

Lucas	Paulsen	Shimkus
Luetkemeyer	Pence	Shuler
Lummis	Petri	Shuster
Lungren, Daniel	Pitts	Simpson
E.	Platts	Smith (NE)
Mack	Poe (TX)	Smith (NJ)
Manzullo	Posey	Smith (TX)
Marchant	Price (GA)	Stearns
McCarthy (CA)	Putnam	Stupak
McCaul	Radanovich	Sullivan
McClintock	Rehberg	Tanner
McCotter	Reichert	Taylor
McHenry	Roe (TN)	Terry
McKeon	Rogers (AL)	Thompson (PA)
McMorris	Rogers (KY)	Thornberry
Rodgers	Rogers (MI)	Tiahrt
Mica	Rohrabacher	Tiberi
Miller (FL)	Rooney	Turner
Miller (MI)	Ros-Lehtinen	Upton
Miller, Gary	Roskam	Walden
Minnick	Royce	Wamp
Mitchell	Ryan (WI)	Westmoreland
Moran (KS)	Scalise	Wilson (SC)
Murphy, Tim	Schmidt	Wittman
Myrick	Schock	Wolf
Neugebauer	Sensenbrenner	Young (AK)
Nunes	Sessions	Young (FL)
Paul	Shadegg	

## NOT VOTING—11

Bright	Hinojosa	Olson
Culberson	Hoekstra	Schrader
Hastings (FL)	Kagen	Welch
Higgins	Kind	

□ 1126

Messrs. GALLEGLY, SHIMKUS, and TURNER changed their vote from “yea” to “nay.”

Mr. CAPUANO changed his vote from “nay” to “yea.”

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 5114 and to insert extraneous material thereon.

The SPEAKER pro tempore (Mr. CLAY). Is there objection to the request of the gentlewoman from California?

There was no objection.

FLOOD INSURANCE REFORM  
PRIORITIES ACT OF 2010

The SPEAKER pro tempore. Pursuant to House Resolution 1517 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5114.

□ 1128

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5114) to extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, and for other purposes, with Mr. PASTOR of Arizona in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentlewoman from California (Ms. WATERS) and the gentlewoman from West Virginia (Mrs. CAPITO) each will control 30 minutes.

The Chair recognizes the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am proud to bring my bill, H.R. 5114, the Flood Insurance Reform Priorities Act of 2010, to the floor today; and I stand in strong support of its passage. Moreover, I'm proud that this bill has the support of my colleagues on both sides of the aisle, having passed out of the Financial Services Committee in April on voice vote.

Mr. Chairman, this bill is essential. The Flood Insurance Program provides valuable protection for approximately 5.5 million homeowners; but, unfortunately, the lack of a long-term authorization has placed the program at risk. The program has lapsed three times now since the beginning of this year: for 2 days in March, for 18 days in April, and again from June 1 to July 2, when President Obama signed my bill to provide for a short-term extension of the program through the end of September of this year.

These lapses meant that FEMA was not able to write new policies, renew expiring policies, or increase coverage limits. These delays also meant that each day 1,200 home buyers who wanted to purchase homes located in flood plains were unable to close on their homes. Given the current crisis in the housing market, this instability in the Flood Insurance Program is hampering that market's recovery and must be addressed.

Mr. Chairman, in drafting this bill, I also wanted to address the challenges posed to communities by the imposition of new flood maps. I saw these challenges firsthand in my home city of Los Angeles. Earlier this year I was able to assist homeowners in the Park Mesa Heights area of Los Angeles who had been mistakenly placed in a flood plain. In this case, FEMA acted quickly to respond to new data and correct the mistake. However, there are thousands of homeowners nationwide who now find themselves in flood zones and subject to mandatory purchase requirements.

H.R. 5114, the Flood Insurance Reform Priorities Act of 2010, would restore stability to the Flood Insurance Program by reauthorizing the program for 5 years. It would also address the impact of new flood maps by delaying the mandatory purchase requirement for 5 years and then phasing in actuarial rates for another 5 years.

The bill also makes other improvements to the program by phasing in actuarial rates from pre-firm properties, raising maximum coverage limits, providing notice to renters about contents insurance, and establishing a flood insurance advocate similar to the taxpayer advocate at the Internal Revenue Service.

