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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Flood Insurance Reform Act of 2011”.

(b) Table of Contents.—The table of contents for 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. 33. Study on repaying flood insurance debt.
Sec. 34. No cause of action.
Sec. 2. Extensions.

(a) Extension of Program.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2011” and inserting “September 30, 2016”.

(b) Extension of Financing.—Section 1309(a) of such Act (42 U.S.C. 4016(a)) is amended by striking “September 30, 2011” and inserting “September 30, 2016”.

Sec. 3. Mandatory Purchase.

(a) Authority to Temporarily suspend Mandatory Purchase Requirement.—

(1) In General.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

“(i) Authority to Temporarily suspend Mandatory Purchase Requirement.—

“(1) Finding by Administrator that area is an eligible area.—For any area, upon a request submitted to the Administrator by a local government authority having jurisdiction over any portion of the area, the Administrator shall make a finding of whether the area is an eligible area under
paragraph (3). If the Administrator finds that such
area is an eligible area, the Administrator shall, in
the discretion of the Administrator, designate a pe-
period during which such finding shall be effective,
which shall not be longer in duration than 12
months.

“(2) Suspension of mandatory purchase
requirement.—If the Administrator makes a find-
ing under paragraph (1) that an area is an eligible
area under paragraph (3), during the period speci-
fied in the finding, the designation of such eligible
area as an area having special flood hazards shall
not be effective for purposes of subsections (a), (b),
and (e) of this section, and section 202(a) of this
Act. Nothing in this paragraph may be construed to
prevent any lender, servicer, regulated lending insti-
tution, Federal agency lender, the Federal National
Mortgage Association, or the Federal Home Loan
Mortgage Corporation, at the discretion of such enti-
ty, from requiring the purchase of flood insurance
coverage in connection with the making, increasing,
extending, or renewing of a loan secured by im-
proved real estate or a mobile home located or to be
located in such eligible area during such period or
a lender or servicer from purchasing coverage on behalf of a borrower pursuant to subsection (e).

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

“(A) AREAS WITH NO HISTORY OF SPECIAL FLOOD HAZARDS.—The area does not include any area that has ever previously been designated as an area having special flood hazards.

“(B) AREAS WITH FLOOD PROTECTION SYSTEMS UNDER IMPROVEMENTS.—The area was intended to be protected by a flood protection system—

“(i) that has been decertified, or is required to be certified, as providing protection for the 100-year frequency flood standard;

“(ii) that is being improved, constructed, or reconstructed; and
“(iii) for which the Administrator has determined measurable progress toward completion of such improvement, construction, reconstruction is being made and toward securing financial commitments sufficient to fund such completion.

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

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

“(A) each such extension under this paragraph shall not be for a period exceeding 12 months; and

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

“(5) ADDITIONAL EXTENSION FOR COMMUNITIES MAKING MORE THAN ADEQUATE PROGRESS ON FLOOD PROTECTION SYSTEM.—
“(A) EXTENSION.—

“(i) AUTHORITY.—Except as provided in subparagraph (B), in the case of an eligible area for which the Administrator has, pursuant to paragraph (4), extended the period of effectiveness of the finding under paragraph (1) for the area, upon a request submitted by a local government authority having jurisdiction over any portion of the eligible area, if the Administrator finds that more than adequate progress has been made on the construction of a flood protection system for such area, as determined in accordance with the last sentence of section 1307(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(e)), the Administrator may, in the discretion of the Administrator, further extend the period during which the finding under paragraph (1) shall be effective for such area for an additional 12 months.

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

“(B) EXCLUSION FOR NEW MORTGAGES.—
“(i) EXCLUSION.—Any extension under subparagraph (A) of this paragraph of a finding under paragraph (1) shall not be effective with respect to any excluded property after the origination, increase, extension, or renewal of the loan referred to in clause (ii)(II) for the property.

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

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

“(II) for which, during the period that any extension under subparagraph (A) of this paragraph of a finding under paragraph (1) is otherwise in effect for the eligible area in which such property is located—

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

“(bb) any existing loan that is secured by the property is increased, extended, or renewed.
“(6) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to affect the applicability of a designation of any area as an area having special flood hazards for purposes of the availability of flood insurance coverage, criteria for land management and use, notification of flood hazards, eligibility for mitigation assistance, or any other purpose or provision not specifically referred to in paragraph (2).

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

(2) NO REFUNDS.—Nothing in this subsection or the amendments made by this subsection may be construed to authorize or require any payment or refund for flood insurance coverage purchased for any property that covered any period during which such coverage is not required for the property pursuant to
the applicability of the amendment made by para-
graph (1).

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

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

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

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

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

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

“(B) refund to the borrower all force-
placed insurance premiums paid by the bor-
rrower during any period during which the bor-
rrower’s flood insurance coverage and the force-
placed flood insurance coverage were each in effect, and any related fees charged to the borrower with respect to the force-placed insurance during such period.

“(4) SUFFICIENCY OF DEMONSTRATION.—For purposes of confirming a borrower’s existing flood insurance coverage, a lender or servicer for a loan shall accept from the borrower an insurance policy declarations page that includes the existing flood insurance policy number and the identity of, and contact information for, the insurance company or agent.”.

(c) USE OF PRIVATE INSURANCE TO SATISFY MANDATORY PURCHASE REQUIREMENT.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended—

(1) in paragraph (1)—

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

“(A) not to make”;

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

(C) by adding at the end the following new subparagraph:
“(B) to accept private flood insurance as satisfaction of the flood insurance coverage requirement under subparagraph (A) if the coverage provided by such private flood insurance meets the requirements for coverage under such subparagraph.”;

(2) in paragraph (2), by inserting after “provided in paragraph (1).” the following new sentence: “Each Federal agency lender shall accept private flood insurance as satisfaction of the flood insurance coverage requirement under the preceding sentence if the flood insurance coverage provided by such private flood insurance meets the requirements for coverage under such sentence.”;

(3) in paragraph (3), in the matter following subparagraph (B), by adding at the end the following new sentence: “The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall accept private flood insurance as satisfaction of the flood insurance coverage requirement under the preceding sentence if the flood insurance coverage provided by such private flood insurance meets the requirements for coverage under such sentence.”; and
(4) by adding at the end the following new paragraph:

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

SEC. 4. REFORMS OF COVERAGE TERMS.

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

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

(2) by adding at the end the following:

“(b) MINIMUM ANNUAL DEDUCTIBLES.—

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

“(2) ACTUARIAL RATE PROPERTIES.—For any structure that is covered by flood insurance under
this title, for which the chargeable rate for such coverage is not less than the applicable estimated risk premium rate under section 1307(a)(1) for the area (or subdivision thereof) in which such structure is located, the minimum annual deductible for damage to or loss of such structure shall be $1,000.”.

