of this
17 Act, the Administrator shall make any amendments
18 to the regulations of the Federal Emergency Man-
19 agement Agency that are necessary as a result of the
20 amendment made by paragraph (1).

21 (b) STUDY ON CONSEQUENCES OF STREET-RAIS-
22 ING.—

23 (1) DEFINITION.—In this subsection, the term
24 “affected property” means a property containing an
25 area—

1 (A) the floor of which was located at or
2 above grade before the community raised the
3 street adjacent to the property; and

4 (B) after the street-raising described in
5 subparagraph (A), that was designated as a
6 basement because of the street-raising.

7 (2) STUDY; REPORT.—Not later than 1 year
8 after the date of enactment of this Act, the Adminis-
9 trator shall study and submit to Congress a report
10 on the consequences of street-raising on flood insur-
11 ance coverage for an affected property under the
12 National Flood Insurance Program, including the
13 cost implications for the property owner.

14 **SEC. 403. GUIDANCE ON REMEDIATION AND POLICY-**
15 **HOLDER DUTIES.**

16 (a) IN GENERAL.—Section 1312 of the National
17 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-
18 ed by section 401(a)(1), is amended by adding at the end
19 the following:

20 “(e) GUIDANCE ON MOLD REMEDIATION.—

21 “(1) IN GENERAL.—The Administrator shall
22 issue guidance relating to the identification of rea-
23 sonable actions that a policyholder of coverage for
24 flood insurance made available under this title may

1 take to inspect and maintain the property to which
2 that coverage applies—

3 “(A) after a flood recedes; and

4 “(B) in order to avoid damage to the prop-
5 erty that is caused by mold, mildew, moisture,
6 or water.

7 “(2) CONSIDERATIONS.—In developing guid-
8 ance under paragraph (1), the Administrator shall
9 consider—

10 “(A) any applicable laws and regulations;

11 “(B) the terms and conditions of the
12 standard flood insurance policy;

13 “(C) technical best practices;

14 “(D) the costs of remediation in relation to
15 the condition of a property described in that
16 paragraph; and

17 “(E) the actions that the Administrator
18 may reasonably expect a policyholder described
19 in that paragraph to take, given the likely chal-
20 lenges faced by the policyholder after a flood.

21 “(3) REGULAR REVIEW.—The Administrator
22 shall—

23 “(A) regularly review the guidance issued
24 under paragraph (1); and

1 “(B) revise the guidance issued under
2 paragraph (1) as the Administrator determines
3 appropriate.

4 “(4) ANNUAL DISTRIBUTION.—The Adminis-
5 trator shall provide a copy of the guidance issued
6 under paragraph (1) to a policyholder at the time of
7 the purchase or renewal of a flood insurance policy
8 sold under this title.”.

9 (b) INITIAL ISSUANCE.—Not later than 1 year after
10 the date of enactment of this Act, the Administrator shall
11 issue the guidance required under subsection (e) of section
12 1312 of the National Flood Insurance Act of 1968 (42
13 U.S.C. 4019), as added by subsection (a) of this section.

14 (c) ACCESSIBILITY, REASONABLENESS AND DEGREE
15 OF DAMAGE.—Section 1312 of the National Flood Insur-
16 ance Act of 1968 (42 U.S.C. 4019), as amended by sub-
17 section (a), is amended by adding at the end the following:

18 “(f) EXCLUSION OF CERTAIN DAMAGE.—For pur-
19 poses of determining whether damage caused by mold, mil-
20 dew, moisture, or water to a property shall be excluded
21 from coverage under the standard flood insurance policy—

22 “(1) subject to paragraph (2), only the degree
23 of damage caused by mold, mildew, moisture, or
24 water that could have been avoided through inspec-

1 tion and maintenance may be excluded from that
2 coverage; and

3 “(2) the condition of the property to which the
4 damage relates may not be considered to be attrib-
5 utable to the policyholder with respect to the prop-
6 erty, including any failure by the policyholder to in-
7 spect and maintain the property after a flood re-
8 cedes, if—

9 “(A) the policyholder was denied access to
10 the property after the flood receded because
11 of—

12 “(i) a lawful government order;

13 “(ii) a determination by local authori-
14 ties that the property—

15 “(I) is unsafe or unstable; or

16 “(II) shall be condemned; or

17 “(iii) otherwise unsafe conditions;

18 “(B) a reasonable individual exercising
19 reasonable judgment could not be expected to
20 inspect, maintain, or mitigate the damage to
21 the property under the circumstances; or

22 “(C) the policyholder faced particular chal-
23 lenges, including—

24 “(i) practical or financial difficulty in
25 inspecting or maintaining the property;

1 “(ii) the need to address other more
2 immediate priorities, including—

3 “(I) the health and well-being of
4 the policyholder and the family of the
5 policyholder;

6 “(II) the preservation of basic
7 items;

8 “(III) displacement; and

9 “(IV) other issues that make in-
10 spection and maintenance of the prop-
11 erty a near-term challenge for the pol-
12 icyholder; and

13 “(iii) the unavailability of contractors
14 or other individuals to perform any re-
15 quired inspection and maintenance.”.