Mr. Chairman, we must reauthorize the National Flood Insurance Program and pass the reforms included in H.R. 5114. This country is reeling from major floods in Tennessee, Arkansas, and Oklahoma; and we are now officially in hurricane season, with south Texas still recovering from Hurricane Alex. I urge my colleagues to stand with me in support of this important extension.

In closing, I would like to recognize the many Members on both sides of the aisle who have approached me with their concerns about flood insurance programs. I'm further gratified that, through this bill, we're able to address many of those concerns. I remain committed to working with Members on ensuring that this program works for their communities and their constituents.

I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I yield myself such time as I may consume.

I would like to thank the chairwoman, Chairwoman WATERS, for her hard work on this very important piece of legislation.

H.R. 5114, the Flood Insurance Reform Priorities Act, provides for the long-term reauthorization reform of the National Flood Insurance Program, extending it for 5 years, through September 30, 2015. The bill would phase out subsidized premium rates for certain properties, increase the annual limit on premium rate increases, and impose minimum deductibles for all policies.

The bill before us today, I believe, makes constructive reforms to eliminate certain subsidies and strengthen the financial soundness of the NFIP. Unfortunately, it also includes wasteful government spending. While I wish the bill went further to place the program on a path toward self-sufficiency and limit taxpayer exposure, I will support the final passage of this bill.

The NFIP is currently operating under a short-term extension through September 30, 2010, after experiencing its third lapse this year. H.R. 5114 makes constructive reforms to eliminate certain subsidies and strengthen financial soundness. In addition, several Republican proposals have been incorporated in H.R. 5114 to strengthen the reforms in this bill, including provisions to eliminate subsidized rates over time for homes that were sold to a new owner, impose minimum deductibles for all insured properties, require a report on the feasibility of incorporating national recognized building codes into the NFIP flood plain management criteria, and to direct the NFIP to report to Congress with a plan to repay its debt to the Treasury within 10 years.

The NFIP is facing serious financial challenges and cannot afford to continue on its current path. The GAO has included the NFIP on its annual list of high-risk government programs since 2006 because of its ongoing potential to incur billions of dollars in losses. With

an \$18 billion debt to the Treasury now and the persistence of subsidized premium rates for properties in high-risk areas, the NFIP continues to be underfunded and Federal taxpayers remain at risk.

Unfortunately, recent temporary lapses of the NFIP created uncertainty in the housing market and resulted in negative consequences for home buyers trying to purchase flood insurance protection in high-risk areas where it is required. While many property owners depend on flood insurance for some measure of financial security, and many more should consider purchasing it to protect themselves from potential losses, fundamental reforms are needed to make the flood insurance program more self-sufficient, reduce the potential for losses, and minimize the financial risk to taxpayers.

In the long run, it is my hope, along with most of my Republican colleagues, that all flood insurance premium rate subsidies should be eliminated and underwriting risks should be transferred to the private insurance market to the maximum extent possible.

In this respect, the provisions of H.R. 5114 that phase out and eventually eliminate certain premium rate subsidies represent very positive steps. The bill includes constructive measures to eliminate subsidized rates over time for nonresidential properties and nonprimary residences, including second homes and vacation homes.

H.R. 5114 also raises the cap on rate increases from 10 to 20 percent, which will allow the NFIP to charge premiums more appropriate to the risk within a shorter period of time. These useful reforms are overshadowed, unfortunately, by provisions authorizing almost \$500 million in new Federal spending for new mitigation and outreach grant programs and to establish an Office of Flood Insurance Advocate within FEMA, which administers the Flood Insurance Program.

While there is a definite need to improve FEMA's communication with communities and to increase advocacy about the impact of the new flood risk maps, Republicans believe that this effort should be undertaken using the existing NFIP funds, rather than new Federal spending in this time of historic deficits.

□ 1140

I know some of my Republican colleagues offered amendments to do just this, to address these concerns. And I wish that they had been made in order today, as their inclusion would have enhanced our debate.

The NFIP was originally intended to reduce the need for emergency disaster assistance from Federal taxpayers to local communities, and the program has a long ways to go to reach the point of being self-funded and self-sustaining. Furthermore, I believe that Congress has an obligation to U.S. taxpayers to challenge the premise that

most flooding hazards will never be insurable by the private insurance market.