(b) Clarification of Residential and Commercial Coverage Limits.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (2)—

(A) by striking “in the case of any residential property” and inserting “in the case of any residential building designed for the occupancy of from one to four families”; and

(B) by striking “shall be made available to every insured upon renewal and every applicant for insurance so as to enable such insured or applicant to receive coverage up to a total amount (including such limits specified in paragraph (1)(A)(i)) of $250,000” and inserting “shall be made available, with respect to any single such building, up to an aggregate liability (including such limits specified in paragraph (1)(A)(i)) of $250,000”; and
(2) in paragraph (4)—

(A) by striking “in the case of any nonresidential property, including churches,” and inserting “in the case of any nonresidential building, including a church”; and

(B) by striking “shall be made available to every insured upon renewal and every applicant for insurance, in respect to any single structure, up to a total amount (including such limit specified in subparagraph (B) or (C) of paragraph (1), as applicable) of $500,000 for each structure and $500,000 for any contents related to each structure” and inserting “shall be made available with respect to any single such building, up to an aggregate liability (including such limits specified in subparagraph (B) or (C) of paragraph (1), as applicable) of $500,000, and coverage shall be made available up to a total of $500,000 aggregate liability for contents owned by the building owner and $500,000 aggregate liability for each unit within the building for contents owned by the tenant”.

(e) Indexing of Maximum Coverage Limits.—

Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—
(1) in paragraph (4), by striking “and” at the end;

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

(3) by redesignating paragraph (5) as paragraph (7); and

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

“(8) each of the dollar amount limitations under paragraphs (2), (3), (4), (5), and (6) shall be adjusted effective on the date of the enactment of the Flood Insurance Reform Act of 2011, such adjustments shall be calculated using the percentage change, over the period beginning on September 30, 1994, and ending on such date of enactment, in such inflationary index as the Administrator shall, by regulation, specify, and the dollar amount of such adjustment shall be rounded to the next lower dollar; and the Administrator shall cause to be published in the Federal Register the adjustments under this paragraph to such dollar amount limitations; except that in the case of coverage for a property that is made available, pursuant to this paragraph, in an amount that exceeds the limitation otherwise applicable to such coverage as specified in paragraph (2),
(3), (4), (5), or (6), the total of such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1).”.

(d) Optional Coverage for Loss of Use of Personal Residence and Business Interruption.—Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)), as amended by the preceding provisions of this section, is further amended by inserting after paragraph (4) the following new paragraphs:

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

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

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

“(C) the Administrator may make such coverage available only if the Administrator makes a determination and causes notice of such determination to be published in the Federal Register that—

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

“(ii) the national flood insurance program has the capacity to make such coverage available without borrowing funds from the Secretary of the Treasury under section 1309 or otherwise;

“(6) the Administrator may provide that, in the case of any commercial property or other residential property, including multifamily rental property, coverage for losses resulting from any partial or total interruption of the insured’s business caused by damage to, or loss of, such property from a flood may be made available to every insured upon renewal and every applicant, up to a total amount of $20,000 per property, except that—
“(A) purchase of such coverage shall be at the option of the insured;

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

“(C) the Administrator may make such coverage available only if the Administrator makes a determination and causes notice of such determination to be published in the Federal Register that—

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

“(ii) the national flood insurance program has the capacity to make such coverage available without borrowing funds from the Secretary of the Treasury under section 1309 or otherwise;”.

(e) Payment of Premiums in Installments for Residential Properties.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by adding at the end the following new subsection:
“(d) Payment of premiums in installments for residential properties.—

“(1) Authority.—In addition to any other terms and conditions under subsection (a), such regulations shall provide that, in the case of any residential property, premiums for flood insurance coverage made available under this title for such property may be paid in installments.

“(2) Limitations.—In implementing the authority under paragraph (1), the Administrator may establish increased chargeable premium rates and surcharges, and deny coverage and establish such other sanctions, as the Administrator considers necessary to ensure that insureds purchase, pay for, and maintain coverage for the full term of a contract for flood insurance coverage or to prevent insureds from purchasing coverage only for periods during a year when risk of flooding is comparatively higher or canceling coverage for periods when such risk is comparatively lower.”.

(f) Effective date of policies covering properties affected by floods in progress.—Paragraph (1) of section 1306(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)) is amended by adding after the period at the end the following: “With respect
to any flood that has commenced or is in progress before
the expiration of such 30-day period, such flood insurance
coverage for a property shall take effect upon the expira-
tion of such 30-day period and shall cover damage to such
property occurring after the expiration of such period that
results from such flood, but only if the property has not
suffered damage or loss as a result of such flood before
the expiration of such 30-day period.”.

SEC. 5. REFORMS OF PREMIUM RATES.

(a) Increase in Annual Limitation on Premium
Increases.—Section 1308(e) of the National Flood Ins-
surance Act of 1968 (42 U.S.C. 4015(e)) is amended by
striking “10 percent” and inserting “20 percent”.

(b) Phase-In of Rates for Certain Properties
in Newly Mapped Areas.—

(1) In General.—Section 1308 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C.
4015) is amended—

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

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

(C) by adding at the end the following new
subsection:
“(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR CERTAIN PROPERTIES IN NEWLY MAPPED AREAS.—

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

“(2) APPLICABILITY TO PREFERRED RISK RATE AREAS.—In the case of any area described in paragraph (1) that consists of or includes an area that, as of date of the effectiveness of the flood insurance maps for such area referred to in paragraph (1) as so issued, revised, updated, or changed, is eligible for any reason for preferred risk rate method pre-
miums for flood insurance coverage and was eligible for such premiums as of the enactment of the Flood Insurance Reform Act of 2011, the 5-year period referred to in paragraph (1) for such area eligible for preferred risk rate method premiums shall begin upon the expiration of the period during which such area is eligible for such preferred risk rate method premiums.

“(3) Phase-in of Full Actuarial Rates.—

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

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

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

“(ii) in the case of any property that, as of the beginning of such first year, is eligible for preferred risk rate method premiums for flood insurance coverage, such preferred risk rate method premium for the property;
“(B) for the second year of such 5-year period, 40 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

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

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

“(E) for the fifth year of such 5-year period, 100 percent of the chargeable risk premium rate otherwise applicable under this title to the property.

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

(2) REGULATION OR NOTICE.—The Administrator of the Federal Emergency Management Agency shall issue an interim final rule or notice to implement this subsection and the amendments made
by this subsection as soon as practicable after the
date of the enactment of this Act.

(c) Phase-In of Actuarial Rates for Certain
Properties.—

(1) In General.—Section 1308(c) of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C.
4015(c)) is amended—

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

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

“(2) Commercial Properties.—Any nonresi-
dential property.

“(3) Second Homes and Vacation Homes.—
Any residential property that is not the primary res-
idence of any individual.

“(4) Homes Sold to New Owners.—Any sin-
gle family property that—

“(A) has been constructed or substantially
improved and for which such construction or
improvement was started, as determined by the
Administrator, before December 31, 1974, or
before the effective date of the initial rate map
published by the Administrator under para-
graph (2) of section 1360(a) for the area in
which such property is located, whichever is later; and

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

“(5) HOMES DAMAGED OR IMPROVED.—Any property that, on or after the date of the enactment of the Flood Insurance Reform Act of 2011, has experienced or sustained—

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

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

“(6) HOMES WITH MULTIPLE CLAIMS.—Any severe repetitive loss property (as such term is defined in section 1366(j)).”.