16 **SEC. 404. APPEAL OF DECISIONS RELATING TO FLOOD IN-**
17 **SURANCE COVERAGE.**

18 (a) IN GENERAL.—Section 205 of the Bunning-Be-
19 reuter-Blumenauer Flood Insurance Reform Act of 2004
20 (42 U.S.C. 4011 note) is amended—

21 (1) in the matter preceding paragraph (1), by
22 striking “Not later” and inserting the following:

23 “(a) IN GENERAL.—Not later”; and

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

1 “(b) DEADLINE TO FILE APPEAL.—The Director
2 shall establish a deadline for filing an appeal under this
3 section that is not less than 1 year after the date on which
4 the decision being appealed was made.

5 “(c) NOTIFICATION UPON INITIAL DENIAL OF
6 CLAIM.—The Director shall ensure that a claimant is pro-
7 vided with the rules, forms, and deadlines for an appeal
8 under this section at the time a claim is first denied in
9 full or in part, including—

10 “(1) the effective date of the denial;

11 “(2) a justification for the denial, including
12 supporting documentation;

13 “(3) the date on which the period of limitation
14 for instituting an action on the claim under section
15 1333 or 1341 of the National Flood Insurance Act
16 of 1968 (42 U.S.C. 4053 and 4072), as applicable,
17 will end; and

18 “(4) a point of contact through which the
19 claimant can directly discuss an appeal with a rep-
20 resentative of the Federal Emergency Management
21 Agency.

22 “(d) DEADLINE TO RESOLVE APPEAL.—

23 “(1) IN GENERAL.—Not later than 90 days
24 after the date on which a policyholder has submitted
25 all necessary information relating to an appeal under

1 this section, the Director shall provide an appeal de-
2 cision in writing to the policyholder and insurer, in-
3 cluding specific information for the resolution of the
4 appeal.

5 “(2) ENFORCEMENT.—If the Director does not
6 comply with the deadline under paragraph (1) with
7 respect to an appeal, and the policyholder that
8 brought the appeal is ultimately successful, the Di-
9 rector shall pay to the policyholder interest on the
10 claim that is the subject of the appeal, which shall—

11 “(A) begin accruing on the date on which
12 the policyholder files the appeal; and

13 “(B) be calculated using the rate of return
14 on a 3-year Treasury bill, as in effect on the
15 date described in subparagraph (A).

16 “(3) NOTIFICATION UPON DENIAL OF AP-
17 PEAL.—If the Director denies an appeal filed by a
18 policyholder under this section, the Director shall in-
19 clude with the notice of denial—

20 “(A) an explanation of the legal options of
21 the policyholder for further challenging the de-
22 nial; and

23 “(B) the date on which the period of limi-
24 tation for instituting an action on the claim
25 under section 1333 or 1341 of the National

1 Flood Insurance Act of 1968 (42 U.S.C. 4053
2 and 4072), as applicable, will end.

3 “(e) OPTIONAL ARBITRATION.—

4 “(1) IN GENERAL.—Not later than 180 days
5 after the date of enactment of this subsection, the
6 Director shall, by regulation, establish a process
7 through which a flood insurance policyholder, in-
8 stead of submitting an appeal under this section,
9 may request that the appeal be heard through inde-
10 pendent, binding arbitration.

11 “(2) RULE OF CONSTRUCTION.—Nothing in
12 paragraph (1) may be construed to—

13 “(A) require a policyholder to submit to
14 the arbitration described in that paragraph; or

15 “(B) prevent a policyholder from obtaining
16 judicial review of the results of the arbitration
17 described in that paragraph.”.

18 (b) RELATION TO REGULATIONS AND OTHER LAW.—

19 Nothing in the amendments made by subsection (a) may
20 be construed to require the Administrator to repeal the
21 regulations promulgated under section 205 of the Bun-
22 ning-Bereuter-Blumenauer Flood Insurance Reform Act
23 of 2004 (42 U.S.C. 4011 note), as in effect on the day
24 before the date of enactment of this Act, or to promulgate

1 new regulations, except as necessary to implement those
2 amendments.

3 **SEC. 405. ACCOUNTABILITY FOR UNDERPAYMENTS AND**
4 **OVERPAYMENTS BY WRITE YOUR OWN COM-**
5 **PANIES.**

6 Section 1348 of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4084) is amended by adding at the end
8 the following:

9 “(c) ACCOUNTABILITY FOR UNDERPAYMENTS.—If
10 the Administrator determines through any audit that the
11 pool or an insurance company or other private organiza-
12 tion described in subsection (a) has not adjusted a claim
13 in accordance with adjusting standards that are in effect
14 as of the date on which the adjustment is performed and,
15 as a result of that failure, has underpaid or overpaid a
16 claim of a policyholder, the penalty imposed by the Admin-
17 istrator with respect to such a failure may not be less for
18 an overpayment of a claim than for an underpayment of
19 a claim.

20 “(d) GAO REPORT.—Not later than 2 years after the
21 date of enactment of this subsection, and triennially there-
22 after, the Comptroller General of the United States shall
23 submit to the Committee on Banking, Housing, and
24 Urban Affairs of the Senate and the Committee on Finan-
25 cial Services of the House of Representatives a report re-

1 guarding any fines or other penalties imposed by the Ad-
 2 ministrator under subsection (c).”.

3 **SEC. 406. POLICYHOLDERS’ RIGHT TO KNOW.**

4 (a) USE.—Section 1312 of the National Flood Insur-
 5 ance Act of 1968 (42 U.S.C. 4019), as amended by section
 6 403(c), is amended by adding at the end the following:

7 “(g) USE OF TECHNICAL ASSISTANCE REPORTS.—
 8 When adjusting claims for any damage to or loss of prop-
 9 erty that is covered by flood insurance made available
 10 under this title, the Administrator may rely upon technical
 11 assistance reports, as defined in section 1312A(a), only
 12 if the reports are final and are prepared in compliance
 13 with applicable State and Federal laws regarding profes-
 14 sional licensure and conduct.”.

