

112TH CONGRESS  
1ST SESSION

# H. R. 1309

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## AN ACT

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

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



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

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

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Extensions.
- Sec. 3. Mandatory purchase.
- Sec. 4. Reforms of coverage terms.
- Sec. 5. Reforms of premium rates.
- Sec. 6. Technical Mapping Advisory Council.
- Sec. 7. FEMA incorporation of new mapping protocols.
- Sec. 8. Treatment of levees.
- Sec. 9. Privatization initiatives.
- Sec. 10. FEMA annual report on insurance program.
- Sec. 11. Mitigation assistance.
- Sec. 12. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.
- Sec. 13. Notification to members of congress of flood map revisions and updates.
- Sec. 14. Notification and appeal of map changes; notification to communities of establishment of flood elevations.
- Sec. 15. Notification to tenants of availability of contents insurance.
- Sec. 16. Notification to policy holders regarding direct management of policy by FEMA.
- Sec. 17. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 18. Reimbursement for costs incurred by homeowners and communities obtaining letters of map amendment or revision.
- Sec. 19. Enhanced communication with certain communities during map updating process.
- Sec. 20. Notification to residents newly included in flood hazard areas.
- Sec. 21. Treatment of swimming pool enclosures outside of hurricane season.
- Sec. 22. Information regarding multiple perils claims.
- Sec. 23. FEMA authority to reject transfer of policies.
- Sec. 24. Appeals.
- Sec. 25. Reserve fund.
- Sec. 26. CDBG eligibility for flood insurance outreach activities and community building code administration grants.
- Sec. 27. Technical corrections.
- Sec. 28. Requiring competition for national flood insurance program policies.
- Sec. 29. Studies of voluntary community-based flood insurance options.
- Sec. 30. Report on inclusion of building codes in floodplain management criteria.
- Sec. 31. Study on graduated risk.
- Sec. 32. Report on flood-in-progress determination.
- Sec. 33. Study on repaying flood insurance debt.
- Sec. 34. No cause of action.

Sec. 35. Authority for the corps of engineers to provide specialized or technical services.

1 **SEC. 2. EXTENSIONS.**

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

6 (b) EXTENSION OF FINANCING.—Section 1309(a) of  
7 such Act (42 U.S.C. 4016(a)) is amended by striking  
8 “September 30, 2011” and inserting “September 30,  
9 2016”.

10 **SEC. 3. MANDATORY PURCHASE.**

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

13 (1) IN GENERAL.—Section 102 of the Flood  
14 Disaster Protection Act of 1973 (42 U.S.C. 4012a)  
15 is amended by adding at the end the following new  
16 subsection:

17 “(i) AUTHORITY TO TEMPORARILY SUSPEND MAN-  
18 DATORY PURCHASE REQUIREMENT.—

19 “(1) FINDING BY ADMINISTRATOR THAT AREA  
20 IS AN ELIGIBLE AREA.—For any area, upon a re-  
21 quest submitted to the Administrator by a local gov-  
22 ernment authority having jurisdiction over any por-  
23 tion of the area, the Administrator shall make a  
24 finding of whether the area is an eligible area under

1 paragraph (3). If the Administrator finds that such  
2 area is an eligible area, the Administrator shall, in  
3 the discretion of the Administrator, designate a pe-  
4 riod during which such finding shall be effective,  
5 which shall not be longer in duration than 12  
6 months.

7 “(2) SUSPENSION OF MANDATORY PURCHASE  
8 REQUIREMENT.—If the Administrator makes a find-  
9 ing under paragraph (1) that an area is an eligible  
10 area under paragraph (3), during the period speci-  
11 fied in the finding, the designation of such eligible  
12 area as an area having special flood hazards shall  
13 not be effective for purposes of subsections (a), (b),  
14 and (e) of this section, and section 202(a) of this  
15 Act. Nothing in this paragraph may be construed to  
16 prevent any lender, servicer, regulated lending insti-  
17 tution, Federal agency lender, the Federal National  
18 Mortgage Association, or the Federal Home Loan  
19 Mortgage Corporation, at the discretion of such enti-  
20 ty, from requiring the purchase of flood insurance  
21 coverage in connection with the making, increasing,  
22 extending, or renewing of a loan secured by im-  
23 proved real estate or a mobile home located or to be  
24 located in such eligible area during such period or

1 a lender or servicer from purchasing coverage on be-  
2 half of a borrower pursuant to subsection (e).

3 “(3) ELIGIBLE AREAS.—An eligible area under  
4 this paragraph is an area that is designated or will,  
5 pursuant to any issuance, revision, updating, or  
6 other change in flood insurance maps that takes ef-  
7 fect on or after the date of the enactment of the  
8 Flood Insurance Reform Act of 2011, become des-  
9 ignated as an area having special flood hazards and  
10 that meets any one of the following 3 requirements:

11 “(A) AREAS WITH NO HISTORY OF SPE-  
12 CIAL FLOOD HAZARDS.—The area does not in-  
13 clude any area that has ever previously been  
14 designated as an area having special flood haz-  
15 ards.

16 “(B) AREAS WITH FLOOD PROTECTION  
17 SYSTEMS UNDER IMPROVEMENTS.—The area  
18 was intended to be protected by a flood protec-  
19 tion system—

20 “(i) that has been decertified, or is re-  
21 quired to be certified, as providing protec-  
22 tion for the 100-year frequency flood  
23 standard;

24 “(ii) that is being improved, con-  
25 structed, or reconstructed; and

1           “(iii) for which the Administrator has  
2           determined measurable progress toward  
3           completion of such improvement, construc-  
4           tion, reconstruction is being made and to-  
5           ward securing financial commitments suffi-  
6           cient to fund such completion.

7           “(C) AREAS FOR WHICH APPEAL HAS  
8           BEEN FILED.—An area for which a community  
9           has appealed designation of the area as having  
10          special flood hazards in a timely manner under  
11          section 1363.

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

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

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

23          “(5) ADDITIONAL EXTENSION FOR COMMU-  
24          NITIES MAKING MORE THAN ADEQUATE PROGRESS  
25          ON FLOOD PROTECTION SYSTEM.—

1 “(A) EXTENSION.—

2 “(i) AUTHORITY.—Except as provided  
3 in subparagraph (B), in the case of an eli-  
4 gible area for which the Administrator has,  
5 pursuant to paragraph (4), extended the  
6 period of effectiveness of the finding under  
7 paragraph (1) for the area, upon a request  
8 submitted by a local government authority  
9 having jurisdiction over any portion of the  
10 eligible area, if the Administrator finds  
11 that more than adequate progress has been  
12 made on the construction of a flood protec-  
13 tion system for such area, as determined in  
14 accordance with the last sentence of sec-  
15 tion 1307(e) of the National Flood Insur-  
16 ance Act of 1968 (42 U.S.C. 4014(e)), the  
17 Administrator may, in the discretion of the  
18 Administrator, further extend the period  
19 during which the finding under paragraph  
20 (1) shall be effective for such area for an  
21 additional 12 months.

22 “(ii) LIMIT.— For any eligible area,  
23 the cumulative number of extensions under  
24 this subparagraph may not exceed 2.

25 “(B) EXCLUSION FOR NEW MORTGAGES.—

1           “(i) EXCLUSION.—Any extension  
2           under subparagraph (A) of this paragraph  
3           of a finding under paragraph (1) shall not  
4           be effective with respect to any excluded  
5           property after the origination, increase, ex-  
6           tension, or renewal of the loan referred to  
7           in clause (ii)(II) for the property.

8           “(ii) EXCLUDED PROPERTIES.—For  
9           purposes of this subparagraph, the term  
10          ‘excluded property’ means any improved  
11          real estate or mobile home—

12                 “(I) that is located in an eligible  
13                 area; and

14                 “(II) for which, during the period  
15                 that any extension under subpara-  
16                 graph (A) of this paragraph of a find-  
17                 ing under paragraph (1) is otherwise  
18                 in effect for the eligible area in which  
19                 such property is located—

20                         “(aa) a loan that is secured  
21                         by the property is originated; or

22                         “(bb) any existing loan that  
23                         is secured by the property is in-  
24                         creased, extended, or renewed.



1           “(6) RULE OF CONSTRUCTION.—Nothing in  
2 this subsection may be construed to affect the appli-  
3 cability of a designation of any area as an area hav-  
4 ing special flood hazards for purposes of the avail-  
5 ability of flood insurance coverage, criteria for land  
6 management and use, notification of flood hazards,  
7 eligibility for mitigation assistance, or any other pur-  
8 pose or provision not specifically referred to in para-  
9 graph (2).

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

19           “(2) NO REFUNDS.—Nothing in this subsection  
20 or the amendments made by this subsection may be  
21 construed to authorize or require any payment or re-  
22 fund for flood insurance coverage purchased for any  
23 property that covered any period during which such  
24 coverage is not required for the property pursuant to

1 the applicability of the amendment made by para-  
2 graph (1).

3 (b) TERMINATION OF FORCE-PLACED INSURANCE.—  
4 Section 102(e) of the Flood Disaster Protection Act of  
5 1973 (42 U.S.C. 4012a(e)) is amended—

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

11 (2) by redesignating paragraphs (3) and (4) as  
12 paragraphs (5) and (6), respectively; and

13 (3) by inserting after paragraph (2) the fol-  
14 lowing new paragraphs:

15 “(3) TERMINATION OF FORCE-PLACED INSUR-  
16 ANCE.—Within 30 days of receipt by the lender or  
17 servicer of a confirmation of a borrower’s existing  
18 flood insurance coverage, the lender or servicer  
19 shall—

20 “(A) terminate the force-placed insurance;  
21 and

22 “(B) refund to the borrower all force-  
23 placed insurance premiums paid by the bor-  
24 rower during any period during which the bor-  
25 rower’s flood insurance coverage and the force-

1 placed flood insurance coverage were each in ef-  
2 fect, and any related fees charged to the bor-  
3 rower with respect to the force-placed insurance  
4 during such period.

5 “(4) SUFFICIENCY OF DEMONSTRATION.—For  
6 purposes of confirming a borrower’s existing flood  
7 insurance coverage, a lender or servicer for a loan  
8 shall accept from the borrower an insurance policy  
9 declarations page that includes the existing flood in-  
10 surance policy number and the identity of, and con-  
11 tact information for, the insurance company or  
12 agent.”.

13 (c) USE OF PRIVATE INSURANCE TO SATISFY MAN-  
14 DATORY PURCHASE REQUIREMENT.—Section 102(b) of  
15 the Flood Disaster Protection Act of 1973 (42 U.S.C.  
16 4012a(b)) is amended—

17 (1) in paragraph (1)—

18 (A) by striking “lending institutions not to  
19 make” and inserting “lending institutions—

20 “(A) not to make”;

21 (B) in subparagraph (A), as designated by  
22 subparagraph (A) of this paragraph, by striking  
23 “less.” and inserting “less; and”; and

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

1           “(B) to accept private flood insurance as  
2           satisfaction of the flood insurance coverage re-  
3           quirement under subparagraph (A) if the cov-  
4           erage provided by such private flood insurance  
5           meets the requirements for coverage under such  
6           subparagraph.”;

7           (2) in paragraph (2), by inserting after “pro-  
8           vided in paragraph (1).” the following new sentence:  
9           “Each Federal agency lender shall accept private  
10          flood insurance as satisfaction of the flood insurance  
11          coverage requirement under the preceding sentence  
12          if the flood insurance coverage provided by such pri-  
13          vate flood insurance meets the requirements for cov-  
14          erage under such sentence.”;

15          (3) in paragraph (3), in the matter following  
16          subparagraph (B), by adding at the end the fol-  
17          lowing new sentence: “The Federal National Mort-  
18          gage Association and the Federal Home Loan Mort-  
19          gage Corporation shall accept private flood insurance  
20          as satisfaction of the flood insurance coverage re-  
21          quirement under the preceding sentence if the flood  
22          insurance coverage provided by such private flood in-  
23          surance meets the requirements for coverage under  
24          such sentence.”; and

1           (4) by adding at the end the following new  
2 paragraph:

3           “(5) PRIVATE FLOOD INSURANCE DEFINED.—  
4 In this subsection, the term ‘private flood insurance’  
5 means a contract for flood insurance coverage al-  
6 lowed for sale under the laws of any State.”.

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

8           (a) MINIMUM DEDUCTIBLES FOR CLAIMS.—Section  
9 1312 of the National Flood Insurance Act of 1968 (42  
10 U.S.C. 4019) is amended—

11           (1) by striking “The Director is” and inserting  
12 the following: “(a) IN GENERAL.—The Adminis-  
13 trator is”; and

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

15           “(b) MINIMUM ANNUAL DEDUCTIBLES.—

16           “(1) SUBSIDIZED RATE PROPERTIES.—For any  
17 structure that is covered by flood insurance under  
18 this title, and for which the chargeable rate for such  
19 coverage is less than the applicable estimated risk  
20 premium rate under section 1307(a)(1) for the area  
21 (or subdivision thereof) in which such structure is  
22 located, the minimum annual deductible for damage  
23 to or loss of such structure shall be \$2,000.