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

(A) in subsection (c)—

(i) in the matter preceding paragraph (1), by striking “the limitations provided
under paragraphs (1) and (2)” and inserting “subsection (e)”;
and
(ii) in paragraph (1), by striking “,
except” and all that follows through “sub-
section (e)”;
and
(B) in subsection (e), by striking “para-
graph (2) or (3)” and inserting “paragraph
(7)”.

(3) EFFECTIVE DATE AND TRANSITION.—

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

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

(i) INCREASE OF RATES OVER TIME.—
In the case of any property described in
paragraph (2), (3), (4), (5), or (6) of sec-
tion 1308(c) of the National Flood Insur-
ance Act of 1968, as amended by para-
graph (1) of this subsection, that, as of the
effective date under subparagraph (A) of
this paragraph, is covered under a policy for flood insurance made available under the national flood insurance program for which the chargeable premium rates are less than the applicable estimated risk premium rate under section 1307(a)(1) of such Act for the area in which the property is located, the Administrator of the Federal Emergency Management Agency shall increase the chargeable premium rates for such property over time to such applicable estimated risk premium rate under section 1307(a)(1).

(ii) AMOUNT OF ANNUAL INCREASE.— Such increase shall be made by increasing the chargeable premium rates for the property (after application of any increase in the premium rates otherwise applicable to such property), once during the 12-month period that begins upon the effective date under subparagraph (A) of this paragraph and once every 12 months thereafter until such increase is accomplished, by 20 percent (or such lesser amount as may be necessary so that the chargeable rate does not
exceed such applicable estimated risk pre-

mium rate or to comply with clause (iii)).

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

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

(d) PROHIBITION OF EXTENSION OF SUBSIDIZED
RATES TO LAPPED POLICIES.—Section 1308 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C. 4015), as
amended by the preceding provisions of this Act, is further
amended—
(1) in subsection (e), by inserting “or sub-
section (h)” after “subsection (e)”; and

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

“(h) Prohibition of Extension of Subsidized
Rates to Lapsed Policies.—Notwithstanding any
other provision of law relating to chargeable risk premium
rates for flood insurance coverage under this title, the Ad-
ministrator shall not provide flood insurance coverage
under this title for any property for which a policy for
such coverage for the property has previously lapsed in
coverage as a result of the deliberate choice of the holder
of such policy, at a rate less than the applicable estimated
risk premium rates for the area (or subdivision thereof)
in which such property is located.”.

(e) Recognition of State and Local Funding
for Construction, Reconstruction, and Improve-
ment of Flood Protection Systems in Determina-
tion of Rates.—

(1) In general.—Section 1307 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C.
4014) is amended—

(A) in subsection (e)—

(i) in the first sentence, by striking

“construction of a flood protection system”
and inserting “construction, reconstruction, or improvement of a flood protection system (without respect to the level of Federal investment or participation)”;

(ii) in the second sentence—

(I) by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system”; and

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

(B) in subsection (f)—

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

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

(iii) in paragraph (1), by striking “a Federal agency in consultation with the
local project sponsor” and inserting “the entity or entities that own, operate, maintain, or repair such system”.

(2) REGULATIONS.—The Administrator of the Federal Emergency Management Agency shall promulgate regulations to implement this subsection and the amendments made by this subsection as soon as practicable, but not more than 18 months after the date of the enactment of this Act. Paragraph (3) may not be construed to annul, alter, affect, authorize any waiver of, or establish any exception to, the requirement under the preceding sentence.

SEC. 6. TECHNICAL MAPPING ADVISORY COUNCIL.

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

(b) MEMBERSHIP.—

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

(A) the Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”), or the designee thereof;
(B) the Director of the United States Geological Survey of the Department of the Interior, or the designee thereof;

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

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

(E) the chief of the Natural Resources Conservation Service of the Department of Agriculture, or the designee thereof;

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

(G) the Assistant Administrator for Fisheries of the National Oceanic and Atmospheric Administration of the Department of Commerce, or the designee thereof; and

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

(i) an expert in data management;

(ii) an expert in real estate;

(iii) an expert in insurance;
(iv) a member of a recognized regional flood and storm water management organization;

(v) a representative of a State emergency management agency or association or organization for such agencies;

(vi) a member of a recognized professional surveying association or organization;

(vii) a member of a recognized professional mapping association or organization;

(viii) a member of a recognized professional engineering association or organization;

(ix) a member of a recognized professional association or organization representing flood hazard determination firms;

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

(xi) representatives of two local governments, at least one of whom is a local levee flood manager or executive, designated by the Federal Emergency Management Agency as Cooperating Technical Partners; and
(xii) representatives of two State governments designated by the Federal Emergency Management Agency as Cooperating Technical States.

(2) QUALIFICATIONS.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps. In appointing members under paragraph (1)(H), the Administrator shall ensure that the membership of the Council has a balance of Federal, State, local, and private members, and includes an adequate number of representatives from the States with coastline on the Gulf of Mexico and other States containing areas identified by the Administrator of the Federal Emergency Management Agency as at high-risk for flooding or special flood hazard areas.

(c) DUTIES.—

(1) NEW MAPPING STANDARDS.—Not later than the expiration of the 12-month period beginning upon the date of the enactment of this Act, the Council shall develop and submit to the Administrator and the Congress proposed new mapping
standards for 100-year flood insurance rate maps used under the national flood insurance program under the National Flood Insurance Act of 1968. In developing such proposed standards the Council shall—

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

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

(C) ensure that flood insurance rate maps reflect current hydrologic and hydraulic data, current land use, and topography, incorporating the most current and accurate ground and bathymetric elevation data;
(D) determine the best ways to include in such flood insurance rate maps levees, decertified levees, and areas located below dams, including determining a methodology for ensuring that decertified levees and other protections are included in flood insurance rate maps and their corresponding flood zones reflect the level of protection conferred;

(E) consider how to incorporate restored wetlands and other natural buffers into flood insurance rate maps, which may include wetlands, groundwater recharge areas, erosion zones, meander belts, endangered species habitat, barrier islands and shoreline buffer features, riparian forests, and other features;

(F) consider whether to use vertical positioning (as defined by the Administrator) for flood insurance rate maps;

(G) ensure that flood insurance rate maps differentiate between a property that is located in a flood zone and a structure located on such property that is not at the same risk level for flooding as such property due to the elevation of the structure;
(H) ensure that flood insurance rate maps take into consideration the best scientific data and potential future conditions (including projections for sea level rise); and

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

(2) ONGOING DUTIES.—The Council shall, on an ongoing basis, review the mapping protocols developed pursuant to paragraph (1), and make recommendations to the Administrator when the Council determines that mapping protocols should be altered.