15 (b) DISCLOSURE.—Chapter I of the National Flood
 16 Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amend-
 17 ed by inserting after section 1312 (42 U.S.C. 4019) the
 18 following:

19 **“SEC. 1312A. DISCLOSURE OF CLAIMS DOCUMENTS AND**
 20 **TECHNICAL ASSISTANCE REPORTS.**

21 “(a) DEFINITIONS.—In this section—

22 “(1) the term ‘policyholder’ means any person
 23 listed as a named or additional insured on the dec-
 24 larations page of a policy for flood insurance cov-
 25 erage made available under this title; and

1 “(2) the term ‘technical assistance report’
2 means a report created for the purpose of furnishing
3 technical assistance to an insurance claims adjuster
4 assigned under the national flood insurance pro-
5 gram, including any report created by an engineer,
6 a surveyor, a salvor, an architect, or a certified pub-
7 lic accountant.

8 “(b) PROVISION OF COPIES.—

9 “(1) IN GENERAL.—Notwithstanding section
10 552a of title 5, United States Code, not later than
11 1 week after the date on which the Administrator re-
12 ceives a written request, or a request submitted on-
13 line, from a policyholder, and with respect to a claim
14 for loss submitted by the policyholder for any dam-
15 age to or loss of property that is covered by the pol-
16 icy, the Administrator shall provide a true, complete,
17 and unredacted copy of—

18 “(A) all documents that constitute the
19 claims file of the insurance company with re-
20 spect to the claim;

21 “(B) any document created by any ad-
22 juster in scoping the loss, including measure-
23 ments, photographs, and notes;

24 “(C) any estimates of damages with re-
25 spect to the claim;

1 “(D) any draft and final technical assist-
2 ance report relating to adjusting and paying or
3 denying the claim;

4 “(E) any proof of loss, supplemental proofs
5 of loss, or any equivalent notices, together with
6 supporting documentation, with respect to the
7 claim; and

8 “(F) any document relating to the denial
9 or partial denial of the claim.

10 “(2) RULE OF CONSTRUCTION.—Nothing in
11 paragraph (1) may be construed to limit the right of
12 a policyholder to receive a disclosure under section
13 552a of title 5, United States Code, or any other
14 provision of law.

15 “(c) DIRECT DISCLOSURE BY WRITE YOUR OWN
16 COMPANIES AND DIRECT SERVICING AGENTS.—

17 “(1) IN GENERAL.—A Write Your Own com-
18 pany or direct servicing agent in possession of any
19 technical assistance report that is subject to disclo-
20 sure under subsection (b) may disclose such tech-
21 nical assistance report without further review or ap-
22 proval by the Administrator.

23 “(2) AFFIRMATIVE NOTIFICATION.—A Write
24 Your Own company, or any other entity servicing a
25 claim under the national flood insurance program,

1 shall, not later than 30 days after the date on which
2 the company or entity receives notice of a claim, no-
3 tify the claimant that the claimant or an authorized
4 representative of the claimant may obtain, upon re-
5 quest, a copy of any claim-related document de-
6 scribed in subsection (b)(1) that pertains to the
7 claimant.”.

8 (c) TRANSMISSION OF REPORT WITHOUT AP-
9 PROVAL.—

10 (1) DEFINITION.—In this subsection, the term
11 “final engineering report” means an engineering re-
12 port, survey, or other document in connection with
13 a claim for losses covered by a policy for flood insur-
14 ance coverage made available under the National
15 Flood Insurance Act of 1968 (42 U.S.C. 4001 et
16 seq.) that—

17 (A) is based on an on-site inspection;

18 (B) contains final conclusions with respect
19 to an engineering issue or issues involved in the
20 claim; and

21 (C) is signed by the responsible in charge
22 or affixed with the seal of the responsible in
23 charge, or both.

24 (2) TRANSMISSION.—A Write Your Own com-
25 pany or a National Flood Insurance Program direct

1 servicer may, without obtaining further review or ap-
2 proval by the Administrator, transmit to a policy-
3 holder a final engineering report in the possession of
4 the Write Your Own company or the direct servicer
5 in connection with a claim submitted by the policy-
6 holder.

7 **SEC. 407. INCREASING STATUTE OF LIMITATIONS FOR LAW-**
8 **SUITS.**

9 (a) GOVERNMENT PROGRAM WITH INDUSTRY AS-
10 SISTANCE.—Section 1341 of the National Flood Insurance
11 Act of 1968 (42 U.S.C. 4072) is amended to read as fol-
12 lows:

13 **“SEC. 1341. ADJUSTMENT AND PAYMENT OF CLAIMS AND**
14 **JUDICIAL REVIEW.**

15 “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—If
16 the program is carried out as provided in section 1340,
17 the Administrator may adjust and make payment of any
18 claims for proved and approved losses covered by flood in-
19 surance made available under this title.

20 “(b) JUDICIAL REVIEW.—

21 “(1) RIGHT OF ACTION.—Upon the denial or
22 partial denial by the Administrator of a claim de-
23 scribed in subsection (a), or upon the refusal of a
24 policyholder to accept the amount allowed upon a
25 claim described in that subsection, the policyholder

1 may institute an action against the Administrator on
2 the claim in the United States district court for the
3 district in which the insured property or the major
4 part thereof shall have been situated if filed not
5 later than 2 years after the date on which the policy-
6 holder receives notice of denial or partial denial of
7 the claim.