I remain committed to enacting comprehensive reforms that not only modernize the National Flood Insurance Program so that homeowners will continue to have access to flood insurance, but at the same time protect the American taxpayer.

I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois, Representative COSTELLO, who has been the leader on this issue of the maps, the remapping. And because of him we have a strong bill. He worked very hard, and I am very grateful.

Mr. COSTELLO. I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of H.R. 5114. I have worked on this issue, as Representative WATERS has said. She chairs this committee, has provided great leadership, along with Chairman FRANK. And I thank them for their leadership in bringing the bill to the floor today.

We have worked together with them and members of the Congressional Levee Caucus. We authored provisions included in this bill to delay the onset of mandatory flood insurance purchase requirements in the newly remapped areas for 5 years, and then phase in insurance rates for the next 5 years. This will give communities the time necessary to rebuild levees and address other flood control projects and allow our constituents to make their own decision regarding the purchase of flood insurance.

In August of 2007, FEMA announced that through the remapping process, the levees protecting the Metro East area of Illinois along the Mississippi River, which had been protecting our area for decades, including in the major flood of 1993, would be decertified and treated for flood protection purposes as if they didn't exist. As soon as the new maps became final, any homeowner or small business with federally backed mortgages would have to purchase flood insurance. It could cost literally thousands of dollars annually.

Let me say, Mr. Chairman, that we have made a lot of progress as part of this process. Local officials continually ask for some relief. What we do in this legislation is, in the provisions that I described earlier in this legislation, the bill allows FEMA, the flood remapping process to proceed, and requires communities to have evacuation and communication plans in place, which must include information about the availability of flood insurance and the consequences of having a flood.

I want to be very clear at this point, while it is not mandatory, I continue to encourage all of my constituents in the affected area to purchase flood insurance. But that decision should be theirs.

The Federal Government needs to work with local officials to solve these local and national issues. I strongly

support H.R. 5114. I thank Chairman FRANK and Chairlady WATERS for all of their work and ask my colleagues to support the bill.

Mrs. CAPITO. I yield 5 minutes to my colleague from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentlelady for yielding.

Mr. Chair, this House recently passed a financial markets regulatory restructuring bill which in essence, unfortunately, will create a new Federal insurance program, or bailout authority, for large financial companies that take on too much risk. I wish we would leave, given the state of the national debt, I wish we would leave the safety net where it currently is, under federally insured depository institutions. And instead, ultimately I fear we will one day be looking at taxpayer subsidies to cover the likes of Goldman Sachs, AIG, and Lehman Brothers.

I wish we had learned our lesson from the National Flood Insurance Program, which we know was supposed to never require any taxpayer funds, any general revenue. But unfortunately, we know today already \$19 billion is owed to the Federal taxpayer. And we look at the other federally administered insurance programs: Social Security, long term deficit of \$15 trillion; Federal Pension Benefit Guaranty Corporation, debt of \$22 billion, projections of \$34 billion by 2019; Federal crop insurance, Medicaid—the list goes on and on and on.

This bill adds to the tab. And the Congressional Budget Office has projected this bill will increase spending by roughly a half-billion dollars over 10 years. Even by Washington standards, I hope we still consider that to be significant funding.

Now, I wish the Federal Government wasn't in this business, but we are in this business. And if we are in this business, we have to ensure that we are not subsidizing and incenting people to live, essentially put them in harm's way and put them in harm's way at taxpayers' expense. If they are going to put themselves and their property in harm's way, that's a decision they need to be making. But we shouldn't be a party to incenting them to that.

So we still have a program that over-subsidizes certain properties, including condos and vacation homes, and we're asking people in my district, the factory worker in Mesquite, Texas, and maybe making \$50,000 a year, to subsidize the flood insurance of somebody who may be making a half a million dollars a year, maybe because they have a condo on a beach. That's not a program that's particularly fiscally sound or one that I believe is fair.

I certainly want to thank the chairman, I want to thank the ranking member for their work. And there are a number of improvements in this legislation that will help improve the program. I want to thank the chairman for incorporating a modest amendment I offered in 2007 that would at least require the NFIP to conduct a study

within the next 6 months of how do you end up repaying the taxpayer at least over a 10-year period so they can recoup their losses on a program they were never supposed to bail out in the first place.