(3) MEETINGS.—In carrying out its duties under this section, the Council shall consult with stakeholders through at least 4 public meetings annually, and shall seek input of all stakeholder interests including State and local representatives, environmental and conservation organizations, insurance industry representatives, advocacy groups, planning organizations, and mapping organizations.

(d) PROHIBITION ON COMPENSATION.—Members of the Council shall receive no additional compensation by reason of their service on the Council.
(e) CHAIRPERSON.—The Administrator shall serve as the Chairperson of the Council.

(f) STAFF.—

(1) FEMA.—Upon the request of the Council, the Administrator may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

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

(g) POWERS.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research, as the Council considers appropriate.

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

(i) MORATORIUM ON FLOOD MAP CHANGES.—

(1) MORATORIUM.—Except as provided in paragraph (2) and notwithstanding any other provision of this Act, the National Flood Insurance Act of 1968, or the Flood Disaster Protection Act of 1973,
during the period beginning upon the date of the enactment of this Act and ending upon the submission by the Council to the Administrator and the Congress of the proposed new mapping standards required under subsection (c)(1), the Administrator may not make effective any new or updated rate maps for flood insurance coverage under the national flood insurance program that were not in effect for such program as of such date of enactment, or otherwise revise, update, or change the flood insurance rate maps in effect for such program as of such date.

(2) Letters of Map Change.—During the period described in paragraph (1), the Administrator may revise, update, and change the flood insurance rate maps in effect for the national flood insurance program only pursuant to a letter of map change (including a letter of map amendment, letter of map revision, and letter of map revision based on fill).

SEC. 7. FEMA INCORPORATION OF NEW MAPPING PROTOCOLS.

(a) New Rate Mapping Standards.—Not later than the expiration of the 6-month period beginning upon submission by the Technical Mapping Advisory Council under section 6 of the proposed new mapping standards
for flood insurance rate maps used under the national flood insurance program developed by the Council pursuant to section 6(c), the Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”) shall establish new standards for such rate maps based on such proposed new standards and the recommendations of the Council.

(b) REQUIREMENTS.—The new standards for flood insurance rate maps established by the Administrator pursuant to subsection (a) shall—

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

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

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

(2) ensure that any such rate maps—

(A) include levees, including decertified levees, and the level of protection they confer;

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

(C) take into consideration the impacts and use of fill and the flood risks associated with altered hydrology;
(D) differentiate between a property that is located in a flood zone and a structure located on such property that is not at the same risk level for flooding as such property due to the elevation of the structure;

(E) identify and incorporate natural features and their associated flood protection benefits into mapping and rates; and

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

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

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

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

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

(1) SUBMISSION OF ELEVATION CERTIF-
ICATE.—Subject to paragraphs (2) and (3) of this
subsection, subsections (a), (b), and (e) of section
102 of the Flood Disaster Protection Act of 1973
(42 U.S.C. 4012a), and section 202(a) of such Act,
shall not apply to a property located in an area des-
ignated as having a special flood hazard if the owner
of such property submits to the Administrator an
elevation certificate for such property showing that
the lowest level of the primary residence on such
property is at an elevation that is at least three feet
higher than the elevation of the 100-year flood plain.

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

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

(A) EXPEDITED DETERMINATION.—In the
case of any survey for a property submitted to
the Administrator pursuant to paragraph (1)
showing that a portion of the property is lo-
cated within an area having special flood haz-
ards and that a structure located on the prop-
erty is not located within such area having spe-
cial flood hazards, the Administrator shall expe-
ditiously process any request made by an owner
of the property for a determination pursuant to
paragraph (2) or a determination of whether
the structure is located within the area having
special flood hazards.

(B) Prohibition of fee.—If the Admin-
istrator determines pursuant to subparagraph
(A) that the structure on the property is not lo-
cated within the area having special flood haz-
ards, the Administrator shall not charge a fee
for reviewing the flood hazard data and shall
not require the owner to provide any additional
elevation data.

(C) Simplification of review proc-
ess.—The Administrator shall collaborate with
private sector flood insurers to simplify the re-
view process for properties described in sub-
paragraph (A) and to ensure that the review
process provides for accurate determinations.

(4) Termination of authority.—This sub-
section shall cease to apply to a property on the date
on which the Administrator updates the flood insur-
ance rate map that applies to such property in ac-
cordance with the requirements of subsection (d).
SEC. 8. TREATMENT OF LEVEES.

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

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

SEC. 9. PRIVATIZATION INITIATIVES.

(a) FEMA AND GAO REPORTS.—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency and the Comptroller General of the United States shall each conduct a separate study to assess a broad range of options, methods, and strategies for privatizing the national flood insurance program and shall each submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with recommendations for the best manner to accomplish such privatization.

(b) PRIVATE RISK-MANAGEMENT INITIATIVES.—

(1) AUTHORITY.—The Administrator of the Federal Emergency Management Agency may carry
out such private risk-management initiatives under
the national flood insurance program as the Admin-
istrator considers appropriate to determine the ca-
pacity of private insurers, reinsurers, and financial
markets to assist communities, on a voluntary basis
only, in managing the full range of financial risks
associated with flooding.

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

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

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

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

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

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

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

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

“(2) The Administrator is authorized to secure reinsurance coverage of coverage provided by the flood insurance program from private market insurance, reinsurance, and capital market sources at rates and on terms determined by the Administrator to be reasonable and appropriate in an amount sufficient to maintain the ability of the program to pay claims and that minimizes the likelihood that the program will utilize the borrowing authority provided under section 1309.”;

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

(A) in the matter preceding paragraph (1), by inserting “, or for purposes of securing reinsurance of insurance coverage provided by the program,” before “of any or all of”;

(B) in paragraph (1)—
(i) by striking “estimating” and inserting “Estimating”; and
(ii) by striking the semicolon at the end and inserting a period;
(C) in paragraph (2)—
(i) by striking “receiving” and inserting “Receiving”; and
(ii) by striking the semicolon at the end and inserting a period;
(D) in paragraph (3)—
(i) by striking “making” and inserting “Making”; and
(ii) by striking “; and” and inserting a period;
(E) in paragraph (4)—
(i) by striking “otherwise” and inserting “Otherwise”; and
(ii) by redesignating such paragraph as paragraph (5); and
(F) by inserting after paragraph (3) the following new paragraph:
“(4) Placing reinsurance coverage on insurance provided by such program.”; and
(5) in section 1370(a)(3) (42 U.S.C. 4121(a)(3)), by inserting before the semicolon at the
end the following: “is subject to the reporting re-
quirements of the Securities Exchange Act of 1934,
pursuant to section 13(a) or 15(d) of such Act (15
U.S.C. 78m(a), 78o(d)), or is authorized by the Ad-
ministrator to assume reinsurance on risks insured
by the flood insurance program”.