8 “(2) TOLLING.—In the case of a denial or par-
9 tial denial of a claim for losses that is appealed
10 under section 205 of the Bunning-Bereuter-Blu-
11 menauer Flood Insurance Reform Act of 2004 (42
12 U.S.C. 4011 note), including through arbitration re-
13 quested under subsection (e) of that section, the lim-
14 itation to institute an action under this subsection
15 shall be tolled until the date on which the policy-
16 holder receives notice of a final determination of
17 that appeal or arbitration denying the claim in whole
18 or in part.

19 “(3) JURISDICTION.—A court described in
20 paragraph (1) shall have original exclusive jurisdic-
21 tion to hear and determine an action under that
22 paragraph without regard to the amount in con-
23 troversy.”.

24 (b) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL
25 ASSISTANCE.—Section 1333 of the National Flood Insur-

1 ance Act of 1968 (42 U.S.C. 4053) is amended to read
2 as follows:

3 **“SEC. 1333. ADJUSTMENT AND PAYMENT OF CLAIMS AND**
4 **JUDICIAL REVIEW.**

5 “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—The
6 insurance companies and other insurers that form, asso-
7 ciate, or otherwise join together in the pool under this part
8 may adjust and pay all claims for proved and approved
9 losses covered by flood insurance in accordance with the
10 provisions of this title.

11 “(b) JUDICIAL REVIEW.—

12 “(1) RIGHT OF ACTION.—Upon the denial or
13 partial denial by any company or other insurer de-
14 scribed in subsection (a) of a claim described in that
15 subsection, or upon the refusal of a policyholder to
16 accept the amount allowed upon a claim described in
17 that subsection, the policyholder may institute an ac-
18 tion on the claim against the company or other in-
19 surer, as applicable, in the United States district
20 court for the district in which the insured property
21 or the major part thereof shall have been situated
22 not later than 2 years after the date on which the
23 policyholder receives notice of denial or partial denial
24 of the claim.

1 “(2) TOLLING.—In the case of a denial or par-
2 tial denial of a claim for losses that is appealed
3 under section 205 of the Bunning-Bereuter-Blu-
4 menauer Flood Insurance Reform Act of 2004 (42
5 U.S.C. 4011 note), including through arbitration re-
6 quested under subsection (e) of that section, the lim-
7 itation to institute an action under this subsection
8 shall be tolled until the date on which the policy-
9 holder receives notice of a final determination of
10 that appeal or arbitration denying the claim in whole
11 or in part.

12 “(3) JURISDICTION.—A court described in
13 paragraph (1) shall have original exclusive jurisdic-
14 tion to hear and determine an action under that
15 paragraph without regard to the amount in con-
16 troversy.”.

17 **SEC. 408. AUTHORITY TO TERMINATE CONTRACTORS AND**
18 **VENDORS.**

19 (a) IN GENERAL.—Part C of chapter II of the Na-
20 tional Flood Insurance Act of 1968 (42 U.S.C. 4081 et
21 seq.) is amended by adding at the end the following:

22 **“SEC. 1349. TERMINATION OF CONTRACTS.**

23 “(a) DEFINITION.—In this section, the term ‘covered
24 entity’ means any attorney, law firm, consultant, or third-

1 party company that provides services to a Write Your Own
2 company.

3 “(b) TERMINATION.—

4 “(1) IN GENERAL.—Notwithstanding any other
5 provision of law, the Administrator may direct a
6 Write Your Own company to terminate a contract or
7 other agreement between a covered entity and the
8 Write Your Own company if the Administrator—

9 “(A) determines that the covered entity
10 has engaged in conduct that is detrimental to
11 the national flood insurance program; and

12 “(B) not later than 14 days before direct-
13 ing the termination of the contract or other
14 agreement, provided notice to the covered entity
15 and the Write Your Own company with respect
16 to the termination.

17 “(2) APPEAL.—The Administrator shall estab-
18 lish a process for a covered entity to appeal the ter-
19 mination of a contract or other agreement under
20 paragraph (1).

21 “(3) EARLY TERMINATION PAYOUTS.—The Ad-
22 ministrator or a Write Your Own company is not re-
23 quired to make any early termination payout to a
24 covered entity with respect to a contract or agree-
25 ment with the Write Your Own company with re-

1 spect to which the Administrator directs termination
2 under paragraph (1).

3 “(4) CONTRACT TERMS.—The Administrator
4 shall require each Write Your Own company to in-
5 clude a reference to the authority of the Adminis-
6 trator under this section in any contract between a
7 covered entity and the Write Your Own company.”.

8 (b) EFFECTIVE DATE; APPLICABILITY.—The amend-
9 ment made by subsection (a) shall apply to any contract
10 or other agreement between a covered entity, as defined
11 in section 1349(a) of the National Flood Insurance Act
12 of 1968, as added by subsection (a), and a Write Your
13 Own company that is entered into on or after the date
14 of enactment of this Act.