24           “(2) ACTUARIAL RATE PROPERTIES.—For any  
25 structure that is covered by flood insurance under

1 this title, for which the chargeable rate for such cov-  
2 erage is not less than the applicable estimated risk  
3 premium rate under section 1307(a)(1) for the area  
4 (or subdivision thereof) in which such structure is  
5 located, the minimum annual deductible for damage  
6 to or loss of such structure shall be \$1,000.”.

7 (b) CLARIFICATION OF RESIDENTIAL AND COMMER-  
8 CIAL COVERAGE LIMITS.—Section 1306(b) of the Na-  
9 tional Flood Insurance Act of 1968 (42 U.S.C. 4013(b))  
10 is amended—

11 (1) in paragraph (2)—

12 (A) by striking “in the case of any residen-  
13 tial property” and inserting “in the case of any  
14 residential building designed for the occupancy  
15 of from one to four families”; and

16 (B) by striking “shall be made available to  
17 every insured upon renewal and every applicant  
18 for insurance so as to enable such insured or  
19 applicant to receive coverage up to a total  
20 amount (including such limits specified in para-  
21 graph (1)(A)(i)) of \$250,000” and inserting  
22 “shall be made available, with respect to any  
23 single such building, up to an aggregate liability  
24 (including such limits specified in paragraph  
25 (1)(A)(i)) of \$250,000”; and

1 (2) in paragraph (4)—

2 (A) by striking “in the case of any nonresi-  
3 dential property, including churches,” and in-  
4 serting “in the case of any nonresidential build-  
5 ing, including a church,”; and

6 (B) by striking “shall be made available to  
7 every insured upon renewal and every applicant  
8 for insurance, in respect to any single structure,  
9 up to a total amount (including such limit spec-  
10 ified in subparagraph (B) or (C) of paragraph  
11 (1), as applicable) of \$500,000 for each struc-  
12 ture and \$500,000 for any contents related to  
13 each structure” and inserting “shall be made  
14 available with respect to any single such build-  
15 ing, up to an aggregate liability (including such  
16 limits specified in subparagraph (B) or (C) of  
17 paragraph (1), as applicable) of \$500,000, and  
18 coverage shall be made available up to a total  
19 of \$500,000 aggregate liability for contents  
20 owned by the building owner and \$500,000 ag-  
21 gregate liability for each unit within the build-  
22 ing for contents owned by the tenant”.

23 (c) INDEXING OF MAXIMUM COVERAGE LIMITS.—  
24 Subsection (b) of section 1306 of the National Flood In-  
25 surance Act of 1968 (42 U.S.C. 4013(b)) is amended—

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

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

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

7           (4) by adding at the end the following new  
8 paragraph:

9           “(8) each of the dollar amount limitations  
10 under paragraphs (2), (3), (4), (5), and (6) shall be  
11 adjusted effective on the date of the enactment of  
12 the Flood Insurance Reform Act of 2011, such ad-  
13 justments shall be calculated using the percentage  
14 change, over the period beginning on September 30,  
15 1994, and ending on such date of enactment, in  
16 such inflationary index as the Administrator shall,  
17 by regulation, specify, and the dollar amount of such  
18 adjustment shall be rounded to the next lower dollar;  
19 and the Administrator shall cause to be published in  
20 the Federal Register the adjustments under this  
21 paragraph to such dollar amount limitations; except  
22 that in the case of coverage for a property that is  
23 made available, pursuant to this paragraph, in an  
24 amount that exceeds the limitation otherwise appli-  
25 cable to such coverage as specified in paragraph (2),



1 (3), (4), (5), or (6), the total of such coverage shall  
2 be made available only at chargeable rates that are  
3 not less than the estimated premium rates for such  
4 coverage determined in accordance with section  
5 1307(a)(1).”.

6 (d) OPTIONAL COVERAGE FOR LOSS OF USE OF PER-  
7 SONAL RESIDENCE AND BUSINESS INTERRUPTION.—Sub-  
8 section (b) of section 1306 of the National Flood Insur-  
9 ance Act of 1968 (42 U.S.C. 4013(b)), as amended by  
10 the preceding provisions of this section, is further amend-  
11 ed by inserting after paragraph (4) the following new  
12 paragraphs:

13 “(5) the Administrator may provide that, in the  
14 case of any residential property, each renewal or new  
15 contract for flood insurance coverage may provide  
16 not more than \$5,000 aggregate liability per dwell-  
17 ing unit for any necessary increases in living ex-  
18 penses incurred by the insured when losses from a  
19 flood make the residence unfit to live in, except  
20 that—

21 “(A) purchase of such coverage shall be at  
22 the option of the insured;

23 “(B) any such coverage shall be made  
24 available only at chargeable rates that are not  
25 less than the estimated premium rates for such

1 coverage determined in accordance with section  
2 1307(a)(1); and

3 “(C) the Administrator may make such  
4 coverage available only if the Administrator  
5 makes a determination and causes notice of  
6 such determination to be published in the Fed-  
7 eral Register that—

8 “(i) a competitive private insurance  
9 market for such coverage does not exist;  
10 and

11 “(ii) the national flood insurance pro-  
12 gram has the capacity to make such cov-  
13 erage available without borrowing funds  
14 from the Secretary of the Treasury under  
15 section 1309 or otherwise;

16 “(6) the Administrator may provide that, in the  
17 case of any commercial property or other residential  
18 property, including multifamily rental property, cov-  
19 erage for losses resulting from any partial or total  
20 interruption of the insured’s business caused by  
21 damage to, or loss of, such property from a flood  
22 may be made available to every insured upon re-  
23 newal and every applicant, up to a total amount of  
24 \$20,000 per property, except that—

1           “(A) purchase of such coverage shall be at  
2           the option of the insured;

3           “(B) any such coverage shall be made  
4           available only at chargeable rates that are not  
5           less than the estimated premium rates for such  
6           coverage determined in accordance with section  
7           1307(a)(1); and

8           “(C) the Administrator may make such  
9           coverage available only if the Administrator  
10          makes a determination and causes notice of  
11          such determination to be published in the Fed-  
12          eral Register that—

13                 “(i) a competitive private insurance  
14                 market for such coverage does not exist;  
15                 and

16                 “(ii) the national flood insurance pro-  
17                 gram has the capacity to make such cov-  
18                 erage available without borrowing funds  
19                 from the Secretary of the Treasury under  
20                 section 1309 or otherwise;”.

21           (e) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR  
22          RESIDENTIAL PROPERTIES.—Section 1306 of the Na-  
23          tional Flood Insurance Act of 1968 (42 U.S.C. 4013) is  
24          amended by adding at the end the following new sub-  
25          section:

1       “(d) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR  
2 RESIDENTIAL PROPERTIES.—

3           “(1) AUTHORITY.—In addition to any other  
4 terms and conditions under subsection (a), such reg-  
5 ulations shall provide that, in the case of any resi-  
6 dential property, premiums for flood insurance cov-  
7 erage made available under this title for such prop-  
8 erty may be paid in installments.

9           “(2) LIMITATIONS.—In implementing the au-  
10 thority under paragraph (1), the Administrator may  
11 establish increased chargeable premium rates and  
12 surcharges, and deny coverage and establish such  
13 other sanctions, as the Administrator considers nec-  
14 essary to ensure that insureds purchase, pay for,  
15 and maintain coverage for the full term of a contract  
16 for flood insurance coverage or to prevent insureds  
17 from purchasing coverage only for periods during a  
18 year when risk of flooding is comparatively higher or  
19 canceling coverage for periods when such risk is  
20 comparatively lower.”.

21       “(f) EFFECTIVE DATE OF POLICIES COVERING PROP-  
22 erties AFFECTED BY FLOODS IN PROGRESS.—Para-  
23 graph (1) of section 1306(c) of the National Flood Insur-  
24 ance Act of 1968 (42 U.S.C. 4013(c)) is amended by add-  
25 ing after the period at the end the following: “With respect

1 to any flood that has commenced or is in progress before  
2 the expiration of such 30-day period, such flood insurance  
3 coverage for a property shall take effect upon the expira-  
4 tion of such 30-day period and shall cover damage to such  
5 property occurring after the expiration of such period that  
6 results from such flood, but only if the property has not  
7 suffered damage or loss as a result of such flood before  
8 the expiration of such 30-day period.”.

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

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

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

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

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

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

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

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

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

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

1       miums for flood insurance coverage and was eligible  
2       for such premiums as of the enactment of the Flood  
3       Insurance Reform Act of 2011, the 5-year period re-  
4       ferred to in paragraph (1) for such area eligible for  
5       preferred risk rate method premiums shall begin  
6       upon the expiration of the period during which such  
7       area is eligible for such preferred risk rate method  
8       premiums.

9               “(3) PHASE-IN OF FULL ACTUARIAL RATES.—

10       With respect to any area described in paragraph (1),  
11       the chargeable risk premium rate for flood insurance  
12       under this title for a covered property that is located  
13       in such area shall be—

14               “(A) for the first year of the 5-year period  
15       referred to in paragraph (1), the greater of—

16               “(i) 20 percent of the chargeable risk  
17       premium rate otherwise applicable under  
18       this title to the property; and

19               “(ii) in the case of any property that,  
20       as of the beginning of such first year, is el-  
21       igible for preferred risk rate method pre-  
22       miums for flood insurance coverage, such  
23       preferred risk rate method premium for  
24       the property;

1           “(B) for the second year of such 5-year pe-  
2           riod, 40 percent of the chargeable risk premium  
3           rate otherwise applicable under this title to the  
4           property;

5           “(C) for the third year of such 5-year pe-  
6           riod, 60 percent of the chargeable risk premium  
7           rate otherwise applicable under this title to the  
8           property;

9           “(D) for the fourth year of such 5-year pe-  
10          riod, 80 percent of the chargeable risk premium  
11          rate otherwise applicable under this title to the  
12          property; and

13          “(E) for the fifth year of such 5-year pe-  
14          riod, 100 percent of the chargeable risk pre-  
15          mium rate otherwise applicable under this title  
16          to the property.

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

21          (2) REGULATION OR NOTICE.—The Adminis-  
22          trator of the Federal Emergency Management Agen-  
23          cy shall issue an interim final rule or notice to im-  
24          plement this subsection and the amendments made



1 by this subsection as soon as practicable after the  
2 date of the enactment of this Act.

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

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

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

10 (B) by inserting after paragraph (1) the  
11 following new paragraphs:

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

14 “(3) SECOND HOMES AND VACATION HOMES.—  
15 Any residential property that is not the primary res-  
16 idence of any individual.

17 “(4) HOMES SOLD TO NEW OWNERS.—Any sin-  
18 gle family property that—

19 “(A) has been constructed or substantially  
20 improved and for which such construction or  
21 improvement was started, as determined by the  
22 Administrator, before December 31, 1974, or  
23 before the effective date of the initial rate map  
24 published by the Administrator under para-  
25 graph (2) of section 1360(a) for the area in

1           which such property is located, whichever is  
2           later; and

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

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

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

14           “(B) substantial improvement exceeding  
15           30 percent of the fair market value of such  
16           property.

17           “(6) HOMES WITH MULTIPLE CLAIMS.—Any se-  
18           vere repetitive loss property (as such term is defined  
19           in section 1366(j)).”.

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

23           (A) in subsection (c)—

24           (i) in the matter preceding paragraph

25           (1), by striking “the limitations provided

1 under paragraphs (1) and (2)” and insert-  
2 ing “subsection (e)”;

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

6 (B) in subsection (e), by striking “para-  
7 graph (2) or (3)” and inserting “paragraph  
8 (7)”.

9 (3) EFFECTIVE DATE AND TRANSITION.—

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

16 (B) TRANSITION FOR PROPERTIES COV-  
17 ERED BY FLOOD INSURANCE UPON EFFECTIVE  
18 DATE.—

19 (i) INCREASE OF RATES OVER TIME.—

20 In the case of any property described in  
21 paragraph (2), (3), (4), (5), or (6) of sec-  
22 tion 1308(c) of the National Flood Insur-  
23 ance Act of 1968, as amended by para-  
24 graph (1) of this subsection, that, as of the  
25 effective date under subparagraph (A) of

1 this paragraph, is covered under a policy  
2 for flood insurance made available under  
3 the national flood insurance program for  
4 which the chargeable premium rates are  
5 less than the applicable estimated risk pre-  
6 mium rate under section 1307(a)(1) of  
7 such Act for the area in which the prop-  
8 erty is located, the Administrator of the  
9 Federal Emergency Management Agency  
10 shall increase the chargeable premium  
11 rates for such property over time to such  
12 applicable estimated risk premium rate  
13 under section 1307(a)(1).