(d) ASSESSMENT OF CLAIMS-PAYING ABILITY.—

(1) ASSESSMENT.—Not later than September
30 of each year, the Administrator of the Federal
Emergency Management Agency shall conduct an
assessment of the claims-paying ability of the na-
tional flood insurance program, including the pro-
gram’s utilization of private sector reinsurance and
reinsurance equivalents, with and without reliance
on borrowing authority under section 1309 of the
4016). In conducting the assessment, the Adminis-
trator shall take into consideration regional con-
centrations of coverage written by the program, peak
flood zones, and relevant mitigation measures.

(2) REPORT.—The Administrator shall submit
a report to the Congress of the results of each such
assessment, and make such report available to the
public, not later than 30 days after completion of
the assessment.
SEC. 10. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.

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

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

(2) in subsection (a)—

(A) by striking “biennially”;

(B) by striking “the President for submission to”; and

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

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

(4) by adding at the end the following new subsection:

“(c) FINANCIAL STATUS OF PROGRAM.—The report under this section for each year shall include information regarding the financial status of the national flood insurance program under this title, including a description of the financial status of the National Flood Insurance Fund and current and projected levels of claims, premium receipts, expenses, and borrowing under the program.”.
SEC. 11. MITIGATION ASSISTANCE.

(a) Mitigation Assistance Grants.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) in subsection (a), by striking the last sentence and inserting the following: “Such financial assistance shall be made available—

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

“(2) to States and communities in the form of grants under this section for carrying out mitigation activities that reduce flood damage to severe repetitive loss structures; and

“(3) to property owners in the form of direct grants under this section for carrying out mitigation activities that reduce flood damage to individual structures for which 2 or more claim payments for losses have been made under flood insurance coverage under this title if the Administrator, after consultation with the State and community, determines that neither the State nor community in which such a structure is located has the capacity to manage such grants.”.

(2) by striking subsection (b);

(3) in subsection (c)—
(A) by striking “flood risk” and inserting “multi-hazard”;

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

and

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

(4) by striking subsection (d);

(5) in subsection (e)—

(A) in paragraph (1), by striking the paragraph designation and all that follows through the end of the first sentence and inserting the following:

“(1) REQUIREMENT OF CONSISTENCY WITH APPROVED MITIGATION PLAN.—Amounts provided under this section may be used only for mitigation activities that are consistent with mitigation plans that are approved by the Administrator and identified under subparagraph (4).”;

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

“(2) REQUIREMENTS OF TECHNICAL FEASIBILITY, COST EFFECTIVENESS, AND INTEREST OF NFIF.—The Administrator may approve only mitigation activities that the Administrator determines are
technically feasible and cost-effective and in the in-
terest of, and represent savings to, the National 
Flood Insurance Fund. In making such determina-
tions, the Administrator shall take into consideration 
recognized benefits that are difficult to quantify.

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

“(A) severe repetitive loss structures;

“(B) repetitive loss structures; and

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

(C) in paragraph (5)—

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

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

(ii) by striking subparagraphs (E) and 
(H);
(iii) by redesignating subparagraphs
(D), (F), and (G) as subparagraphs (E),
(G), and (H);

(iv) by inserting after subparagraph
(C) the following new subparagraph:
“(D) elevation, relocation, and
floodproofing of utilities (including equipment
that serve structures);”;

(v) by inserting after subparagraph
(E), as so redesignated by clause (iii) of
this subparagraph, the following new sub-
paragraph:
“(F) the development or update of State,
local, or Indian tribal mitigation plans which
meet the planning criteria established by the
Administrator, except that the amount from
grants under this section that may be used
under this subparagraph may not exceed
$50,000 for any mitigation plan of a State or
$25,000 for any mitigation plan of a local gov-
ernment or Indian tribe;”;

(vi) in subparagraph (H); as so redes-
ignated by clause (iii) of this subpara-
graph, by striking “and” at the end; and
(vii) by adding at the end the following new subparagraphs:

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

“(J) personnel costs for State staff that provide technical assistance to communities to identify eligible activities, to develop grant applications, and to implement grants awarded under this section, not to exceed $50,000 per State in any Federal fiscal year, so long as the State applied for and was awarded at least $1,000,000 in grants available under this section in the prior Federal fiscal year; the requirements of subsections (d)(1) and (d)(2) shall not apply to the activity under this subparagraph.”;

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

“(6) Eligibility of demolition and rebuilding of properties.—The Administrator shall consider as an eligible activity the demolition and rebuilding of properties to at least base flood
elevation or greater, if required by the Administrator
or if required by any State regulation or local ordi-
nance, and in accordance with criteria established by
the Administrator.”; and

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

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

“(d) Matching Requirement.—The Administrator
may provide grants for eligible mitigation activities as fol-
lows:

“(1) Severe repetitive loss structures.—
In the case of mitigation activities to severe repet-
titive loss structures, in an amount up to 100 percent
of all eligible costs.

“(2) Repetitive loss structures.—In the
case of mitigation activities to repetitive loss struc-
tures, in an amount up to 90 percent of all eligible
costs.

“(3) Other mitigation activities.— In the
case of all other mitigation activities, in an amount
up to 75 percent of all eligible costs.”;

(7) in subsection (i)—

(A) in paragraph (2)—
(i) by striking “certified under subsection (g)” and inserting “required under subsection (d)”; and

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

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

(8) in subsection (j)—

(A) in paragraph (1), by striking “Riegle Community Development and Regulatory Improvement Act of 1994” and inserting “Flood Insurance Reform Act of 2011”;

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

(9) by striking subsections (k) and (m) and inserting the following new subsections:

“(g) FAILURE TO MAKE GRANT AWARD WITHIN 5 YEARS.—For any application for a grant under this section for which the Administrator fails to make a grant award within 5 years of the date of application, the grant application shall be considered to be denied and any funding amounts allocated for such grant applications shall remain in the National Flood Mitigation Fund under section 1367 of this title and shall be made available for grants under this section.
“(h) LIMITATION ON FUNDING FOR MITIGATION ACTIVITIES FOR SEVERE REPETITIVE LOSS STRUCTURES.—

The amount used pursuant to section 1310(a)(8) in any fiscal year may not exceed $40,000,000 and shall remain available until expended.

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

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

“(A) a political subdivision that—

“(i) has zoning and building code jurisdiction over a particular area having special flood hazards, and

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

“(B) a political subdivision of a State, or other authority, that is designated by political subdivisions, all of which meet the requirements of subparagraph (A), to administer grants for mitigation activities for such political subdivisions.

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

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

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

“(B) has incurred flood-related damage—

“(i) for which 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding $15,000, and with the cumulative amount of such claims payments exceeding $60,000; or

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


(e) Elimination of Pilot Program for Mitigation of Severe Repetitive Loss Properties.—Chap-

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

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

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

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

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

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

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

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

“(C) not more than $10,000,000 shall be available pursuant to subsection (a) of this section only for assistance described in section 1366(a)(3).”.