15 **SEC. 409. EASING PROOF OF LOSS REQUIREMENTS.**

16 Section 1312 of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4019), as amended by section 406(a),
18 is amended by adding at the end the following:

19 “(h) PROOF OF LOSS.—

20 “(1) DEADLINE FOR SUBMISSION OF SUPPLE-
21 MENTAL PROOF OF LOSS.—If a policyholder submits
22 a proof of loss, or an equivalent submission, for a
23 claim with respect to a policy for flood insurance
24 coverage made available under this title by the dead-
25 line required under the standard flood insurance pol-

1 icy, the Administrator may not deny payment for
2 any supplemental proof of loss submitted for flood
3 damage sustained from the same flood event on the
4 basis that the policyholder failed to include the flood
5 damages on the initial proof of loss.

6 “(2) EFFECT OF SIGNATURE ON PROOF OF
7 LOSS.—If a policyholder of a policy for flood insur-
8 ance coverage made available under this title signs
9 an initial or supplemental proof of loss described in
10 paragraph (1), that act of signing may not preclude
11 the policyholder from making supplemental claims
12 to, or otherwise amending, the initial proof of loss.

13 “(i) NO CONDITION OF PAYMENT.—Notwithstanding
14 any other provision of law, or any term or condition of
15 a standard flood insurance policy, the Administrator may
16 not condition payment of an undisputed claim based on
17 the submission of a signed and sworn to proof of loss.”.

18 **SEC. 410. DEADLINE FOR CLAIM PROCESSING.**

19 (a) IN GENERAL.—Section 1312 of the National
20 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-
21 ed by section 409, is amended by adding at the end the
22 following:

23 “(j) DEADLINE FOR APPROVAL OF CLAIMS.—

24 “(1) IN GENERAL.—The Administrator shall
25 provide that, in the case of a claim for damage to

1 or loss of property that is covered by a policy for
2 flood insurance made available under this title—

3 “(A) except as provided in paragraph (2),
4 not later than 60 days after the date on which
5 a proof of loss or comparable submission is pro-
6 vided to the Administrator—

7 “(i) an initial determination regarding
8 approval of the claim for payment or dis-
9 approval of the claim shall be made; and

10 “(ii) notification of the determination
11 described in clause (i) shall be provided to
12 the policyholder making the claim; and

13 “(B) payment of an approved claim shall
14 be made as soon as possible after that approval.

15 “(2) EXTENSION OF DEADLINE.—The Adminis-
16 trator shall—

17 “(A) provide that the period described in
18 paragraph (1)(A) may be extended by an addi-
19 tional period of 30 days under extraordinary
20 circumstances; and

21 “(B) by regulation—

22 “(i) establish criteria for—

23 “(I) demonstrating the extraor-
24 dinary circumstances described in sub-
25 paragraph (A); and

1 “(II) determining to which claims
2 the extraordinary circumstances de-
3 scribed in subparagraph (A) apply;
4 and

5 “(ii) provide that, if the deadline im-
6 posed under paragraph (1)(A), as extended
7 under subparagraph (A), if applicable, is
8 not satisfied, the amount of the claim to
9 which the deadline relates shall be in-
10 creased with interest, which shall begin ac-
11 cruing on the date on which the initial
12 claim is filed.”.

13 (b) **APPLICABILITY.**—The amendment made by sub-
14 section (a) shall apply to any claim for damage to or loss
15 of property that is covered by a policy for flood insurance
16 made available under the National Flood Insurance Pro-
17 gram that is made after the date of enactment of this Act.

18 **SEC. 411. NO MANIPULATION OF ENGINEER REPORTS.**

19 Section 1312 of the National Flood Insurance Act of
20 1968 (42 U.S.C. 4019), as amended by section 410(a),
21 is amended by adding at the end the following:

22 “(k) **FINAL ENGINEERING REPORTS.**—

23 “(1) **DEFINITIONS.**—In this subsection—

24 “(A) the term ‘covered claim’ means any
25 claim for losses covered by a policy for flood in-

1 surance coverage made available under this
2 title; and

3 “(B) the term ‘final engineering report’
4 means an engineering report, survey, or other
5 document in connection with a covered claim
6 that—

7 “(i) is based on an on-site inspection;

8 “(ii) contains final conclusions with
9 respect to an engineering issue or issues
10 involved in the claim; and

11 “(iii) is signed by the responsible in
12 charge or affixed with the seal of the re-
13 sponsible in charge, or both.

14 “(2) PROHIBITION ON MANIPULATION AND
15 TRANSMISSION TO THIRD PARTIES.—The Adminis-
16 trator shall require that, in the case of any on-site
17 inspection of a property by an engineer for the pur-
18 pose of assessing any covered claim, the final engi-
19 neering report—

20 “(A) may not—

21 “(i) include alterations by, or at the
22 request of, anyone other than the person
23 responsible for the report; or

24 “(ii) be transmitted to any other per-
25 son before the final engineering report is

1 transmitted to the policyholder who sub-
2 mitted the covered claim; and

3 “(B) shall include a certification, signed by
4 the person responsible for the final engineering
5 report, that the final engineering report does
6 not contain any alterations described in sub-
7 paragraph (A).”.

8 **SEC. 412. IMPROVED TRAINING OF FLOODPLAIN MAN-**
9 **AGERS, AGENTS, AND ADJUSTERS.**

10 (a) LOCAL FLOODPLAIN MANAGERS.—Each regional
11 office of the Federal Emergency Management Agency
12 shall—

13 (1) provide training to local floodplain man-
14 agers, agents, and claim adjusters in the region re-
15 garding the responsibilities and procedures of local
16 floodplain managers with respect to conducting sub-
17 stantial damage and substantial improvement deter-
18 minations;

19 (2) work with applicable State agencies to pro-
20 vide the training described in paragraph (1); and

21 (3) verify that the individuals described in para-
22 graph (1) are completing the training described in
23 that paragraph.