14 (ii) AMOUNT OF ANNUAL INCREASE.—

15 Such increase shall be made by increasing  
16 the chargeable premium rates for the prop-  
17 erty (after application of any increase in  
18 the premium rates otherwise applicable to  
19 such property), once during the 12-month  
20 period that begins upon the effective date  
21 under subparagraph (A) of this paragraph  
22 and once every 12 months thereafter until  
23 such increase is accomplished, by 20 per-  
24 cent (or such lesser amount as may be nec-  
25 essary so that the chargeable rate does not

1 exceed such applicable estimated risk pre-  
2 mium rate or to comply with clause (iii)).

3 (iii) PROPERTIES SUBJECT TO PHASE-  
4 IN AND ANNUAL INCREASES.—In the case  
5 of any pre-FIRM property (as such term is  
6 defined in section 578(b) of the National  
7 Flood Insurance Reform Act of 1974), the  
8 aggregate increase, during any 12-month  
9 period, in the chargeable premium rate for  
10 the property that is attributable to this  
11 subparagraph or to an increase described  
12 in section 1308(e) of the National Flood  
13 Insurance Act of 1968 may not exceed 20  
14 percent.

15 (iv) FULL ACTUARIAL RATES.—The  
16 provisions of paragraphs (2), (3), (4), (5),  
17 and (6) of such section 1308(c) shall apply  
18 to such a property upon the accomplish-  
19 ment of the increase under this subpara-  
20 graph and thereafter.

21 (d) PROHIBITION OF EXTENSION OF SUBSIDIZED  
22 RATES TO LAPSED POLICIES.—Section 1308 of the Na-  
23 tional Flood Insurance Act of 1968 (42 U.S.C. 4015), as  
24 amended by the preceding provisions of this Act, is further  
25 amended—

1           (1) in subsection (e), by inserting “or sub-  
2           section (h)” after “subsection (c)”; and

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

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

16           (e) RECOGNITION OF STATE AND LOCAL FUNDING  
17 FOR CONSTRUCTION, RECONSTRUCTION, AND IMPROVE-  
18 MENT OF FLOOD PROTECTION SYSTEMS IN DETERMINA-  
19 TION OF RATES.—

20           (1) IN GENERAL.—Section 1307 of the Na-  
21 tional Flood Insurance Act of 1968 (42 U.S.C.  
22 4014) is amended—

23                   (A) in subsection (e)—

24                           (i) in the first sentence, by striking  
25                           “construction of a flood protection system”

1 and inserting “construction, reconstruc-  
2 tion, or improvement of a flood protection  
3 system (without respect to the level of Fed-  
4 eral investment or participation)”; and

5 (ii) in the second sentence—

6 (I) by striking “construction of a  
7 flood protection system” and inserting  
8 “construction, reconstruction, or im-  
9 provement of a flood protection sys-  
10 tem”; and

11 (II) by inserting “based on the  
12 present value of the completed sys-  
13 tem” after “has been expended”; and

14 (B) in subsection (f)—

15 (i) in the first sentence in the matter  
16 preceding paragraph (1), by inserting  
17 “(without respect to the level of Federal  
18 investment or participation)” before the  
19 period at the end;

20 (ii) in the third sentence in the matter  
21 preceding paragraph (1), by inserting “,  
22 whether coastal or riverine,” after “special  
23 flood hazard”; and

24 (iii) in paragraph (1), by striking “a  
25 Federal agency in consultation with the

1 local project sponsor” and inserting “the  
2 entity or entities that own, operate, main-  
3 tain, or repair such system”.

4 (2) REGULATIONS.—The Administrator of the  
5 Federal Emergency Management Agency shall pro-  
6 mulgate regulations to implement this subsection  
7 and the amendments made by this subsection as  
8 soon as practicable, but not more than 18 months  
9 after the date of the enactment of this Act. Para-  
10 graph (3) may not be construed to annul, alter, af-  
11 fect, authorize any waiver of, or establish any excep-  
12 tion to, the requirement under the preceding sen-  
13 tence.

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

15 (a) ESTABLISHMENT.—There is established a council  
16 to be known as the Technical Mapping Advisory Council  
17 (in this section referred to as the “Council”).

18 (b) MEMBERSHIP.—

19 (1) IN GENERAL.—The Council shall consist  
20 of—

21 (A) the Administrator of the Federal  
22 Emergency Management Agency (in this section  
23 referred to as the “Administrator”), or the des-  
24 ignee thereof;



1 (B) the Director of the United States Geo-  
2 logical Survey of the Department of the Inte-  
3 rior, or the designee thereof;

4 (C) the Under Secretary of Commerce for  
5 Oceans and Atmosphere, or the designee there-  
6 of;

7 (D) the commanding officer of the United  
8 States Army Corps of Engineers, or the des-  
9 ignee thereof;

10 (E) the chief of the Natural Resources  
11 Conservation Service of the Department of Ag-  
12 riculture, or the designee thereof;

13 (F) the Director of the United States Fish  
14 and Wildlife Service of the Department of the  
15 Interior, or the designee thereof;

16 (G) the Assistant Administrator for Fish-  
17 eries of the National Oceanic and Atmospheric  
18 Administration of the Department of Com-  
19 merce, or the designee thereof; and

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

23 (i) an expert in data management;

24 (ii) an expert in real estate;

25 (iii) an expert in insurance;

- 1 (iv) a member of a recognized regional  
2 flood and storm water management organi-  
3 zation;
- 4 (v) a representative of a State emer-  
5 gency management agency or association  
6 or organization for such agencies;
- 7 (vi) a member of a recognized profes-  
8 sional surveying association or organiza-  
9 tion;
- 10 (vii) a member of a recognized profes-  
11 sional mapping association or organization;
- 12 (viii) a member of a recognized pro-  
13 fessional engineering association or organi-  
14 zation;
- 15 (ix) a member of a recognized profes-  
16 sional association or organization rep-  
17 resenting flood hazard determination firms;
- 18 (x) a representative of State national  
19 flood insurance coordination offices;
- 20 (xi) representatives of two local gov-  
21 ernments, at least one of whom is a local  
22 levee flood manager or executive, des-  
23 ignated by the Federal Emergency Man-  
24 agement Agency as Cooperating Technical  
25 Partners; and

1 (xii) representatives of two State gov-  
2 ernments designated by the Federal Emer-  
3 gency Management Agency as Cooperating  
4 Technical States.

5 (2) QUALIFICATIONS.—Members of the Council  
6 shall be appointed based on their demonstrated  
7 knowledge and competence regarding surveying, car-  
8 tography, remote sensing, geographic information  
9 systems, or the technical aspects of preparing and  
10 using flood insurance rate maps. In appointing  
11 members under paragraph (1)(H), the Administrator  
12 shall ensure that the membership of the Council has  
13 a balance of Federal, State, local, and private mem-  
14 bers, and includes an adequate number of represent-  
15 atives from the States with coastline on the Gulf of  
16 Mexico and other States containing areas identified  
17 by the Administrator of the Federal Emergency  
18 Management Agency as at high-risk for flooding or  
19 special flood hazard areas.

20 (c) DUTIES.—

21 (1) NEW MAPPING STANDARDS.—Not later than  
22 the expiration of the 12-month period beginning  
23 upon the date of the enactment of this Act, the  
24 Council shall develop and submit to the Adminis-  
25 trator and the Congress proposed new mapping

1 standards for 100-year flood insurance rate maps  
2 used under the national flood insurance program  
3 under the National Flood Insurance Act of 1968. In  
4 developing such proposed standards the Council  
5 shall—

6 (A) ensure that the flood insurance rate  
7 maps reflect true risk, including graduated risk  
8 that better reflects the financial risk to each  
9 property; such reflection of risk should be at  
10 the smallest geographic level possible (but not  
11 necessarily property-by-property) to ensure that  
12 communities are mapped in a manner that  
13 takes into consideration different risk levels  
14 within the community;

15 (B) ensure the most efficient generation,  
16 display, and distribution of flood risk data,  
17 models, and maps where practicable through  
18 dynamic digital environments using spatial  
19 database technology and the Internet;

20 (C) ensure that flood insurance rate maps  
21 reflect current hydrologic and hydraulic data,  
22 current land use, and topography, incorporating  
23 the most current and accurate ground and  
24 bathymetric elevation data;

1           (D) determine the best ways to include in  
2 such flood insurance rate maps levees, decerti-  
3 fied levees, and areas located below dams, in-  
4 cluding determining a methodology for ensuring  
5 that decertified levees and other protections are  
6 included in flood insurance rate maps and their  
7 corresponding flood zones reflect the level of  
8 protection conferred;

9           (E) consider how to incorporate restored  
10 wetlands and other natural buffers into flood  
11 insurance rate maps, which may include wet-  
12 lands, groundwater recharge areas, erosion  
13 zones, meander belts, endangered species habi-  
14 tat, barrier islands and shoreline buffer fea-  
15 tures, riparian forests, and other features;

16           (F) consider whether to use vertical posi-  
17 tioning (as defined by the Administrator) for  
18 flood insurance rate maps;

19           (G) ensure that flood insurance rate maps  
20 differentiate between a property that is located  
21 in a flood zone and a structure located on such  
22 property that is not at the same risk level for  
23 flooding as such property due to the elevation  
24 of the structure;

1 (H) ensure that flood insurance rate maps  
2 take into consideration the best scientific data  
3 and potential future conditions (including pro-  
4 jections for sea level rise); and

5 (I) consider how to incorporate the new  
6 standards proposed pursuant to this paragraph  
7 in existing mapping efforts.

8 (2) ONGOING DUTIES.—The Council shall, on  
9 an ongoing basis, review the mapping protocols de-  
10 veloped pursuant to paragraph (1), and make rec-  
11 ommendations to the Administrator when the Coun-  
12 cil determines that mapping protocols should be al-  
13 tered.

14 (3) MEETINGS.—In carrying out its duties  
15 under this section, the Council shall consult with  
16 stakeholders through at least 4 public meetings an-  
17 nually, and shall seek input of all stakeholder inter-  
18 ests including State and local representatives, envi-  
19 ronmental and conservation organizations, insurance  
20 industry representatives, advocacy groups, planning  
21 organizations, and mapping organizations.

22 (d) PROHIBITION ON COMPENSATION.—Members of  
23 the Council shall receive no additional compensation by  
24 reason of their service on the Council.

1 (e) CHAIRPERSON.—The Administrator shall serve as  
2 the Chairperson of the Council.

3 (f) STAFF.—

4 (1) FEMA.—Upon the request of the Council,  
5 the Administrator may detail, on a nonreimbursable  
6 basis, personnel of the Federal Emergency Manage-  
7 ment Agency to assist the Council in carrying out its  
8 duties.

9 (2) OTHER FEDERAL AGENCIES.—Upon request  
10 of the Council, any other Federal agency that is a  
11 member of the Council may detail, on a non-reim-  
12 bursable basis, personnel to assist the Council in  
13 carrying out its duties.

14 (g) POWERS.—In carrying out this section, the Coun-  
15 cil may hold hearings, receive evidence and assistance, pro-  
16 vide information, and conduct research, as the Council  
17 considers appropriate.

18 (h) TERMINATION.—The Council shall terminate  
19 upon the expiration of the 5-year period beginning on the  
20 date of the enactment of this Act.

21 (i) MORATORIUM ON FLOOD MAP CHANGES.—

22 (1) MORATORIUM.—Except as provided in para-  
23 graph (2) and notwithstanding any other provision  
24 of this Act, the National Flood Insurance Act of  
25 1968, or the Flood Disaster Protection Act of 1973,

1 during the period beginning upon the date of the en-  
2 actment of this Act and ending upon the submission  
3 by the Council to the Administrator and the Con-  
4 gress of the proposed new mapping standards re-  
5 quired under subsection (e)(1), the Administrator  
6 may not make effective any new or updated rate  
7 maps for flood insurance coverage under the na-  
8 tional flood insurance program that were not in ef-  
9 fect for such program as of such date of enactment,  
10 or otherwise revise, update, or change the flood in-  
11 surance rate maps in effect for such program as of  
12 such date.

13 (2) LETTERS OF MAP CHANGE.—During the pe-  
14 riod described in paragraph (1), the Administrator  
15 may revise, update, and change the flood insurance  
16 rate maps in effect for the national flood insurance  
17 program only pursuant to a letter of map change  
18 (including a letter of map amendment, letter of map  
19 revision, and letter of map revision based on fill).