(B) in paragraph (3), by striking “section 1366(i)” and inserting “section 1366(e)”; (2) in subsection (c), by striking “sections 1366 and 1323” and inserting “section 1366”; (3) by redesignating subsections (d) and (e) as subsections (f) and (g), respectively; and (4) by inserting after subsection (c) the following new subsections:

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

“(e) CONTINUED AVAILABILITY AND REALLOCATION.—Any amounts made available pursuant to subparagraph (A), (B), or (C) of subsection (b)(1) that are not used in any fiscal year shall continue to be available for
the purposes specified in such subparagraph of subsection (b)(1) pursuant to which such amounts were made available, unless the Administrator determines that reallocation of such unused amounts to meet demonstrated need for other mitigation activities under section 1366 is in the best interest of the National Flood Insurance Fund.”).

(f) INCREASED COST OF COMPLIANCE COVERAGE.—

Section 1304(b)(4) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)(4)) is amended—

(1) by striking subparagraph (B); and

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

SEC. 12. NOTIFICATION TO HOMEOWNERS REGARDING MANDATORY PURCHASE REQUIREMENT APPLICABILITY AND RATE PHASE-INS.

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

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

“(1) that they reside in such an area;
“(2) of the geographical boundaries of such area;

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

“(4) of the provisions of section 102 requiring purchase of flood insurance coverage for properties located in such an area, including the date on which such provisions apply with respect to such area, taking into consideration section 102(i); and

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

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

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

“(l) NOTIFICATION TO MEMBERS OF CONGRESS OF MAP MODERNIZATION.—Upon any revision or update of any floodplain area or flood-risk zone pursuant to subsection (f), any decision pursuant to subsection (f)(1) that
such revision or update is necessary, any issuance of pre-
liminary maps for such revision or updating, or any other
significant action relating to any such revision or update,
the Administrator shall notify the Senators for each State
affected, and each Member of the House of Representa-
tives for each congressional district affected, by such revi-
sion or update in writing of the action taken.”.

SEC. 14. NOTIFICATION AND APPEAL OF MAP CHANGES;

NOTIFICATION TO COMMUNITIES OF ESTAB-
LISHMENT OF FLOOD ELEVATIONS.

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

“Sec. 1363. (a) In establishing projected flood eleva-
tions for land use purposes with respect to any commu-
nity pursuant to section 1361, the Director shall first pro-
pose such determinations—

“(1) by providing the chief executive officer of
each community affected by the proposed elevations,
by certified mail, with a return receipt requested,
notice of the elevations, including a copy of the maps
for the elevations for such community and a state-
ment explaining the process under this section to ap-
peal for changes in such elevations;
“(2) by causing notice of such elevations to be published in the Federal Register, which notice shall include information sufficient to identify the elevation determinations and the communities affected, information explaining how to obtain copies of the elevations, and a statement explaining the process under this section to appeal for changes in the elevations;

“(3) by publishing in a prominent local newspaper the elevations, a description of the appeals process for flood determinations, and the mailing address and telephone number of a person the owner may contact for more information or to initiate an appeal; and

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

“(A) the status of such property, both prior to and after the effective date of the proposed determination, with respect to flood zone and flood insurance requirements under this Act and the Flood Disaster Protection Act of 1973;

“(B) the process under this section to appeal a flood elevation determination; and
“(C) the mailing address and phone number of a person the owner may contact for more information or to initiate an appeal.”.

SEC. 15. NOTIFICATION TO TENANTS OF AVAILABILITY OF CONTENTS INSURANCE.

The National Flood Insurance Act of 1968 is amended by inserting after section 1308 (42 U.S.C. 4015) the following new section:

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

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

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

“(2) require the insured to provide a copy of the notice, or otherwise provide notification of the information under subsection (b) in the manner that the manager or landlord deems most appropriate, to each such tenant and to each new tenant upon commencement of such a tenancy.

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

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

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

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

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

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

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

“SEC. 1349. NOTIFICATION TO POLICY HOLDERS REGARDING DIRECT MANAGEMENT OF POLICY BY FEMA.

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

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

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

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

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

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

“(2) at the time of renewal of the policy, direct
administration of the policy was or will be trans-
ferred to the Federal Emergency Management Agen-
cy.”.
SEC. 17. NOTICE OF AVAILABILITY OF FLOOD INSURANCE AND ESCROW IN RESPA GOOD FAITH ESTIMATE.

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

SEC. 18. REIMBURSEMENT FOR COSTS INCURRED BY HOMEOWNERS AND COMMUNITIES OBTAINING LETTERS OF MAP AMENDMENT OR REVISION.

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

“(m) REIMBURSEMENT.—

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

“(2) REASONABLE COSTS.—The Administrator shall, by regulation or notice, determine a reasonable amount of costs to be reimbursed under paragraph (1), except that such costs shall not include legal or attorneys fees. In determining the reasonableness of costs, the Administrator shall only consider the actual costs to the owner or community, as applicable, of utilizing the services of an engineer, surveyor, or similar services.”.
(b) Regulations.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall issue the regulations or notice required under section 1360(m)(2) of the National Flood Insurance Act of 1968, as added by the amendment made by subsection (a) of this section.

SEC. 19. ENHANCED COMMUNICATION WITH CERTAIN COMMUNITIES DURING MAP UPDATING PROCESS.

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

“(n) ENHANCED COMMUNICATION WITH CERTAIN COMMUNITIES DURING MAP UPDATING PROCESS.—In updating flood insurance maps under this section, the Administrator shall communicate with communities located in areas where flood insurance rate maps have not been updated in 20 years or more and the appropriate State emergency agencies to resolve outstanding issues, provide technical assistance, and disseminate all necessary information to reduce the prevalence of outdated maps in flood-prone areas.”.
SEC. 20. NOTIFICATION TO RESIDENTS NEWLY INCLUDED IN FLOOD HAZARD AREAS.

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

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(o) Notification to Residents Newly Included in Flood Hazard Area.—In revising or updating any areas having special flood hazards, the Administrator shall provide to each owner of a property to be newly included in such a special flood hazard area, at the time of issuance of such proposed revised or updated flood insurance maps, a copy of the proposed revised or updated flood insurance maps together with information regarding the appeals process under section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104).```

SEC. 21. TREATMENT OF SWIMMING POOL ENCLOSURES OUTSIDE OF HURRICANE SEASON.

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

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SEC. 1325. TREATMENT OF SWIMMING POOL ENCLOSURES OUTSIDE OF HURRICANE SEASON.

In the case of any property that is otherwise in compliance with the coverage and building requirements of the national flood insurance program, the presence of an en-
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closed swimming pool located at ground level or in the space below the lowest floor of a building after November 30 and before June 1 of any year shall have no effect on the terms of coverage or the ability to receive coverage for such building under the national flood insurance program established pursuant to this title, if the pool is enclosed with non-supporting breakaway walls.”.

SEC. 22. INFORMATION REGARDING MULTIPLE PERILS CLAIMS.