24 (b) MAJOR DISASTER TRAINING.—After a flood that
25 is declared a major disaster by the President under section

1 401 of the Robert T. Stafford Disaster Relief and Emer-
2 gency Assistance Act (42 U.S.C. 5170), the Administrator
3 shall, if determined appropriate, provide—

4 (1) refresher training to prepare insurance
5 claims adjusters for the unique circumstances of the
6 major disaster; and

7 (2) any briefings that are necessary to prepare
8 and inform floodplain managers, agents, and claim
9 adjusters regarding any atypical circumstances and
10 issues arising from the natural disaster.

11 **SEC. 413. ATTORNEY FEE SHIFTING.**

12 (a) ADMINISTRATIVE APPEALS.—Subsection (d) of
13 section 1312 of the National Flood Insurance Act of 1968
14 (42 U.S.C. 4019), as added by section 401(a)(1), is
15 amended by adding at the end the following:

16 “(5) AWARDS FOR COSTS IN ADMINISTRATIVE
17 PROCEEDINGS.—

18 “(A) IN GENERAL.—If the claimant pre-
19 vails in any appeal to the Administrator of the
20 disallowance or partial disallowance of a claim
21 for losses covered by flood insurance made
22 available under this title, the Administrator
23 shall award costs of the appeal, including attor-
24 ney fees, any proceeding expenses, and engi-

1 neering and other expert expenses, to the claim-
2 ant.

3 “(B) DEFINITION.—For purposes of this
4 paragraph, the term ‘prevail’ means to be
5 awarded a greater amount by the Administrator
6 than the amount of the last, best offer from the
7 Administrator with respect to the claim of the
8 claimant.”.

9 (b) JUDICIAL REVIEW.—

10 (1) GOVERNMENT PROGRAM WITH INDUSTRY
11 ASSISTANCE.—Subsection (b) of section 1341 of the
12 National Flood Insurance Act of 1968 (42 U.S.C.
13 4072), as added by section 407(a), is amended by
14 adding at the end the following:

15 “(4) ATTORNEY FEES AND OTHER LITIGATION
16 COSTS.—

17 “(A) IN GENERAL.—If the claimant pre-
18 vails in an action under this subsection, the
19 court shall award reasonable costs of litigation,
20 including attorney fees, litigation expenses, and
21 engineering and other expert expenses, to the
22 claimant.

23 “(B) SUBROGATION.—Any award under
24 subparagraph (A) shall be paid by the Adminis-
25 trator and, upon such payment, the Adminis-

1 trator shall be subrogated to the rights of the
2 claimant to recover such costs for which the
3 Administrator has compensated the claimant
4 from any insurance company or other insurer or
5 insurance adjustment organization that may be
6 responsible for the disallowance or partial dis-
7 allowance of the claim.

8 “(C) DEFINITION.—For purposes of this
9 paragraph, the term ‘prevail’ means to be
10 awarded a greater amount by the court than
11 the amount of the last, best offer from the Ad-
12 ministrator with respect to the claim of the
13 claimant.”.

14 (2) INDUSTRY PROGRAM WITH FEDERAL FINAN-
15 CIAL ASSISTANCE.—Subsection (b) of section 1333
16 of the National Flood Insurance Act of 1968 (42
17 U.S.C. 4053), as amended by section 407(b), is
18 amended by adding at the end the following:

19 “(4) ATTORNEY FEES AND OTHER LITIGATION
20 COSTS.—

21 “(A) IN GENERAL.—If the claimant pre-
22 vails in an action under this subsection, the
23 court shall award reasonable costs of litigation,
24 including attorney fees, litigation expenses, and

1 engineering and other expert expenses, to the
2 claimant.

3 “(B) SUBROGATION.—Any award under
4 subparagraph (A) shall be paid by the Adminis-
5 trator and, upon such payment, the Adminis-
6 trator shall be subrogated to the rights of the
7 claimant to recover such costs for which the
8 Administrator has compensated the claimant
9 from any company or other insurer responsible
10 for the disallowance or partial disallowance of
11 the claim.

12 “(C) DEFINITION.—For purposes of this
13 paragraph, the term ‘prevail’ means to be
14 awarded a greater amount by the court than
15 the amount of the last, best offer from the in-
16 surer or Administrator with respect to the claim
17 of the claimant.”.

18 **SEC. 414. DOJ DEFENSE AGAINST POLICYHOLDER LAW-**
19 **SUITS.**

20 Subsection (b) of section 1341 of the National Flood
21 Insurance Act of 1968 (42 U.S.C. 4072), as amended by
22 section 413(b)(1), is amended by adding at the end the
23 following:

1 “(5) REPRESENTATION BY DEPARTMENT OF
2 JUSTICE.—If a claimant institutes an action under
3 this subsection—

4 “(A) the Administrator shall refer the mat-
5 ter to the Attorney General; and

6 “(B) the Attorney General—

7 “(i) shall represent the Administrator
8 or the Write Your Own company, as appli-
9 cable, in the action; and

10 “(ii) may not seek to have the court
11 dismiss an action with potentially meri-
12 torious claims based on good faith errors
13 or omissions by the claimant in the claim-
14 ant’s proof of loss.”.