20 **SEC. 7. FEMA INCORPORATION OF NEW MAPPING PROTO-**  
21 **COLS.**

22 (a) NEW RATE MAPPING STANDARDS.—Not later  
23 than the expiration of the 6-month period beginning upon  
24 submission by the Technical Mapping Advisory Council  
25 under section 6 of the proposed new mapping standards



1 for flood insurance rate maps used under the national  
2 flood insurance program developed by the Council pursu-  
3 ant to section 6(c), the Administrator of the Federal  
4 Emergency Management Agency (in this section referred  
5 to as the “Administrator”) shall establish new standards  
6 for such rate maps based on such proposed new standards  
7 and the recommendations of the Council.

8 (b) REQUIREMENTS.—The new standards for flood  
9 insurance rate maps established by the Administrator pur-  
10 suant to subsection (a) shall—

11 (1) delineate and include in any such rate  
12 maps—

13 (A) all areas located within the 100-year  
14 flood plain; and

15 (B) areas subject to graduated and other  
16 risk levels, to the maximum extent possible;

17 (2) ensure that any such rate maps—

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

20 (B) reflect current land use and topog-  
21 raphy and incorporate the most current and ac-  
22 curate ground level data;

23 (C) take into consideration the impacts  
24 and use of fill and the flood risks associated  
25 with altered hydrology;

1 (D) differentiate between a property that  
2 is located in a flood zone and a structure lo-  
3 cated on such property that is not at the same  
4 risk level for flooding as such property due to  
5 the elevation of the structure;

6 (E) identify and incorporate natural fea-  
7 tures and their associated flood protection bene-  
8 fits into mapping and rates; and

9 (F) identify, analyze, and incorporate the  
10 impact of significant changes to building and  
11 development throughout any river or costal  
12 water system, including all tributaries, which  
13 may impact flooding in areas downstream; and

14 (3) provide that such rate maps are developed  
15 on a watershed basis.

16 (c) REPORT.—If, in establishing new standards for  
17 flood insurance rate maps pursuant to subsection (a) of  
18 this section, the Administrator does not implement all of  
19 the recommendations of the Council made under the pro-  
20 posed new mapping standards developed by the Council  
21 pursuant to section 6(c), upon establishment of the new  
22 standards the Administrator shall submit a report to the  
23 Committee on Financial Services of the House of Rep-  
24 resentatives and the Committee on Banking, Housing, and  
25 Urban Affairs of the Senate specifying which such rec-

1 ommendations were not adopted and explaining the rea-  
2 sons such recommendations were not adopted.

3 (d) IMPLEMENTATION.—The Administrator shall, not  
4 later than the expiration of the 6-month period beginning  
5 upon establishment of the new standards for flood insur-  
6 ance rate maps pursuant to subsection (a) of this section,  
7 commence use of the new standards and updating of flood  
8 insurance rate maps in accordance with the new stand-  
9 ards. Not later than the expiration of the 10-year period  
10 beginning upon the establishment of such new standards,  
11 the Administrator shall complete updating of all flood in-  
12 surance rate maps in accordance with the new standards,  
13 subject to the availability of sufficient amounts for such  
14 activities provided in appropriation Acts.

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

17 (1) SUBMISSION OF ELEVATION CERTIFI-  
18 CATE.—Subject to paragraphs (2) and (3) of this  
19 subsection, subsections (a), (b), and (e) of section  
20 102 of the Flood Disaster Protection Act of 1973  
21 (42 U.S.C. 4012a), and section 202(a) of such Act,  
22 shall not apply to a property located in an area des-  
23 igned as having a special flood hazard if the owner  
24 of such property submits to the Administrator an  
25 elevation certificate for such property showing that

1 the lowest level of the primary residence on such  
2 property is at an elevation that is at least three feet  
3 higher than the elevation of the 100-year flood plain.

4 (2) REVIEW OF CERTIFICATE.—The Adminis-  
5 trator shall accept as conclusive each elevation cer-  
6 tificate submitted under paragraph (1) unless the  
7 Administrator conducts a subsequent elevation sur-  
8 vey and determines that the lowest level of the pri-  
9 mary residence on the property in question is not at  
10 an elevation that is at least three feet higher than  
11 the elevation of the 100-year flood plain. The Ad-  
12 ministrator shall provide any such subsequent ele-  
13 vation survey to the owner of such property.

14 (3) DETERMINATIONS FOR PROPERTIES ON  
15 BORDERS OF SPECIAL FLOOD HAZARD AREAS.—

16 (A) EXPEDITED DETERMINATION.—In the  
17 case of any survey for a property submitted to  
18 the Administrator pursuant to paragraph (1)  
19 showing that a portion of the property is lo-  
20 cated within an area having special flood haz-  
21 ards and that a structure located on the prop-  
22 erty is not located within such area having spe-  
23 cial flood hazards, the Administrator shall expe-  
24 ditiously process any request made by an owner  
25 of the property for a determination pursuant to

1 paragraph (2) or a determination of whether  
2 the structure is located within the area having  
3 special flood hazards.

4 (B) PROHIBITION OF FEE.—If the Admin-  
5 istrator determines pursuant to subparagraph  
6 (A) that the structure on the property is not lo-  
7 cated within the area having special flood haz-  
8 ards, the Administrator shall not charge a fee  
9 for reviewing the flood hazard data and shall  
10 not require the owner to provide any additional  
11 elevation data.

12 (C) SIMPLIFICATION OF REVIEW PROC-  
13 ESS.—The Administrator shall collaborate with  
14 private sector flood insurers to simplify the re-  
15 view process for properties described in sub-  
16 paragraph (A) and to ensure that the review  
17 process provides for accurate determinations.

18 (4) TERMINATION OF AUTHORITY.—This sub-  
19 section shall cease to apply to a property on the date  
20 on which the Administrator updates the flood insur-  
21 ance rate map that applies to such property in ac-  
22 cordance with the requirements of subsection (d).

1 **SEC. 8. TREATMENT OF LEVEES.**

2 Section 1360 of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4101) is amended by adding at the end  
4 the following new subsection:

5 “(k) TREATMENT OF LEVEES.—The Administrator  
6 may not issue flood insurance maps, or make effective up-  
7 dated flood insurance maps, that omit or disregard the  
8 actual protection afforded by an existing levee, floodwall,  
9 pump or other flood protection feature, regardless of the  
10 accreditation status of such feature.”.

11 **SEC. 9. PRIVATIZATION INITIATIVES.**

12 (a) FEMA AND GAO REPORTS.—Not later than the  
13 expiration of the 18-month period beginning on the date  
14 of the enactment of this Act, the Administrator of the  
15 Federal Emergency Management Agency and the Comp-  
16 troller General of the United States shall each conduct a  
17 separate study to assess a broad range of options, meth-  
18 ods, and strategies for privatizing the national flood insur-  
19 ance program and shall each submit a report to the Com-  
20 mittee on Financial Services of the House of Representa-  
21 tives and the Committee on Banking, Housing, and Urban  
22 Affairs of the Senate with recommendations for the best  
23 manner to accomplish such privatization.

24 (b) PRIVATE RISK-MANAGEMENT INITIATIVES.—

25 (1) AUTHORITY.—The Administrator of the  
26 Federal Emergency Management Agency may carry

1 out such private risk-management initiatives under  
2 the national flood insurance program as the Admin-  
3 istrator considers appropriate to determine the ca-  
4 pacity of private insurers, reinsurers, and financial  
5 markets to assist communities, on a voluntary basis  
6 only, in managing the full range of financial risks  
7 associated with flooding.

8 (2) ASSESSMENT.—Not later than the expira-  
9 tion of the 12-month period beginning on the date  
10 of the enactment of this Act, the Administrator shall  
11 assess the capacity of the private reinsurance, cap-  
12 ital, and financial markets by seeking proposals to  
13 assume a portion of the program’s insurance risk  
14 and submit to the Congress a report describing the  
15 response to such request for proposals and the re-  
16 sults of such assessment.

17 (3) PROTOCOL FOR RELEASE OF DATA.—The  
18 Administrator shall develop a protocol to provide for  
19 the release of data sufficient to conduct the assess-  
20 ment required under paragraph (2).

21 (c) REINSURANCE.—The National Flood Insurance  
22 Act of 1968 is amended—

23 (1) in section 1331(a)(2) (42 U.S.C.  
24 4051(a)(2)), by inserting “, including as reinsurance

1 of insurance coverage provided by the flood insur-  
2 ance program” before “, on such terms”;

3 (2) in section 1332(c)(2) (42 U.S.C.  
4 4052(c)(2)), by inserting “or reinsurance” after  
5 “flood insurance coverage”;

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

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

8 (B) by adding at the end the following new  
9 paragraph:

10 “(2) The Administrator is authorized to secure rein-  
11 surance coverage of coverage provided by the flood insur-  
12 ance program from private market insurance, reinsurance,  
13 and capital market sources at rates and on terms deter-  
14 mined by the Administrator to be reasonable and appro-  
15 priate in an amount sufficient to maintain the ability of  
16 the program to pay claims and that minimizes the likeli-  
17 hood that the program will utilize the borrowing authority  
18 provided under section 1309.”;

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

20 (A) in the matter preceding paragraph (1),  
21 by inserting “, or for purposes of securing rein-  
22 surance of insurance coverage provided by the  
23 program,” before “of any or all of”;

24 (B) in paragraph (1)—



1 (i) by striking “estimating” and in-  
2 serting “Estimating”; and

3 (ii) by striking the semicolon at the  
4 end and inserting a period;

5 (C) in paragraph (2)—

6 (i) by striking “receiving” and insert-  
7 ing “Receiving”; and

8 (ii) by striking the semicolon at the  
9 end and inserting a period;

10 (D) in paragraph (3)—

11 (i) by striking “making” and inserting  
12 “Making”; and

13 (ii) by striking “; and” and inserting  
14 a period;

15 (E) in paragraph (4)—

16 (i) by striking “otherwise” and insert-  
17 ing “Otherwise”; and

18 (ii) by redesignating such paragraph  
19 as paragraph (5); and

20 (F) by inserting after paragraph (3) the  
21 following new paragraph:

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

24 (5) in section 1370(a)(3) (42 U.S.C.  
25 4121(a)(3)), by inserting before the semicolon at the

1 end the following: “, is subject to the reporting re-  
2 quirements of the Securities Exchange Act of 1934,  
3 pursuant to section 13(a) or 15(d) of such Act (15  
4 U.S.C. 78m(a), 78o(d)), or is authorized by the Ad-  
5 ministrator to assume reinsurance on risks insured  
6 by the flood insurance program”.

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

8 (1) ASSESSMENT.—Not later than September  
9 30 of each year, the Administrator of the Federal  
10 Emergency Management Agency shall conduct an  
11 assessment of the claims-paying ability of the na-  
12 tional flood insurance program, including the pro-  
13 gram’s utilization of private sector reinsurance and  
14 reinsurance equivalents, with and without reliance  
15 on borrowing authority under section 1309 of the  
16 National Flood Insurance Act of 1968 (42 U.S.C.  
17 4016). In conducting the assessment, the Adminis-  
18 trator shall take into consideration regional con-  
19 centrations of coverage written by the program, peak  
20 flood zones, and relevant mitigation measures.

21 (2) REPORT.—The Administrator shall submit  
22 a report to the Congress of the results of each such  
23 assessment, and make such report available to the  
24 public, not later than 30 days after completion of  
25 the assessment.

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

2 Section 1320 of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4027) is amended—

4 (1) in the section heading, by striking “REPORT  
5 TO THE PRESIDENT” and inserting “ANNUAL RE-  
6 PORT TO CONGRESS”;

7 (2) in subsection (a)—

8 (A) by striking “biennially”;

9 (B) by striking “the President for submis-  
10 sion to”; and

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

13 (3) in subsection (b), by striking “biennial” and  
14 inserting “annual”; and

15 (4) by adding at the end the following new sub-  
16 section:

17 “(c) **FINANCIAL STATUS OF PROGRAM.**—The report  
18 under this section for each year shall include information  
19 regarding the financial status of the national flood insur-  
20 ance program under this title, including a description of  
21 the financial status of the National Flood Insurance Fund  
22 and current and projected levels of claims, premium re-  
23 ceipts, expenses, and borrowing under the program.”.

1 **SEC. 11. MITIGATION ASSISTANCE.**

2 (a) MITIGATION ASSISTANCE GRANTS.—Section  
3 1366 of the National Flood Insurance Act of 1968 (42  
4 U.S.C. 4104c) is amended—

5 (1) in subsection (a), by striking the last sen-  
6 tence and inserting the following: “Such financial  
7 assistance shall be made available—

8 “(1) to States and communities in the form of  
9 grants under this section for carrying out mitigation  
10 activities;

11 “(2) to States and communities in the form of  
12 grants under this section for carrying out mitigation  
13 activities that reduce flood damage to severe repet-  
14 itive loss structures; and

15 “(3) to property owners in the form of direct  
16 grants under this section for carrying out mitigation  
17 activities that reduce flood damage to individual  
18 structures for which 2 or more claim payments for  
19 losses have been made under flood insurance cov-  
20 erage under this title if the Administrator, after con-  
21 sultation with the State and community, determines  
22 that neither the State nor community in which such  
23 a structure is located has the capacity to manage  
24 such grants.”.