I appreciate the fact that the underlying legislation will raise the annual cap on premium rate increases. I appreciate the leadership of the gentleman from New Jersey (Mr. GARRETT) who offered an amendment that was incorporated that would eliminate subsidies over time for homes that are sold to new owners and phases in actuarially sound premiums on second homes.

There is also language in here that will impose minimum deductibles for all insured properties. All of these are several steps in the right direction to help ensure that the taxpayer doesn't suffer further losses.

But unfortunately, the bill really doesn't do anything to deal with the current almost \$19 billion of funds that are owed to the taxpayer today. Nothing in the bill will help recoup that particular loss. It delays the implementation of actuarial rates, which I think again puts the taxpayer in further harm. It does not phase out the taxpayer subsidies. We still have insurance at subsidized rates, creating perverse incentives that encourage people to essentially live in harm's way. And just like Fannie Mae and Freddie Mac, which have already cost the taxpayer \$150 billion roughly and counting, those programs ultimately need to be returned to competition, and so does this program ultimately need to be returned to market competition.

Now, I know we can't outlaw hurricanes, we can't outlaw floods, but we can at least make sure that the factory worker in Mesquite, Texas, in my district, doesn't have to keep picking up the tab over and over. And very importantly, this is a program that authorizes almost a half a billion in new spending on an outreach program when one already exists. We cannot afford it.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas, who has fought so hard for his constituents and making sure that they have a strong advocacy program in this bill, MARION BERRY.

Mr. BERRY. Thank you, Madam Chairman, for the great job you have done and the concern for the people that you have exhibited.

For the time that FEMA has existed, the exception being during the Clinton administration when James Lee Witt ran that agency, FEMA has exhibited an incredible inability to get anything done and accomplished. FEMA, in my part of the world, is worse than the natural disaster that they came to deal with. When we see FEMA show up, it strikes fear in the hearts of grown men and women and small children.

So I thank the chairman for this bill, the constraints she put in this bill as it relates to the floodplains and the designation of them, and urge the passage of this bill.

□ 1150

Mrs. CAPITO. I yield 3 minutes to my colleague from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. I thank the gentlelady for yielding me some time.

Mr. Chairman, I rise in opposition to this program and to this bill, and I would once again remind my colleagues that this program is a very, very bad deal for my constituents in the great State of Michigan, the Great Lake State. In fact, it's a bad deal for most all the States that are in the Great Lake States.

As an example, my constituents in Michigan are paying very high flood insurance premiums, yet we rarely receive any claims, and I will give you examples. Since we've instituted this flood program in the Nation since 1978, in Michigan we've received \$44 million in claims; however, we've paid in over \$200 million during that time in premiums. This year alone, in Michigan, our citizens are going to pay \$19 million in claims, which means that in just 2 years of paying premiums, we will have covered all of our losses for the last 32 years. In fact, the GAO report on this program that was published in April found that one in four property owners are paying subsidized rates for their flood insurance that do not reflect the full risk of their flooding.

That same report found that repetitive losses represent only 1 percent of policies but over 25 percent of all of the claims. In short, we keep paying over and over and over again claims for some Americans to live in flood-prone areas, and it is no wonder that this program is \$19 billion in debt.

Unfortunately, the Rules Committee didn't make one of my amendments in order that would have addressed this problem of repetitive losses, and this is a case in so many properties. They just keep rebuilding and refiling their claims over and over and over again, and I just don't think that's fair to the rest of the Nation. If you insist on rebuilding, then you should assume the risk.

Mr. Chairman, quite frankly, my home State of Michigan feels like the ATM machine for this flood debt program. I think this program is very, very unfair. One thing I would say, in Michigan, we actually look down at the water. We don't look up at the water. And we are very sympathetic, Mr. Chairman, very sympathetic to areas of other parts of the country that are prone to floods, that are prone to hurricanes, et cetera. We appreciate the challenges that they face, but I don't think it's fair that citizens in a State like Michigan have to pay for those kinds of things.