15 **SEC. 415. PILOT PROGRAM FOR PRE-EXISTING STRUC-**
16 **TURAL CONDITIONS.**

17 (a) DEFINITIONS.—In this section—

18 (1) the term “covered property” means a prop-
19 erty that is or may be covered by flood insurance
20 under the National Flood Insurance Program; and

21 (2) the term “covered policyholder” means a
22 policyholder or potential policyholder of flood insur-
23 ance under the National Flood Insurance Program
24 for a covered property.

1 (b) PILOT PROGRAM.—Not later than 180 days after
2 the date of enactment of this Act, the Administrator shall
3 establish a pilot program under which Write Your Own
4 companies and National Flood Insurance Program direct
5 servicers shall, at the request of a covered policyholder and
6 before providing or renewing insurance coverage with re-
7 spect to a covered property under the National Flood In-
8 surance Program, investigate the pre-existing structural
9 condition of the covered property for any issues that could
10 result in the denial of a claim under the National Flood
11 Insurance Program for damage to or loss of the covered
12 property.

13 **SEC. 416. AGENT ADVISORY COUNCIL.**

14 Part C of chapter II of the National Flood Insurance
15 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by sec-
16 tion 408, is amended by adding at the end the following:

17 **“SEC. 1350. AGENT ADVISORY COUNCIL.**

18 “(a) ESTABLISHMENT.—There is established a coun-
19 cil to be known as the Agent Advisory Council (in this
20 section referred to as the ‘Council’).

21 “(b) MEMBERSHIP.—

22 “(1) MEMBERS.—The Council shall consist of—

23 “(A) the Administrator, or the designee of
24 the Administrator; and

1 “(B) 10 additional members appointed by
2 the Administrator or the designee of the Ad-
3 ministrator, of whom—

4 “(i) 1 shall be a member of the Na-
5 tional Association of Insurance Commis-
6 sioners;

7 “(ii) 2 shall be members of the Inde-
8 pendent Insurance Agents and Brokers of
9 America;

10 “(iii) 1 shall be a member of United
11 Policyholders;

12 “(iv) 1 shall be a representative of the
13 Emergency Management Institute of the
14 Federal Emergency Management Agency;

15 “(v) 1 shall be a representative of the
16 Office of the Flood Insurance Advocate of
17 the Federal Emergency Management
18 Agency;

19 “(vi) 2 shall be members of the Na-
20 tional Association of Professional Insur-
21 ance Agents;

22 “(vii) 1 shall be a representative of a
23 recognized professional association or orga-
24 nization representing homebuilders or land
25 developers; and

1 “(viii) 1 shall be a representative of a
2 recognized professional association or orga-
3 nization representing the real estate indus-
4 try.

5 “(2) QUALIFICATIONS.—

6 “(A) IN GENERAL.—Each member of the
7 Council shall have experience with—

8 “(i) contacting policyholders under the
9 national flood insurance program, includ-
10 ing with respect to applying for flood in-
11 surance and processing a claim for damage
12 to or loss of property that is covered by
13 flood insurance; and

14 “(ii) riverine and coastal flood insur-
15 ance policies.

16 “(B) CONSIDERATIONS.—The Adminis-
17 trator shall, to the maximum extent practicable,
18 ensure that the membership of the Council has
19 a balance of governmental and private mem-
20 bers, and includes geographic diversity.

21 “(C) CONFLICTS OF INTEREST.—A mem-
22 ber of the Council—

23 “(i) may not, while serving on the
24 Council, be employed or retained—

1 “(I) by a Federal Emergency
2 Management Agency contractor or
3 consultant; or

4 “(II) by a nongovernmental enti-
5 ty that was awarded a Federal grant
6 during the 5-year period preceding the
7 date on which the member was ap-
8 pointed to the Council; and

9 “(ii) may not have been employed by
10 a Federal Emergency Management Agency
11 contractor or consultant during the 5-year
12 period preceding the date on which the
13 member was appointed to the Council.

14 “(3) CONSULTATION.—In appointing a member
15 of the Council from an entity described in clauses (i)
16 through (viii) of paragraph (1)(B), the Adminis-
17 trator or the designee of the Administrator, as appli-
18 cable, shall consult with the entity.

19 “(4) CHAIRPERSON.—The members of the
20 Council shall elect 1 member to serve as the chair-
21 person of the Council (in this section referred to as
22 the ‘Chairperson’).

23 “(c) DUTIES.—The Council shall—

24 “(1) provide recommendations to the Adminis-
25 trator on—

1 “(A) improving the customer experience
2 for policyholders under the national flood insur-
3 ance program;

4 “(B) training insurance agents that issue
5 flood insurance policies; and

6 “(C) improving the processing and han-
7 dling of claims for damage to or loss of prop-
8 erty that is covered by flood insurance; and

9 “(2) submit to the Administrator an annual re-
10 port that includes—

11 “(A) a description of the activities of the
12 Council; and

13 “(B) a summary of recommendations made
14 by the Council to the Administrator.

15 “(d) COMPENSATION.—

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (2), a member of the Council shall receive no
18 additional compensation for serving on the Council.

19 “(2) TRAVEL EXPENSES.—Each member of the
20 Council may be allowed travel expenses, including
21 per diem in lieu of subsistence, in accordance with
22 sections 5702 and 5703 of title 5, United States
23 Code, while away from their homes or regular places
24 of business in performance of services for the Coun-
25 cil.