25 (2) by striking subsection (b);

26 (3) in subsection (c)—

1 (A) by striking “flood risk” and inserting  
2 “multi-hazard”;

3 (B) by striking “provides protection  
4 against” and inserting “examines reduction of”;  
5 and

6 (C) by redesignating such subsection as  
7 subsection (b);

8 (4) by striking subsection (d);

9 (5) in subsection (e)—

10 (A) in paragraph (1), by striking the para-  
11 graph designation and all that follows through  
12 the end of the first sentence and inserting the  
13 following:

14 “(1) REQUIREMENT OF CONSISTENCY WITH AP-  
15 PROVED MITIGATION PLAN.—Amounts provided  
16 under this section may be used only for mitigation  
17 activities that are consistent with mitigation plans  
18 that are approved by the Administrator and identi-  
19 fied under subparagraph (4).”;

20 (B) by striking paragraphs (2), (3), and  
21 (4) and inserting the following new paragraphs:

22 “(2) REQUIREMENTS OF TECHNICAL FEASI-  
23 BILITY, COST EFFECTIVENESS, AND INTEREST OF  
24 NFIF.—The Administrator may approve only mitiga-  
25 tion activities that the Administrator determines are

1 technically feasible and cost-effective and in the in-  
2 terest of, and represent savings to, the National  
3 Flood Insurance Fund. In making such determina-  
4 tions, the Administrator shall take into consideration  
5 recognized benefits that are difficult to quantify.

6 “(3) PRIORITY FOR MITIGATION ASSISTANCE.—  
7 In providing grants under this section for mitigation  
8 activities, the Administrator shall give priority for  
9 funding to activities that the Administrator deter-  
10 mines will result in the greatest savings to the Na-  
11 tional Flood Insurance Fund, including activities  
12 for—

13 “(A) severe repetitive loss structures;

14 “(B) repetitive loss structures; and

15 “(C) other subsets of structures as the Ad-  
16 ministrator may establish.”;

17 (C) in paragraph (5)—

18 (i) by striking all of the matter that  
19 precedes subparagraph (A) and inserting  
20 the following:

21 “(4) ELIGIBLE ACTIVITIES.—Eligible ac-  
22 tivities may include—”;

23 (ii) by striking subparagraphs (E) and  
24 (H);

1 (iii) by redesignating subparagraphs  
2 (D), (F), and (G) as subparagraphs (E),  
3 (G), and (H);

4 (iv) by inserting after subparagraph  
5 (C) the following new subparagraph:

6 “(D) elevation, relocation, and  
7 floodproofing of utilities (including equipment  
8 that serve structures);”;

9 (v) by inserting after subparagraph  
10 (E), as so redesignated by clause (iii) of  
11 this subparagraph, the following new sub-  
12 paragraph:

13 “(F) the development or update of State,  
14 local, or Indian tribal mitigation plans which  
15 meet the planning criteria established by the  
16 Administrator, except that the amount from  
17 grants under this section that may be used  
18 under this subparagraph may not exceed  
19 \$50,000 for any mitigation plan of a State or  
20 \$25,000 for any mitigation plan of a local gov-  
21 ernment or Indian tribe;”;

22 (vi) in subparagraph (H); as so redesi-  
23 gnated by clause (iii) of this subpara-  
24 graph, by striking “and” at the end; and

1 (vii) by adding at the end the fol-  
2 lowing new subparagraphs:

3 “(I) other mitigation activities not de-  
4 scribed in subparagraphs (A) through (G) or  
5 the regulations issued under subparagraph (H),  
6 that are described in the mitigation plan of a  
7 State, community, or Indian tribe; and

8 “(J) personnel costs for State staff that  
9 provide technical assistance to communities to  
10 identify eligible activities, to develop grant ap-  
11 plications, and to implement grants awarded  
12 under this section, not to exceed \$50,000 per  
13 State in any Federal fiscal year, so long as the  
14 State applied for and was awarded at least  
15 \$1,000,000 in grants available under this sec-  
16 tion in the prior Federal fiscal year; the re-  
17 quirements of subsections (d)(1) and (d)(2)  
18 shall not apply to the activity under this sub-  
19 paragraph.”;

20 (D) by adding at the end the following new  
21 paragraph:

22 “(6) ELIGIBILITY OF DEMOLITION AND RE-  
23 BUILDING OF PROPERTIES.—The Administrator  
24 shall consider as an eligible activity the demolition  
25 and rebuilding of properties to at least base flood



1 elevation or greater, if required by the Administrator  
2 or if required by any State regulation or local ordi-  
3 nance, and in accordance with criteria established by  
4 the Administrator.”; and

5 (E) by redesignating such subsection as  
6 subsection (c);

7 (6) by striking subsections (f), (g), and (h) and  
8 inserting the following new subsection:

9 “(d) MATCHING REQUIREMENT.—The Administrator  
10 may provide grants for eligible mitigation activities as fol-  
11 lows:

12 “(1) SEVERE REPETITIVE LOSS STRUCTURES.—  
13 In the case of mitigation activities to severe repet-  
14 itive loss structures, in an amount up to 100 percent  
15 of all eligible costs.

16 “(2) REPETITIVE LOSS STRUCTURES.—In the  
17 case of mitigation activities to repetitive loss struc-  
18 tures, in an amount up to 90 percent of all eligible  
19 costs.

20 “(3) OTHER MITIGATION ACTIVITIES.— In the  
21 case of all other mitigation activities, in an amount  
22 up to 75 percent of all eligible costs.”;

23 (7) in subsection (i)—

24 (A) in paragraph (2)—

1 (i) by striking “certified under sub-  
2 section (g)” and inserting “required under  
3 subsection (d)”; and

4 (ii) by striking “3 times the amount”  
5 and inserting “the amount”; and

6 (B) by redesignating such subsection as  
7 subsection (e);

8 (8) in subsection (j)—

9 (A) in paragraph (1), by striking “Riegle  
10 Community Development and Regulatory Im-  
11 provement Act of 1994” and inserting “Flood  
12 Insurance Reform Act of 2011”;

13 (B) by redesignating such subsection as  
14 subsection (f); and

15 (9) by striking subsections (k) and (m) and in-  
16 serting the following new subsections:

17 “(g) FAILURE TO MAKE GRANT AWARD WITHIN 5  
18 YEARS.—For any application for a grant under this sec-  
19 tion for which the Administrator fails to make a grant  
20 award within 5 years of the date of application, the grant  
21 application shall be considered to be denied and any fund-  
22 ing amounts allocated for such grant applications shall re-  
23 main in the National Flood Mitigation Fund under section  
24 1367 of this title and shall be made available for grants  
25 under this section.

1       “(h) LIMITATION ON FUNDING FOR MITIGATION AC-  
2 TIVITIES FOR SEVERE REPETITIVE LOSS STRUCTURES.—  
3 The amount used pursuant to section 1310(a)(8) in any  
4 fiscal year may not exceed \$40,000,000 and shall remain  
5 available until expended.

6       “(i) DEFINITIONS.—For purposes of this section, the  
7 following definitions shall apply:

8           “(1) COMMUNITY.—The term ‘community’  
9 means—

10           “(A) a political subdivision that—

11                   “(i) has zoning and building code ju-  
12                   risdiction over a particular area having  
13                   special flood hazards, and

14                   “(ii) is participating in the national  
15                   flood insurance program; or

16           “(B) a political subdivision of a State, or  
17           other authority, that is designated by political  
18           subdivisions, all of which meet the requirements  
19           of subparagraph (A), to administer grants for  
20           mitigation activities for such political subdivi-  
21           sions.

22           “(2) REPETITIVE LOSS STRUCTURE.—The term  
23           ‘repetitive loss structure’ has the meaning given  
24           such term in section 1370.

1           “(3) SEVERE REPETITIVE LOSS STRUCTURE.—

2           The term ‘severe repetitive loss structure’ means a  
3           structure that—

4                   “(A) is covered under a contract for flood  
5           insurance made available under this title; and

6                   “(B) has incurred flood-related damage—

7                           “(i) for which 4 or more separate  
8           claims payments have been made under  
9           flood insurance coverage under this title,  
10          with the amount of each such claim ex-  
11          ceeding \$15,000, and with the cumulative  
12          amount of such claims payments exceeding  
13          \$60,000; or

14                           “(ii) for which at least 2 separate  
15          claims payments have been made under  
16          such coverage, with the cumulative amount  
17          of such claims exceeding the value of the  
18          insured structure.”.

19           (b) ELIMINATION OF GRANTS PROGRAM FOR REPET-  
20          ITIVE INSURANCE CLAIMS PROPERTIES.—Chapter I of  
21          the National Flood Insurance Act of 1968 is amended by  
22          striking section 1323 (42 U.S.C. 4030).

23           (c) ELIMINATION OF PILOT PROGRAM FOR MITIGA-  
24          TION OF SEVERE REPETITIVE LOSS PROPERTIES.—Chap-

1 ter III of the National Flood Insurance Act of 1968 is  
2 amended by striking section 1361A (42 U.S.C. 4102a).

3 (d) NATIONAL FLOOD INSURANCE FUND.—Section  
4 1310(a) of the National Flood Insurance Act of 1968 (42  
5 U.S.C. 4017(a)) is amended—

6 (1) in paragraph (6), by inserting “and” after  
7 the semicolon;

8 (2) in paragraph (7), by striking the semicolon  
9 and inserting a period; and

10 (3) by striking paragraphs (8) and (9).

11 (e) NATIONAL FLOOD MITIGATION FUND.—Section  
12 1367 of the National Flood Insurance Act of 1968 (42  
13 U.S.C. 4104d) is amended—

14 (1) in subsection (b)—

15 (A) by striking paragraph (1) and insert-  
16 ing the following new paragraph:

17 “(1) in each fiscal year, from the National  
18 Flood Insurance Fund in amounts not exceeding  
19 \$90,000,000 to remain available until expended, of  
20 which—

21 “(A) not more than \$40,000,000 shall be  
22 available pursuant to subsection (a) of this sec-  
23 tion only for assistance described in section  
24 1366(a)(1);

1           “(B) not more than \$40,000,000 shall be  
2           available pursuant to subsection (a) of this sec-  
3           tion only for assistance described in section  
4           1366(a)(2); and

5           “(C) not more than \$10,000,000 shall be  
6           available pursuant to subsection (a) of this sec-  
7           tion only for assistance described in section  
8           1366(a)(3).”.

9           (B) in paragraph (3), by striking “section  
10          1366(i)” and inserting “section 1366(e”;

11          (2) in subsection (c), by striking “sections 1366  
12          and 1323” and inserting “section 1366”;

13          (3) by redesignating subsections (d) and (e) as  
14          subsections (f) and (g), respectively; and

15          (4) by inserting after subsection (c) the fol-  
16          lowing new subsections:

17          “(d) PROHIBITION ON OFFSETTING COLLECTIONS.—  
18          Notwithstanding any other provision of this title, amounts  
19          made available pursuant to this section shall not be sub-  
20          ject to offsetting collections through premium rates for  
21          flood insurance coverage under this title.

22          “(e) CONTINUED AVAILABILITY AND REALLOCA-  
23          TION.—Any amounts made available pursuant to subpara-  
24          graph (A), (B), or (C) of subsection (b)(1) that are not  
25          used in any fiscal year shall continue to be available for

1 the purposes specified in such subparagraph of subsection  
2 (b)(1) pursuant to which such amounts were made avail-  
3 able, unless the Administrator determines that realloca-  
4 tion of such unused amounts to meet demonstrated need  
5 for other mitigation activities under section 1366 is in the  
6 best interest of the National Flood Insurance Fund.”.

7 (f) INCREASED COST OF COMPLIANCE COVERAGE.—  
8 Section 1304(b)(4) of the National Flood Insurance Act  
9 of 1968 (42 U.S.C. 4011(b)(4)) is amended—

10 (1) by striking subparagraph (B); and

11 (2) by redesignating subparagraphs (C), (D),  
12 and (E) as subparagraphs (B), (C), and (D), respec-  
13 tively.

14 **SEC. 12. NOTIFICATION TO HOMEOWNERS REGARDING**  
15 **MANDATORY PURCHASE REQUIREMENT AP-**  
16 **PLICABILITY AND RATE PHASE-INS.**

17 Section 201 of the Flood Disaster Protection Act of  
18 1973 (42 U.S.C. 4105) is amended by adding at the end  
19 the following new subsection:

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

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

1           “(2) of the geographical boundaries of such  
2 area;

3           “(3) of whether section 1308(g) of the National  
4 Flood Insurance Act of 1968 applies to properties  
5 within such area;

6           “(4) of the provisions of section 102 requiring  
7 purchase of flood insurance coverage for properties  
8 located in such an area, including the date on which  
9 such provisions apply with respect to such area, tak-  
10 ing into consideration section 102(i); and

11           “(5) of a general estimate of what similar  
12 homeowners in similar areas typically pay for flood  
13 insurance coverage, taking into consideration section  
14 1308(g) of the National Flood Insurance Act of  
15 1968.”.