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

“(d) INFORMATION REGARDING MULTIPLE PERILS CLAIMS.—

“(1) IN GENERAL.—Subject to paragraph (2), if an insured having flood insurance coverage under a policy issued under the program under this title by the Administrator or a company, insurer, or entity offering flood insurance coverage under such program (in this subsection referred to as a ‘participating company’) has wind or other homeowners coverage from any company, insurer, or other entity covering property covered by such flood insurance, in the case of damage to such property that may have been caused by flood or by wind, the Administrator
and the participating company, upon the request of
the insured, shall provide to the insured, within 30
days of such request—

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

“(B) proofs of loss;

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

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

“(2) TIMING.—Paragraph (1) shall apply only
with respect to a request described in such para-
graph made by an insured after the Administrator
or the participating company, or both, as applicable,
have issued a final decision on the flood claim in-
volved and resolution of all appeals with respect to
such claim.”.
SEC. 23. FEMA AUTHORITY TO REJECT TRANSFER OF POLICIES.

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

“(e) FEMA AUTHORITY TO REJECT TRANSFER OF POLICIES.—Notwithstanding any other provision of this Act, the Administrator may, at the discretion of the Administrator, refuse to accept the transfer of the administration of policies for coverage under the flood insurance program under this title that are written and administered by any insurance company or other insurer, or any insurance agent or broker.”.

SEC. 24. APPEALS.

(a) TELEVISION AND RADIO ANNOUNCEMENT.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended—

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

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

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

(1) by striking ``(b) The Director'' and inserting ``(b)(1) The Administrator''; and

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

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

(A) believes there are property owners or lessees in the community who are unaware of such period for appeals; and

(B) will utilize the extension under this paragraph to notify property owners or lessees who are affected by the proposed flood elevation determinations of the period for appeals and the opportunity to appeal the determinations proposed by the Administrator.''.

(c) APPLICABILITY.—The amendments made by sub-
sections (a) and (b) shall apply with respect to any flood
elevation determination for any area in a community that has not, as of the date of the enactment of this Act, been
issued a Letter of Final Determination for such deter-
mination under the flood insurance map modernization
process.

SEC. 25. RESERVE FUND.

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

“SEC. 1310A. RESERVE FUND.

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

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

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

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

“(1) 1 percent of the sum of the total potential
loss exposure of all outstanding flood insurance poli-
cies in force in the prior fiscal year; or
“(2) such higher percentage as the Administrator determines to be appropriate, taking into consideration any circumstance that may raise a significant risk of substantial future losses to the Reserve Fund.

“(c) MAINTENANCE OF RESERVE RATIO.—

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

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

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

“(2) CONSIDERATIONS.—In exercising the authority under paragraph (1), the Administrator shall consider—

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

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

“(C) any investment income generated under the flood insurance program; and
“(D) any other factor that the Administrator determines appropriate.

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

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

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

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

“(3) EXCEPTION.—If at any time after the ratio required under subsection (b) is achieved, the Reserve Fund falls below the required ratio under subsection (b), the Administrator shall place in the
Reserve Fund for that fiscal year an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(e) LIMITATION ON RESERVE RATIO.—In any given fiscal year, if the Administrator determines that the reserve ratio required under subsection (b) cannot be achieved, the Administrator shall submit a report to the Congress that—

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

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

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

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

(b) FUNDING.—Subsection (a) of section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—
(1) in paragraph (8), by striking “and” at the end;

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

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

“(10) for transfers to the National Flood Insurance Reserve Fund under section 1310A, in accordance with such section.”.

SEC. 26. CDBG ELIGIBILITY FOR FLOOD INSURANCE OUT-REACH ACTIVITIES AND COMMUNITY BUILDING CODE ADMINISTRATION GRANTS.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

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

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

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

“(26) supplementing existing State or local funding for administration of building code enforcement by local building code enforcement departments, including for increasing staffing, providing staff training, increasing staff competence and pro-
fessional qualifications, and supporting individual certification or departmental accreditation, and for capital expenditures specifically dedicated to the administration of the building code enforcement department, except that, to be eligible to use amounts as provided in this paragraph—

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

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

“(ii) in the case of a building code enforcement department serving an area with a population of between 20,001 and 50,000, equal to not less than 25 percent of the total amount of any funds made available under this title that are used under this paragraph; and
“(iii) in the case of a building code enforcement department serving an area with a population of less than 20,000, equal to not less than 12.5 percent of the total amount of any funds made available under this title that are used under this paragraph,

except that the Secretary may waive the matching fund requirements under this subparagraph, in whole or in part, based upon the level of economic distress of the jurisdiction in which is located the local building code enforcement department that is using amounts for purposes under this paragraph, and shall waive such matching fund requirements in whole for any recipient jurisdiction that has dedicated all building code permitting fees to the conduct of local building code enforcement; and

“(B) any building code enforcement department using funds made available under this title for purposes under this paragraph shall empanel a code administration and enforcement team consisting of at least 1 full-time building code enforcement officer, a city planner, and a health planner or similar officer; and
“(27) provision of assistance to local governmental agencies responsible for floodplain management activities (including such agencies of Indians tribes, as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)) in communities that participate in the national flood insurance program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), only for carrying out outreach activities to encourage and facilitate the purchase of flood insurance protection under such Act by owners and renters of properties in such communities and to promote educational activities that increase awareness of flood risk reduction; except that—

“(A) amounts used as provided under this paragraph shall be used only for activities designed to—

“(i) identify owners and renters of properties in communities that participate in the national flood insurance program, including owners of residential and commercial properties;

“(ii) notify such owners and renters when their properties become included in,
or when they are excluded from, an area having special flood hazards and the effect of such inclusion or exclusion on the applicability of the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to such properties;

“(iii) educate such owners and renters regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;

“(iv) educate such owners and renters regarding the benefits and costs of maintaining or acquiring flood insurance, including, where applicable, lower-cost preferred risk policies under this title for such properties and the contents of such properties;

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

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

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

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

“(B) in any fiscal year, a local govern-
mental agency may not use an amount under
this paragraph that exceeds 3 times the amount
that the agency certifies, as the Secretary, in
consultation with the Administrator, shall re-
quire, that the agency will contribute from non-
Federal funds to be used with such amounts
used under this paragraph only for carrying out
activities described in subparagraph (A); and
for purposes of this subparagraph, the term ‘non-Federal funds’ includes State or local government agency amounts, in-kind contributions, any salary paid to staff to carry out the eligible activities of the local governmental agency involved, the value of the time and services contributed by volunteers to carry out such services (at a rate determined by the Secretary), and the value of any donated material or building and the value of any lease on a building;

“(C) a local governmental agency that uses amounts as provided under this paragraph may coordinate or contract with other agencies and entities having particular capacities, specialties, or experience with respect to certain populations or constituencies, including elderly or disabled families or persons, to carry out activities described in subparagraph (A) with respect to such populations or constituencies; and

“(D) each local government agency that uses amounts as provided under this paragraph shall submit a report to the Secretary and the Administrator, not later than 12 months after such amounts are first received, which shall include such information as the Secretary and the
Administrator jointly consider appropriate to
describe the activities conducted using such
amounts and the effect of such activities on the
retention or acquisition of flood insurance cov-
erage.”.