1 “(e) MEETINGS AND ACTIONS.—

2 “(1) MEETINGS.—

3 “(A) IN GENERAL.—The Council shall
4 meet not less frequently than twice each year at
5 the request of the Chairperson or a majority of
6 the members of the Council.

7 “(B) INITIAL MEETING.—The Adminis-
8 trator, or a designee of the Administrator, shall
9 request and coordinate the initial meeting of
10 the Council.

11 “(2) ACTION BY MAJORITY VOTE.—The Council
12 may take action by a vote of the majority of the
13 members.

14 “(f) OFFICERS.—The Chairperson may appoint offi-
15 cers to assist in carrying out the duties of the Council
16 under subsection (c).

17 “(g) STAFF.—Upon the request of the Chairperson,
18 the Administrator may detail, on a nonreimbursable basis,
19 personnel of the Office of the Flood Insurance Advocate
20 of the Federal Emergency Management Agency to assist
21 the Council in carrying out the duties of the Council.

22 “(h) POWERS.—In carrying out this section, the
23 Council may hold hearings, receive evidence and assist-
24 ance, provide information, and conduct research as the
25 Council considers appropriate.

1 “(i) REPORT TO CONGRESS AND OMB.—The Admin-
2 istrator shall submit to the Committee on Banking, Hous-
3 ing, and Urban Affairs of the Senate, the Committee on
4 Financial Services of the House of Representatives, and
5 the Director of the Office of Management and Budget an
6 annual report on—

7 “(1) the recommendations made by the Council;
8 and

9 “(2) any recommendations made by the Council
10 during the year covered by the report that, as of the
11 date on which the report is submitted, have been de-
12 ferred or not acted upon, together with an explana-
13 tory statement with respect to those recommenda-
14 tions.

15 “(j) APPLICABILITY OF THE FEDERAL ADVISORY
16 COMMITTEE ACT.—Section 14 of the Federal Advisory
17 Committee Act (5 U.S.C. App.) shall not apply to the
18 Council.”.

19 **SEC. 417. DISCLOSURE OF FLOOD RISK INFORMATION**
20 **UPON TRANSFER OF PROPERTY.**

21 (a) IN GENERAL.—Chapter I of the National Flood
22 Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as
23 amended by section 207, is amended by adding at the end
24 the following:

1 **“SEC. 1328. DISCLOSURE OF FLOOD RISK INFORMATION**
2 **UPON TRANSFER OF PROPERTY.**

3 “(a) IN GENERAL.—After September 30, 2022, no
4 new flood insurance coverage may be provided under this
5 title for any real property unless an appropriate public
6 body has imposed, by statute or regulation, a duty on any
7 seller or lessor of improved real estate to provide to any
8 purchaser or lessee (with respect to a lease for a term that
9 is not shorter than 30 days) of the property a property
10 flood hazard disclosure that the Administrator has deter-
11 mined meets the requirements of subsection (b).

12 “(b) DISCLOSURE REQUIREMENTS.—

13 “(1) REQUIREMENTS FOR SELLERS.—A prop-
14 erty flood hazard disclosure for the sale of a prop-
15 erty shall meet the requirements of this subsection
16 only if the disclosure—

17 “(A) is made in writing;

18 “(B) discloses any actual knowledge of the
19 seller of any—

20 “(i) prior physical damage caused by
21 flood to a structure located on the prop-
22 erty;

23 “(ii) prior insurance claim for a loss
24 covered under the national flood insurance
25 program or private flood insurance with re-
26 spect to the property;

1 “(iii) previous notification regarding
2 the designation of the property as a repet-
3 itive loss structure or severe repetitive loss
4 structure (as defined in section 1366(h));
5 and

6 “(iv) Federal legal obligation to obtain
7 and maintain flood insurance running with
8 the property; and

9 “(C) is delivered by, or on behalf of, the
10 seller to the purchaser before the purchaser be-
11 comes obligated under any contract to purchase
12 the property.

13 “(2) REQUIREMENTS FOR LESSORS.—A prop-
14 erty flood hazard disclosure for a rental property
15 with a lease for a term that is not shorter than 30
16 days shall meet the requirements of this subsection
17 only if the disclosure—

18 “(A) is made in writing;

19 “(B) discloses any actual knowledge of the
20 lessor—

21 “(i) of any Federal legal obligation to
22 obtain and maintain flood insurance run-
23 ning with the property;

1 “(ii) regarding any prior physical
2 damage caused by flood with respect to the
3 unit being leased; and

4 “(iii) of the availability of coverage
5 under this title for contents located in a
6 structure on the property; and

7 “(C) is delivered by, or on behalf of, the
8 lessor to the lessee before the lessee becomes
9 obligated under any contract to lease the prop-
10 erty.

11 “(3) RULE OF CONSTRUCTION.—Nothing in
12 this section may be construed as preventing a State
13 from adopting disclosure requirements in addition to
14 the requirements of this section.”.

15 (b) AVAILABILITY OF FLOOD INSURANCE COV-
16 ERAGE.—Section 1305(c) of the National Flood Insurance
17 Act of 1968 (42 U.S.C. 4012(c)) is amended—

18 (1) in paragraph (1), by striking “, and” at the
19 end and inserting a semicolon;

20 (2) in paragraph (2), by striking the period at
21 the end and inserting “; and”; and

22 (3) by adding at the end the following:

23 “(3) given satisfactory assurance that, not later
24 than October 1, 2022, property flood hazard dislo-
25 sure requirements will have been adopted for the

1 area (or subdivision) that meet the requirements of
2 section 1328.”.

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