16 **SEC. 13. NOTIFICATION TO MEMBERS OF CONGRESS OF**  
17 **FLOOD MAP REVISIONS AND UPDATES.**

18           Section 1360 of the National Flood Insurance Act of  
19 1968 (42 U.S.C. 4101), as amended by the preceding pro-  
20 visions of this Act, is further amended by adding at the  
21 end the following new subsection:

22           “(1) NOTIFICATION TO MEMBERS OF CONGRESS OF  
23 MAP MODERNIZATION.—Upon any revision or update of  
24 any floodplain area or flood-risk zone pursuant to sub-  
25 section (f), any decision pursuant to subsection (f)(1) that



1 such revision or update is necessary, any issuance of pre-  
2 liminary maps for such revision or updating, or any other  
3 significant action relating to any such revision or update,  
4 the Administrator shall notify the Senators for each State  
5 affected, and each Member of the House of Representa-  
6 tives for each congressional district affected, by such revi-  
7 sion or update in writing of the action taken.”.

8 **SEC. 14. NOTIFICATION AND APPEAL OF MAP CHANGES;**  
9 **NOTIFICATION TO COMMUNITIES OF ESTAB-**  
10 **LISHMENT OF FLOOD ELEVATIONS.**

11 Section 1363 of the National Flood Insurance Act of  
12 1968 (42 U.S.C. 4104) is amended by striking the section  
13 designation and all that follows through the end of sub-  
14 section (a) and inserting the following:

15 “SEC. 1363. (a) In establishing projected flood ele-  
16 vations for land use purposes with respect to any commu-  
17 nity pursuant to section 1361, the Director shall first pro-  
18 pose such determinations—

19 “(1) by providing the chief executive officer of  
20 each community affected by the proposed elevations,  
21 by certified mail, with a return receipt requested,  
22 notice of the elevations, including a copy of the maps  
23 for the elevations for such community and a state-  
24 ment explaining the process under this section to ap-  
25 peal for changes in such elevations;

1           “(2) by causing notice of such elevations to be  
2 published in the Federal Register, which notice shall  
3 include information sufficient to identify the ele-  
4 vation determinations and the communities affected,  
5 information explaining how to obtain copies of the  
6 elevations, and a statement explaining the process  
7 under this section to appeal for changes in the ele-  
8 vations;

9           “(3) by publishing in a prominent local news-  
10 paper the elevations, a description of the appeals  
11 process for flood determinations, and the mailing ad-  
12 dress and telephone number of a person the owner  
13 may contact for more information or to initiate an  
14 appeal; and

15           “(4) by providing written notification, by first  
16 class mail, to each owner of real property affected by  
17 the proposed elevations of—

18           “(A) the status of such property, both  
19 prior to and after the effective date of the pro-  
20 posed determination, with respect to flood zone  
21 and flood insurance requirements under this  
22 Act and the Flood Disaster Protection Act of  
23 1973;

24           “(B) the process under this section to ap-  
25 peal a flood elevation determination; and

1           “(C) the mailing address and phone num-  
2           ber of a person the owner may contact for more  
3           information or to initiate an appeal.”.

4 **SEC. 15. NOTIFICATION TO TENANTS OF AVAILABILITY OF**  
5 **CONTENTS INSURANCE.**

6           The National Flood Insurance Act of 1968 is amend-  
7 ed by inserting after section 1308 (42 U.S.C. 4015) the  
8 following new section:

9 **“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY**  
10 **OF CONTENTS INSURANCE.**

11           “(a) IN GENERAL.—The Administrator shall, upon  
12 entering into a contract for flood insurance coverage under  
13 this title for any property—

14           “(1) provide to the insured sufficient copies of  
15 the notice developed pursuant to subsection (b); and

16           “(2) require the insured to provide a copy of  
17 the notice, or otherwise provide notification of the  
18 information under subsection (b) in the manner that  
19 the manager or landlord deems most appropriate, to  
20 each such tenant and to each new tenant upon com-  
21 mencement of such a tenancy.

22           “(b) NOTICE.—Notice to a tenant of a property in  
23 accordance with this subsection is written notice that  
24 clearly informs a tenant—

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

3           “(2) that flood insurance coverage is available  
4           under the national flood insurance program under  
5           this title for contents of the unit or structure leased  
6           by the tenant;

7           “(3) of the maximum amount of such coverage  
8           for contents available under this title at that time;  
9           and

10           “(4) of where to obtain information regarding  
11           how to obtain such coverage, including a telephone  
12           number, mailing address, and Internet site of the  
13           Administrator where such information is available.”.

14 **SEC. 16. NOTIFICATION TO POLICY HOLDERS REGARDING**  
15 **DIRECT MANAGEMENT OF POLICY BY FEMA.**

16           Part C of chapter II of the National Flood Insurance  
17 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-  
18 ing at the end the following new section:

19 **“SEC. 1349. NOTIFICATION TO POLICY HOLDERS REGARD-**  
20 **ING DIRECT MANAGEMENT OF POLICY BY**  
21 **FEMA.**

22           “(a) NOTIFICATION.—Not later than 60 days before  
23 the date on which a transferred flood insurance policy ex-  
24 pires, and annually thereafter until such time as the Fed-  
25 eral Emergency Management Agency is no longer directly

1 administering such policy, the Administrator shall notify  
2 the holder of such policy that—

3 “(1) the Federal Emergency Management  
4 Agency is directly administering the policy;

5 “(2) such holder may purchase flood insurance  
6 that is directly administered by an insurance com-  
7 pany; and

8 “(3) purchasing flood insurance offered under  
9 the National Flood Insurance Program that is di-  
10 rectly administered by an insurance company will  
11 not alter the coverage provided or the premiums  
12 charged to such holder that otherwise would be pro-  
13 vided or charged if the policy was directly adminis-  
14 tered by the Federal Emergency Management Agen-  
15 cy.

16 “(b) DEFINITION.—In this section, the term ‘trans-  
17 ferred flood insurance policy’ means a flood insurance pol-  
18 icy that—

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

22 “(2) at the time of renewal of the policy, direct  
23 administration of the policy was or will be trans-  
24 ferred to the Federal Emergency Management Agen-  
25 cy.”.

1 **SEC. 17. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**  
2 **AND ESCROW IN RESPA GOOD FAITH ESTI-**  
3 **MATE.**

4 Subsection (c) of section 5 of the Real Estate Settle-  
5 ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is  
6 amended by adding at the end the following new sentence:  
7 “Each such good faith estimate shall include the following  
8 conspicuous statements and information: (1) that flood in-  
9 surance coverage for residential real estate is generally  
10 available under the national flood insurance program  
11 whether or not the real estate is located in an area having  
12 special flood hazards and that, to obtain such coverage,  
13 a home owner or purchaser should contact the national  
14 flood insurance program; (2) a telephone number and a  
15 location on the Internet by which a home owner or pur-  
16 chaser can contact the national flood insurance program;  
17 and (3) that the escrowing of flood insurance payments  
18 is required for many loans under section 102(d) of the  
19 Flood Disaster Protection Act of 1973, and may be a con-  
20 venient and available option with respect to other loans.”.

21 **SEC. 18. REIMBURSEMENT FOR COSTS INCURRED BY**  
22 **HOMEOWNERS AND COMMUNITIES OBTAIN-**  
23 **ING LETTERS OF MAP AMENDMENT OR REVI-**  
24 **SION.**

25 (a) IN GENERAL.—Section 1360 of the National  
26 Flood Insurance Act of 1968 (42 U.S.C. 4101), as amend-

1 ed by the preceding provisions of this Act, is further  
2 amended by adding at the end the following new sub-  
3 section:

4 “(m) REIMBURSEMENT.—

5 “(1) REQUIREMENT UPON BONA FIDE  
6 ERROR.—If an owner of any property located in an  
7 area described in section 102(i)(3) of the Flood Dis-  
8 aster Protection Act of 1973, or a community in  
9 which such a property is located, obtains a letter of  
10 map amendment, or a letter of map revision, due to  
11 a bona fide error on the part of the Administrator  
12 of the Federal Emergency Management Agency, the  
13 Administrator shall reimburse such owner, or such  
14 entity or jurisdiction acting on such owner’s behalf,  
15 or such community, as applicable, for any reasonable  
16 costs incurred in obtaining such letter.

17 “(2) REASONABLE COSTS.—The Administrator  
18 shall, by regulation or notice, determine a reasonable  
19 amount of costs to be reimbursed under paragraph  
20 (1), except that such costs shall not include legal or  
21 attorneys fees. In determining the reasonableness of  
22 costs, the Administrator shall only consider the ac-  
23 tual costs to the owner or community, as applicable,  
24 of utilizing the services of an engineer, surveyor, or  
25 similar services.”.

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

8 **SEC. 19. ENHANCED COMMUNICATION WITH CERTAIN COM-**  
9 **MUNITIES DURING MAP UPDATING PROCESS.**

10 Section 1360 of the National Flood Insurance Act of  
11 1968 (42 U.S.C. 4101), as amended by the preceding pro-  
12 visions of this Act, is further amended by adding at the  
13 end the following new subsection:

14 “(n) ENHANCED COMMUNICATION WITH CERTAIN  
15 COMMUNITIES DURING MAP UPDATING PROCESS.—In  
16 updating flood insurance maps under this section, the Ad-  
17 ministrator shall communicate with communities located  
18 in areas where flood insurance rate maps have not been  
19 updated in 20 years or more and the appropriate State  
20 emergency agencies to resolve outstanding issues, provide  
21 technical assistance, and disseminate all necessary infor-  
22 mation to reduce the prevalence of outdated maps in flood-  
23 prone areas.”.



1 **SEC. 20. NOTIFICATION TO RESIDENTS NEWLY INCLUDED**  
2 **IN FLOOD HAZARD AREAS.**

3 Section 1360 of the National Flood Insurance Act of  
4 1968 (42 U.S.C. 4101), as amended by the preceding pro-  
5 visions of this Act, is further amended by adding at the  
6 end the following new subsection:

7 “(o) NOTIFICATION TO RESIDENTS NEWLY IN-  
8 CLUDED IN FLOOD HAZARD AREA.—In revising or updat-  
9 ing any areas having special flood hazards, the Adminis-  
10 trator shall provide to each owner of a property to be  
11 newly included in such a special flood hazard area, at the  
12 time of issuance of such proposed revised or updated flood  
13 insurance maps, a copy of the proposed revised or updated  
14 flood insurance maps together with information regarding  
15 the appeals process under section 1363 of the National  
16 Flood Insurance Act of 1968 (42 U.S.C. 4104).”.

17 **SEC. 21. TREATMENT OF SWIMMING POOL ENCLOSURES**  
18 **OUTSIDE OF HURRICANE SEASON.**

19 Chapter I of the National Flood Insurance Act of  
20 1968 (42 U.S.C. 4001 et seq.) is amended by adding at  
21 the end the following new section:

22 **“SEC. 1325. TREATMENT OF SWIMMING POOL ENCLOSURES**  
23 **OUTSIDE OF HURRICANE SEASON.**

24 “In the case of any property that is otherwise in com-  
25 pliance with the coverage and building requirements of the  
26 national flood insurance program, the presence of an en-

1 closed swimming pool located at ground level or in the  
2 space below the lowest floor of a building after November  
3 30 and before June 1 of any year shall have no effect on  
4 the terms of coverage or the ability to receive coverage  
5 for such building under the national flood insurance pro-  
6 gram established pursuant to this title, if the pool is en-  
7 closed with non-supporting breakaway walls.”.

8 **SEC. 22. INFORMATION REGARDING MULTIPLE PERILS**  
9 **CLAIMS.**

10 Section 1345 of the National Flood Insurance Act of  
11 1968 (42 U.S.C. 4081) is amended by adding at the end  
12 the following new subsection:

13 “(d) INFORMATION REGARDING MULTIPLE PERILS  
14 CLAIMS.—

15 “(1) IN GENERAL.—Subject to paragraph (2),  
16 if an insured having flood insurance coverage under  
17 a policy issued under the program under this title by  
18 the Administrator or a company, insurer, or entity  
19 offering flood insurance coverage under such pro-  
20 gram (in this subsection referred to as a ‘partici-  
21 pating company’) has wind or other homeowners  
22 coverage from any company, insurer, or other entity  
23 covering property covered by such flood insurance, in  
24 the case of damage to such property that may have  
25 been caused by flood or by wind, the Administrator

1 and the participating company, upon the request of  
2 the insured, shall provide to the insured, within 30  
3 days of such request—

4 “(A) a copy of the estimate of structure  
5 damage;

6 “(B) proofs of loss;

7 “(C) any expert or engineering reports or  
8 documents commissioned by or relied upon by  
9 the Administrator or participating company in  
10 determining whether the damage was caused by  
11 flood or any other peril; and

12 “(D) the Administrator’s or the partici-  
13 pating company’s final determination on the  
14 claim.