SEC. 27. TECHNICAL CORRECTIONS.

(a) Flood Disaster Protection Act of 1973.—
The Flood Disaster Protection Act of 1973 (42 U.S.C.
4002 et seq.) is amended—

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

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

(b) National Flood Insurance Act of 1968.—
4001 et seq.) is amended—

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

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

(c) Federal Flood Insurance Act of 1956.—
Section 15(e) of the Federal Flood Insurance Act of 1956
(42 U.S.C. 2414(e)) is amended by striking “Director” each place such term appears and inserting “Administrator”.

SEC. 28. REQUIRING COMPETITION FOR NATIONAL FLOOD INSURANCE PROGRAM POLICIES.

(a) REPORT.—Not later than the expiration of the 90-day period beginning upon the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency, in consultation with insurance companies, insurance agents and other organizations with which the Administrator has contracted, shall submit to the Congress a report describing procedures and policies that the Administrator shall implement to limit the percentage of policies for flood insurance coverage under the national flood insurance program that are directly managed by the Agency to not more than 10 percent of the aggregate number of flood insurance policies in force under such program.

(b) IMPLEMENTATION.—Upon submission of the report under subsection (a) to the Congress, the Administrator shall implement the policies and procedures described in the report. The Administrator shall, not later than the expiration of the 12-month period beginning upon submission of such report, reduce the number of policies for flood insurance coverage that are directly man-
aged by the Agency, or by the Agency’s direct servicing contractor that is not an insurer, to not more than 10 percent of the aggregate number of flood insurance policies in force as of the expiration of such 12-month period.

(c) Continuation of Current Agent Relationships.—In carrying out subsection (b), the Administrator shall ensure that—

(1) agents selling or servicing policies described in such subsection are not prevented from continuing to sell or service such policies; and

(2) insurance companies are not prevented from waiving any limitation such companies could otherwise enforce to limit any such activity.

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

(a) Studies.—The Administrator of the Federal Emergency Management Agency and the Comptroller General of the United States shall each conduct a separate study to assess options, methods, and strategies for offering voluntary community-based flood insurance policy options and incorporating such options into the national flood insurance program. Such studies shall take into consideration and analyze how the policy options would affect communities having varying economic bases, geographic
locations, flood hazard characteristics or classifications, and flood management approaches.

(b) REPORTS.—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency and the Comptroller General of the United States shall each submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the results and conclusions of the study such agency conducted under subsection (a), and each such report shall include recommendations for the best manner to incorporate voluntary community-based flood insurance options into the national flood insurance program and for a strategy to implement such options that would encourage communities to undertake flood mitigation activities.

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

Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall conduct a study and submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and
Urban Affairs of the Senate regarding the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section, and shall determine—

(1) the regulatory, financial, and economic impacts of such a building code requirement on homeowners, States and local communities, local land use policies, and the Federal Emergency Management Agency;

(2) the resources required of State and local communities to administer and enforce such a building code requirement;

(3) the effectiveness of such a building code requirement in reducing flood-related damage to buildings and contents;

(4) the impact of such a building code requirement on the actuarial soundness of the National Flood Insurance Program;

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

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

(7) the impact of such a building code requirement on rural communities with different building code challenges than more urban environments; and

(8) the impact of such a building code requirement on Indian reservations.

SEC. 31. STUDY ON GRADUATED RISK.

(a) STUDY.—The National Academy of Sciences shall conduct a study exploring methods for understanding graduated risk behind levees and the associated land development, insurance, and risk communication dimensions, which shall—

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

(2) rank such practices based on their best value, balancing cost, scientific integrity, and the inherent uncertainties associated with all aspects of the loss estimate, including geotechnical engineering, flood frequency estimates, economic value, and direct damages;
(3) research, review, and identify current best floodplain management and land use practices behind levees that effectively balance social, economic, and environmental considerations as part of an overall flood risk management strategy;

(4) identify examples where such practices have proven effective and recommend methods and processes by which they could be applied more broadly across the United States, given the variety of different flood risks, State and local legal frameworks, and evolving judicial opinions;

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

(6) evaluate and recommend methods to reduce insurance costs through creative arrangements between insureds and insurers while keeping a clear accounting of how much financial risk is being borne by various parties such that the entire risk is accounted for, including establishment of explicit limits on disaster aid or other assistance in the event of a flood; and
(7) taking into consideration the recommendations pursuant to paragraphs (1) through (3), recommend approaches to communicating the associated risks to community officials, homeowners, and other residents.

(b) REPORT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the National Academy of Sciences shall submit a report to the Committees on Financial Services and Science, Space, and Technology of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Commerce, Science and Transportation of the Senate on the study under subsection (a) including the information and recommendations required under such subsection.

SEC. 32. REPORT ON FLOOD-IN-PROGRESS DETERMINATION.

The Administrator of the Federal Emergency Management Agency shall review the processes and procedures for determining that a flood event has commenced or is in progress for purposes of flood insurance coverage made available under the national flood insurance program under the National Flood Insurance Act of 1968 and for providing public notification that such an event has commenced or is in progress. In such review, the Adminis-
tractor shall take into consideration the effects and implications that weather conditions, such as rainfall, snowfall, projected snowmelt, existing water levels, and other conditions have on the determination that a flood event has commenced or is in progress. Not later than the expiration of the 6-month period beginning upon the date of the enactment of this Act, the Administrator shall submit a report to the Congress setting forth the results and conclusions of the review undertaken pursuant to this section and any actions undertaken or proposed actions to be taken to provide for a more precise and technical determination that a flooding event has commenced or is in progress.

SEC. 33. STUDY ON REPAYING FLOOD INSURANCE DEBT.

Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall submit a report to the Congress setting forth a plan for repaying within 10 years all amounts, including any amounts previously borrowed but not yet repaid, owed pursuant to clause (2) of subsection (a) of section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)(2)).
SEC. 34. NO CAUSE OF ACTION.

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

SEC. 35. AUTHORITY FOR THE CORPS OF ENGINEERS TO PROVIDE SPECIALIZED OR TECHNICAL SERVICES.

(a) IN GENERAL.—Notwithstanding any other provision of law, upon the request of a State or local government, the Secretary of the Army may evaluate a levee system that was designed or constructed by the Secretary for the purposes of the National Flood Insurance Program established under chapter 1 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.).

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

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

(2) be carried out in accordance with such procedures as the Secretary, in consultation with the Administrator of the Federal Emergency Management Agency, may establish; and

(3) be carried out only if the State or local government agrees to reimburse the Secretary for all
cost associated with the performance of the activities.

Passed the House of Representatives July 12, 2011.

Attest:

Clerk.
To extend the authorization of the national flood insurance program, and in the management of flood insurance risk, in order to increase the role of private markets in the financial integrity and stability of the program.

AN ACT

H.R. 1309

112TH CONGRESS

1ST SESSION