15 “(2) TIMING.—Paragraph (1) shall apply only  
16 with respect to a request described in such para-  
17 graph made by an insured after the Administrator  
18 or the participating company, or both, as applicable,  
19 have issued a final decision on the flood claim in-  
20 volved and resolution of all appeals with respect to  
21 such claim.”.

1 **SEC. 23. FEMA AUTHORITY TO REJECT TRANSFER OF POLI-**  
2 **CIES.**

3 Section 1345 of the National Flood Insurance Act of  
4 1968 (42 U.S.C. 4081) is amended by adding at the end  
5 the following new subsection:

6 “(e) FEMA AUTHORITY TO REJECT TRANSFER OF  
7 POLICIES.—Notwithstanding any other provision of this  
8 Act, the Administrator may, at the discretion of the Ad-  
9 ministrator, refuse to accept the transfer of the adminis-  
10 tration of policies for coverage under the flood insurance  
11 program under this title that are written and administered  
12 by any insurance company or other insurer, or any insur-  
13 ance agent or broker.”.

14 **SEC. 24. APPEALS.**

15 (a) TELEVISION AND RADIO ANNOUNCEMENT.—Sec-  
16 tion 1363 of the National Flood Insurance Act of 1968  
17 (42 U.S.C. 4104) is amended—

18 (1) in subsection (a), by inserting after “deter-  
19 minations” by inserting the following: “by notifying  
20 a local television and radio station,”; and

21 (2) in the first sentence of subsection (b), by in-  
22 serting before the period at the end the following:  
23 “and shall notify a local television and radio station  
24 at least once during the same 10-day period”.

1 (b) EXTENSION OF APPEALS PERIOD.—Subsection  
2 (b) of section 1363 of the National Flood Insurance Act  
3 of 1968 (42 U.S.C. 4104(b)) is amended—

4 (1) by striking “(b) The Director” and insert-  
5 ing “(b)(1) The Administrator”; and

6 (2) by adding at the end the following new  
7 paragraph:

8 “(2) The Administrator shall grant an extension of  
9 the 90-day period for appeals referred to in paragraph (1)  
10 for 90 additional days if an affected community certifies  
11 to the Administrator, after the expiration of at least 60  
12 days of such period, that the community—

13 “(A) believes there are property owners or les-  
14 sees in the community who are unaware of such pe-  
15 riod for appeals; and

16 “(B) will utilize the extension under this para-  
17 graph to notify property owners or lessees who are  
18 affected by the proposed flood elevation determina-  
19 tions of the period for appeals and the opportunity  
20 to appeal the determinations proposed by the Ad-  
21 ministrator.”.

22 (c) APPLICABILITY.—The amendments made by sub-  
23 sections (a) and (b) shall apply with respect to any flood  
24 elevation determination for any area in a community that  
25 has not, as of the date of the enactment of this Act, been

1 issued a Letter of Final Determination for such deter-  
2 mination under the flood insurance map modernization  
3 process.

4 **SEC. 25. RESERVE FUND.**

5 (a) ESTABLISHMENT.—Chapter I of the National  
6 Flood Insurance Act of 1968 is amended by inserting after  
7 section 1310 (42 U.S.C. 4017) the following new section:

8 **“SEC. 1310A. RESERVE FUND.**

9 “(a) ESTABLISHMENT OF RESERVE FUND.—In car-  
10 rying out the flood insurance program authorized by this  
11 title, the Administrator shall establish in the Treasury of  
12 the United States a National Flood Insurance Reserve  
13 Fund (in this section referred to as the ‘Reserve Fund’)  
14 which shall—

15 “(1) be an account separate from any other ac-  
16 counts or funds available to the Administrator; and

17 “(2) be available for meeting the expected fu-  
18 ture obligations of the flood insurance program.

19 “(b) RESERVE RATIO.—Subject to the phase-in re-  
20 quirements under subsection (d), the Reserve Fund shall  
21 maintain a balance equal to—

22 “(1) 1 percent of the sum of the total potential  
23 loss exposure of all outstanding flood insurance poli-  
24 cies in force in the prior fiscal year; or

1           “(2) such higher percentage as the Adminis-  
2           trator determines to be appropriate, taking into con-  
3           sideration any circumstance that may raise a signifi-  
4           cant risk of substantial future losses to the Reserve  
5           Fund.

6           “(c) MAINTENANCE OF RESERVE RATIO.—

7           “(1) IN GENERAL.—The Administrator shall  
8           have the authority to establish, increase, or decrease  
9           the amount of aggregate annual insurance premiums  
10          to be collected for any fiscal year necessary—

11                   “(A) to maintain the reserve ratio required  
12                   under subsection (b); and

13                   “(B) to achieve such reserve ratio, if the  
14                   actual balance of such reserve is below the  
15                   amount required under subsection (b).

16          “(2) CONSIDERATIONS.—In exercising the au-  
17          thority under paragraph (1), the Administrator shall  
18          consider—

19                   “(A) the expected operating expenses of  
20                   the Reserve Fund;

21                   “(B) the insurance loss expenditures under  
22                   the flood insurance program;

23                   “(C) any investment income generated  
24                   under the flood insurance program; and

1           “(D) any other factor that the Adminis-  
2           trator determines appropriate.

3           “(3) LIMITATIONS.—In exercising the authority  
4           under paragraph (1), the Administrator shall be  
5           subject to all other provisions of this Act, including  
6           any provisions relating to chargeable premium rates  
7           and annual increases of such rates.

8           “(d) PHASE-IN REQUIREMENTS.—The phase-in re-  
9           quirements under this subsection are as follows:

10           “(1) IN GENERAL.—Beginning in fiscal year  
11           2012 and not ending until the fiscal year in which  
12           the ratio required under subsection (b) is achieved,  
13           in each such fiscal year the Administrator shall  
14           place in the Reserve Fund an amount equal to not  
15           less than 7.5 percent of the reserve ratio required  
16           under subsection (b).

17           “(2) AMOUNT SATISFIED.—As soon as the ratio  
18           required under subsection (b) is achieved, and except  
19           as provided in paragraph (3), the Administrator  
20           shall not be required to set aside any amounts for  
21           the Reserve Fund.

22           “(3) EXCEPTION.—If at any time after the  
23           ratio required under subsection (b) is achieved, the  
24           Reserve Fund falls below the required ratio under  
25           subsection (b), the Administrator shall place in the



1 Reserve Fund for that fiscal year an amount equal  
2 to not less than 7.5 percent of the reserve ratio re-  
3 quired under subsection (b).

4 “(e) LIMITATION ON RESERVE RATIO.—In any given  
5 fiscal year, if the Administrator determines that the re-  
6 serve ratio required under subsection (b) cannot be  
7 achieved, the Administrator shall submit a report to the  
8 Congress that—

9 “(1) describes and details the specific concerns  
10 of the Administrator regarding such consequences;

11 “(2) demonstrates how such consequences  
12 would harm the long-term financial soundness of the  
13 flood insurance program; and

14 “(3) indicates the maximum attainable reserve  
15 ratio for that particular fiscal year.

16 “(f) AVAILABILITY OF AMOUNTS.—The reserve ratio  
17 requirements under subsection (b) and the phase-in re-  
18 quirements under subsection (d) shall be subject to the  
19 availability of amounts in the National Flood Insurance  
20 Fund for transfer under section 1310(a)(10), as provided  
21 in section 1310(f).”.

22 (b) FUNDING.—Subsection (a) of section 1310 of the  
23 National Flood Insurance Act of 1968 (42 U.S.C.  
24 4017(a)) is amended—

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

3 (2) in paragraph (9), by striking the period at  
4 the end and inserting “; and”; and

5 (3) by adding at the end the following new  
6 paragraph:

7 “(10) for transfers to the National Flood Insur-  
8 ance Reserve Fund under section 1310A, in accord-  
9 ance with such section.”.

10 **SEC. 26. CDBG ELIGIBILITY FOR FLOOD INSURANCE OUT-**  
11 **REACH ACTIVITIES AND COMMUNITY BUILD-**  
12 **ING CODE ADMINISTRATION GRANTS.**

13 Section 105(a) of the Housing and Community De-  
14 velopment Act of 1974 (42 U.S.C. 5305(a)) is amended—

15 (1) in paragraph (24), by striking “and” at the  
16 end;

17 (2) in paragraph (25), by striking the period at  
18 the end and inserting a semicolon; and

19 (3) by adding at the end the following new  
20 paragraphs:

21 “(26) supplementing existing State or local  
22 funding for administration of building code enforce-  
23 ment by local building code enforcement depart-  
24 ments, including for increasing staffing, providing  
25 staff training, increasing staff competence and pro-

1        fessional qualifications, and supporting individual  
2        certification or departmental accreditation, and for  
3        capital expenditures specifically dedicated to the ad-  
4        ministration of the building code enforcement de-  
5        partment, except that, to be eligible to use amounts  
6        as provided in this paragraph—

7                “(A) a building code enforcement depart-  
8                ment shall provide matching, non-Federal funds  
9                to be used in conjunction with amounts used  
10              under this paragraph in an amount—

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

18                    “(ii) in the case of a building code en-  
19                    forcement department serving an area with  
20                    a population of between 20,001 and  
21                    50,000, equal to not less than 25 percent  
22                    of the total amount of any funds made  
23                    available under this title that are used  
24                    under this paragraph; and

1           “(iii) in the case of a building code  
2           enforcement department serving an area  
3           with a population of less than 20,000,  
4           equal to not less than 12.5 percent of the  
5           total amount of any funds made available  
6           under this title that are used under this  
7           paragraph,

8           except that the Secretary may waive the match-  
9           ing fund requirements under this subparagraph,  
10          in whole or in part, based upon the level of eco-  
11          nomic distress of the jurisdiction in which is lo-  
12          cated the local building code enforcement de-  
13          partment that is using amounts for purposes  
14          under this paragraph, and shall waive such  
15          matching fund requirements in whole for any  
16          recipient jurisdiction that has dedicated all  
17          building code permitting fees to the conduct of  
18          local building code enforcement; and

19          “(B) any building code enforcement de-  
20          partment using funds made available under this  
21          title for purposes under this paragraph shall  
22          empanel a code administration and enforcement  
23          team consisting of at least 1 full-time building  
24          code enforcement officer, a city planner, and a  
25          health planner or similar officer; and

1           “(27) provision of assistance to local govern-  
2           mental agencies responsible for floodplain manage-  
3           ment activities (including such agencies of Indians  
4           tribes, as such term is defined in section 4 of the  
5           Native American Housing Assistance and Self-De-  
6           termination Act of 1996 (25 U.S.C. 4103)) in com-  
7           munities that participate in the national flood insur-  
8           ance program under the National Flood Insurance  
9           Act of 1968 (42 U.S.C. 4001 et seq.), only for car-  
10          rying out outreach activities to encourage and facili-  
11          tate the purchase of flood insurance protection  
12          under such Act by owners and renters of properties  
13          in such communities and to promote educational ac-  
14          tivities that increase awareness of flood risk reduc-  
15          tion; except that—

16                   “(A) amounts used as provided under this  
17                   paragraph shall be used only for activities de-  
18                   signed to—

19                           “(i) identify owners and renters of  
20                           properties in communities that participate  
21                           in the national flood insurance program,  
22                           including owners of residential and com-  
23                           mercial properties;

24                           “(ii) notify such owners and renters  
25                           when their properties become included in,

1 or when they are excluded from, an area  
2 having special flood hazards and the effect  
3 of such inclusion or exclusion on the appli-  
4 cability of the mandatory flood insurance  
5 purchase requirement under section 102 of  
6 the Flood Disaster Protection Act of 1973  
7 (42 U.S.C. 4012a) to such properties;

8 “(iii) educate such owners and renters  
9 regarding the flood risk and reduction of  
10 this risk in their community, including the  
11 continued flood risks to areas that are no  
12 longer subject to the flood insurance man-  
13 datory purchase requirement;

14 “(iv) educate such owners and renters  
15 regarding the benefits and costs of main-  
16 taining or acquiring flood insurance, in-  
17 cluding, where applicable, lower-cost pre-  
18 ferred risk policies under this title for such  
19 properties and the contents of such prop-  
20 erties;

21 “(v) encourage such owners and rent-  
22 ers to maintain or acquire such coverage;

23 “(vi) notify such owners of where to  
24 obtain information regarding how to obtain  
25 such coverage, including a telephone num-

1           ber, mailing address, and Internet site of  
2           the Administrator of the Federal Emer-  
3           gency Management Agency (in this para-  
4           graph referred to as the ‘Administrator’)  
5           where such information is available; and

6           “(vii) educate local real estate agents  
7           in communities participating in the na-  
8           tional flood insurance program regarding  
9           the program and the availability of cov-  
10          erage under the program for owners and  
11          renters of properties in such communities,  
12          and establish coordination and liaisons  
13          with such real estate agents to facilitate  
14          purchase of coverage under the National  
15          Flood Insurance Act of 1968 and increase  
16          awareness of flood risk reduction;

17          “(B) in any fiscal year, a local govern-  
18          mental agency may not use an amount under  
19          this paragraph that exceeds 3 times the amount  
20          that the agency certifies, as the Secretary, in  
21          consultation with the Administrator, shall re-  
22          quire, that the agency will contribute from non-  
23          Federal funds to be used with such amounts  
24          used under this paragraph only for carrying out  
25          activities described in subparagraph (A); and

1 for purposes of this subparagraph, the term  
2 ‘non-Federal funds’ includes State or local gov-  
3 ernment agency amounts, in-kind contributions,  
4 any salary paid to staff to carry out the eligible  
5 activities of the local governmental agency in-  
6 volved, the value of the time and services con-  
7 tributed by volunteers to carry out such services  
8 (at a rate determined by the Secretary), and  
9 the value of any donated material or building  
10 and the value of any lease on a building;

11 “(C) a local governmental agency that uses  
12 amounts as provided under this paragraph may  
13 coordinate or contract with other agencies and  
14 entities having particular capacities, specialties,  
15 or experience with respect to certain popu-  
16 lations or constituencies, including elderly or  
17 disabled families or persons, to carry out activi-  
18 ties described in subparagraph (A) with respect  
19 to such populations or constituencies; and

20 “(D) each local government agency that  
21 uses amounts as provided under this paragraph  
22 shall submit a report to the Secretary and the  
23 Administrator, not later than 12 months after  
24 such amounts are first received, which shall in-  
25 clude such information as the Secretary and the



1 Administrator jointly consider appropriate to  
2 describe the activities conducted using such  
3 amounts and the effect of such activities on the  
4 retention or acquisition of flood insurance cov-  
5 erage.”.

6 **SEC. 27. TECHNICAL CORRECTIONS.**

7 (a) FLOOD DISASTER PROTECTION ACT OF 1973.—  
8 The Flood Disaster Protection Act of 1973 (42 U.S.C.  
9 4002 et seq.) is amended—

10 (1) by striking “Director” each place such term  
11 appears, except in section 102(f)(3) (42 U.S.C.  
12 4012a(f)(3)), and inserting “Administrator”; and

13 (2) in section 201(b) (42 U.S.C. 4105(b)), by  
14 striking “Director’s” and inserting “Administra-  
15 tor’s”.

16 (b) NATIONAL FLOOD INSURANCE ACT OF 1968.—  
17 The National Flood Insurance Act of 1968 (42 U.S.C.  
18 4001 et seq.) is amended—

19 (1) by striking “Director” each place such term  
20 appears and inserting “Administrator”; and

21 (2) in section 1363 (42 U.S.C. 4104), by strik-  
22 ing “Director’s” each place such term appears and  
23 inserting “Administrator’s”.

24 (c) FEDERAL FLOOD INSURANCE ACT OF 1956.—  
25 Section 15(e) of the Federal Flood Insurance Act of 1956

1 (42 U.S.C. 2414(e)) is amended by striking “Director”  
2 each place such term appears and inserting “Adminis-  
3 trator”.

4 **SEC. 28. REQUIRING COMPETITION FOR NATIONAL FLOOD**  
5 **INSURANCE PROGRAM POLICIES.**

6 (a) REPORT.—Not later than the expiration of the  
7 90-day period beginning upon the date of the enactment  
8 of this Act, the Administrator of the Federal Emergency  
9 Management Agency, in consultation with insurance com-  
10 panies, insurance agents and other organizations with  
11 which the Administrator has contracted, shall submit to  
12 the Congress a report describing procedures and policies  
13 that the Administrator shall implement to limit the per-  
14 centage of policies for flood insurance coverage under the  
15 national flood insurance program that are directly man-  
16 aged by the Agency to not more than 10 percent of the  
17 aggregate number of flood insurance policies in force  
18 under such program.

19 (b) IMPLEMENTATION.—Upon submission of the re-  
20 port under subsection (a) to the Congress, the Adminis-  
21 trator shall implement the policies and procedures de-  
22 scribed in the report. The Administrator shall, not later  
23 than the expiration of the 12-month period beginning  
24 upon submission of such report, reduce the number of  
25 policies for flood insurance coverage that are directly man-

1 aged by the Agency, or by the Agency's direct servicing  
2 contractor that is not an insurer, to not more than 10  
3 percent of the aggregate number of flood insurance poli-  
4 cies in force as of the expiration of such 12-month period.

5 (c) CONTINUATION OF CURRENT AGENT RELATION-  
6 SHIPS.—In carrying out subsection (b), the Administrator  
7 shall ensure that—

8 (1) agents selling or servicing policies described  
9 in such subsection are not prevented from con-  
10 tinuing to sell or service such policies; and

11 (2) insurance companies are not prevented from  
12 waiving any limitation such companies could other-  
13 wise enforce to limit any such activity.

14 **SEC. 29. STUDIES OF VOLUNTARY COMMUNITY-BASED**  
15 **FLOOD INSURANCE OPTIONS.**

16 (a) STUDIES.—The Administrator of the Federal  
17 Emergency Management Agency and the Comptroller  
18 General of the United States shall each conduct a separate  
19 study to assess options, methods, and strategies for offer-  
20 ing voluntary community-based flood insurance policy op-  
21 tions and incorporating such options into the national  
22 flood insurance program. Such studies shall take into con-  
23 sideration and analyze how the policy options would affect  
24 communities having varying economic bases, geographic

1 locations, flood hazard characteristics or classifications,  
2 and flood management approaches.

3 (b) REPORTS.—Not later than the expiration of the  
4 18-month period beginning on the date of the enactment  
5 of this Act, the Administrator of the Federal Emergency  
6 Management Agency and the Comptroller General of the  
7 United States shall each submit a report to the Committee  
8 on Financial Services of the House of Representatives and  
9 the Committee on Banking, Housing, and Urban Affairs  
10 of the Senate on the results and conclusions of the study  
11 such agency conducted under subsection (a), and each  
12 such report shall include recommendations for the best  
13 manner to incorporate voluntary community-based flood  
14 insurance options into the national flood insurance pro-  
15 gram and for a strategy to implement such options that  
16 would encourage communities to undertake flood mitiga-  
17 tion activities.

18 **SEC. 30. REPORT ON INCLUSION OF BUILDING CODES IN**  
19 **FLOODPLAIN MANAGEMENT CRITERIA.**

20 Not later than the expiration of the 6-month period  
21 beginning on the date of the enactment of this Act, the  
22 Administrator of the Federal Emergency Management  
23 Agency shall conduct a study and submit a report to the  
24 Committee on Financial Services of the House of Rep-  
25 resentatives and the Committee on Banking, Housing, and

1 Urban Affairs of the Senate regarding the impact, effec-  
2 tiveness, and feasibility of amending section 1361 of the  
3 National Flood Insurance Act of 1968 (42 U.S.C. 4102)  
4 to include widely used and nationally recognized building  
5 codes as part of the floodplain management criteria devel-  
6 oped under such section, and shall determine—

7           (1) the regulatory, financial, and economic im-  
8           pacts of such a building code requirement on home-  
9           owners, States and local communities, local land use  
10          policies, and the Federal Emergency Management  
11          Agency;

12          (2) the resources required of State and local  
13          communities to administer and enforce such a build-  
14          ing code requirement;

15          (3) the effectiveness of such a building code re-  
16          quirement in reducing flood-related damage to build-  
17          ings and contents;

18          (4) the impact of such a building code require-  
19          ment on the actuarial soundness of the National  
20          Flood Insurance Program;

21          (5) the effectiveness of nationally recognized  
22          codes in allowing innovative materials and systems  
23          for flood-resistant construction;

24          (6) the feasibility and effectiveness of providing  
25          an incentive in lower premium rates for flood insur-

1       ance coverage under such Act for structures meeting  
2       whichever of such widely used and nationally recog-  
3       nized building code or any applicable local building  
4       code provides greater protection from flood damage;

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

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

10 **SEC. 31. STUDY ON GRADUATED RISK.**

11       (a) STUDY.—The National Academy of Sciences shall  
12       conduct a study exploring methods for understanding  
13       graduated risk behind levees and the associated land de-  
14       velopment, insurance, and risk communication dimensions,  
15       which shall—

16           (1) research, review, and recommend current  
17       best practices for estimating direct annualized flood  
18       losses behind levees for residential and commercial  
19       structures;

20           (2) rank such practices based on their best  
21       value, balancing cost, scientific integrity, and the in-  
22       herent uncertainties associated with all aspects of  
23       the loss estimate, including geotechnical engineering,  
24       flood frequency estimates, economic value, and direct  
25       damages;

1           (3) research, review, and identify current best  
2 floodplain management and land use practices be-  
3 hind levees that effectively balance social, economic,  
4 and environmental considerations as part of an over-  
5 all flood risk management strategy;

6           (4) identify examples where such practices have  
7 proven effective and recommend methods and proc-  
8 esses by which they could be applied more broadly  
9 across the United States, given the variety of dif-  
10 ferent flood risks, State and local legal frameworks,  
11 and evolving judicial opinions;

12           (5) research, review, and identify a variety of  
13 flood insurance pricing options for flood hazards be-  
14 hind levees which are actuarially sound and based on  
15 the flood risk data developed using the top three  
16 best value approaches identified pursuant to para-  
17 graph (1);

18           (6) evaluate and recommend methods to reduce  
19 insurance costs through creative arrangements be-  
20 tween insureds and insurers while keeping a clear  
21 accounting of how much financial risk is being borne  
22 by various parties such that the entire risk is ac-  
23 counted for, including establishment of explicit limits  
24 on disaster aid or other assistance in the event of a  
25 flood; and





1 trator shall take into consideration the effects and implica-  
2 tions that weather conditions, such as rainfall, snowfall,  
3 projected snowmelt, existing water levels, and other condi-  
4 tions have on the determination that a flood event has  
5 commenced or is in progress. Not later than the expiration  
6 of the 6-month period beginning upon the date of the en-  
7 actment of this Act, the Administrator shall submit a re-  
8 port to the Congress setting forth the results and conclu-  
9 sions of the review undertaken pursuant to this section  
10 and any actions undertaken or proposed actions to be  
11 taken to provide for a more precise and technical deter-  
12 mination that a flooding event has commenced or is in  
13 progress.

14 **SEC. 33. STUDY ON REPAYING FLOOD INSURANCE DEBT.**

15 Not later than the expiration of the 6-month period  
16 beginning on the date of the enactment of this Act, the  
17 Administrator of the Federal Emergency Management  
18 Agency shall submit a report to the Congress setting forth  
19 a plan for repaying within 10 years all amounts, including  
20 any amounts previously borrowed but not yet repaid, owed  
21 pursuant to clause (2) of subsection (a) of section 1309  
22 of the National Flood Insurance Act of 1968 (42 U.S.C.  
23 4016(a)(2)).

1 **SEC. 34. NO CAUSE OF ACTION.**

2 No cause of action shall exist and no claim may be  
3 brought against the United States for violation of any no-  
4 tification requirement imposed upon the United States by  
5 this Act or any amendment made by this Act.

6 **SEC. 35. AUTHORITY FOR THE CORPS OF ENGINEERS TO**  
7 **PROVIDE SPECIALIZED OR TECHNICAL SERV-**  
8 **ICES.**

9 (a) **IN GENERAL.**—Notwithstanding any other provi-  
10 sion of law, upon the request of a State or local govern-  
11 ment, the Secretary of the Army may evaluate a levee sys-  
12 tem that was designed or constructed by the Secretary for  
13 the purposes of the National Flood Insurance Program es-  
14 tablished under chapter 1 of the National Flood Insurance  
15 Act of 1968 (42 U.S.C. 4011 et seq.).

16 (b) **REQUIREMENTS.**—A levee system evaluation  
17 under subsection (a) shall—

18 (1) comply with applicable regulations related  
19 to areas protected by a levee system;

20 (2) be carried out in accordance with such pro-  
21 cedures as the Secretary, in consultation with the  
22 Administrator of the Federal Emergency Manage-  
23 ment Agency, may establish; and

24 (3) be carried out only if the State or local gov-  
25 ernment agrees to reimburse the Secretary for all

1 cost associated with the performance of the activi-  
2 ties.

Passed the House of Representatives July 12, 2011.

Attest:

*Clerk.*

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

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**H. R. 1309**

**AN ACT**

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