I think we need to have a national catastrophic fund that establishes more fairly the burden on this rather than looking for States like Michigan. I'm not opposed to redigitizing the maps and using the state-of-the-art

technology that's happening. I think that's very important. We want to know the proper elevations. You can use it for planning. Local municipalities need it, et cetera. But in Michigan, I can tell you tens of thousands of properties that are now being included in this floodplain that have never been included previously, that have no history of flooding. In the last couple of years, the Great Lakes have had historic lows.

I'm going to be voting against this. I urge my colleagues to vote against this bill, Mr. Chairman.

Ms. WATERS. Mr. Chairman, I yield myself 30 seconds to make sure that the gentlelady understands that we are moderating the subsidy in several ways on second homes, on nonresidential property, and when the homes are sold, and that's an important point that we will have some discussion on later.

At this time I yield 1 minute to the gentleman from Georgia (Mr. SCOTT), who's been responsible for making sure that we give homeowners an opportunity to pay installments instead of up front all of these premiums that they will be responsible for.

Thank you so very much for your work.

Mr. SCOTT of Georgia. Thank you so very much.

I want to extend tremendous accolades to our chairperson, Ms. WATERS, who has done just an absolutely excellent job on this bill.

Mr. Chairman, you know, there is nothing more devastating, more heart-breaking than for individual families to lose their homes and all of their possessions. And if there ever was a time that the role of government plays its most important role, it is to come to their rescue immediately, quickly, and help them to recapture their lives as quickly and to make sure that they have the insurance that is needed.

Nowhere has that been more devastating in terms of flooding than in my own district. As you all recall, many of you sent out prayers and best wishes. As you know, in my district, about a year ago, we had a tremendous flood, the worst flood in Georgia in this century, especially in the Cobb County/Douglas area where we lost seven lives.

This amendment, which will help to provide people the opportunity, that don't have to pay that insurance in one lump sum but will pay it in installments, will go a long way to helping them.

Mrs. CAPITO. Mr. Chairman, I yield 2 minutes to my colleague from Florida, Ms. BROWN-WAITE.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I rise today actually in support of H.R. 5114, the Flood Insurance Reform Priorities Act. And since the word "priorities" is mentioned in the title, I wanted to share a few of my constituents' priorities.

On balance, they would say this is a good bill, particularly given the fact that over the last few weeks I received numerous calls from Realtors and

would-be home buyers who could not close on houses because of the lapse in the National Flood Insurance Program.

While the situation has been taken care of temporarily and while the home buyer tax credit closing deadline was pushed back, I think my colleagues can understand the frustration back home in Florida that this simply is not how we should be handling issues in Washington, D.C.

As for the bill we have on the floor today, I want to draw my colleagues' attention to one provision in particular that gives me pause. Section 5 of the legislation effectively raises homeowners' insurance costs for struggling homeowners. There are a lot of things that keep Floridians up late at night: unemployment, hurricane season, the solvency of Social Security and Medicare, and among others, homeowners insurance premiums.

We have to remember that the NFIP was self-sufficient until Hurricane Katrina and, frankly, it should continue to be. But raising rates during this recession in Gulf States already devastated by hurricanes, oil spills, and failed stimulus plans is a horrifically bad idea.

I offered an amendment at the Rules Committee that would have prevented these increases, but unfortunately my Democrat and Republican colleagues in flood-prone areas around the country will not have an opportunity to vote on that amendment.

Ms. WATERS. Mr. Chairman, I yield 1 minute to the gentlelady from New York (Mrs. MCCARTHY), who has worked very hard on these issues, and we have, in the manager's amendment, some of the work that she did.

Mrs. MCCARTHY of New York. I thank the chairwoman, and I thank her for the work on bringing this issue to the floor. She basically has covered everything that certainly a lot of my constituents were concerned about.

I want to thank her also for accepting a number of my amendments that will encourage local government agencies who receive grant funds under the Outreach Program to coordinate with entities and agencies that have experience with certain populations in the communities, such as the disabled, older Americans, and minorities. We know that this is a complicated formula, but I believe that with this legislation, it's going to be much easier to go through it.

My other amendment would clarify that once a borrower sufficiently demonstrates to a lender they have purchased flood insurance within the 45 days, the lender must terminate the "force-placed" insurance. The force-placed insurance is something that's put in place until the insurance comes through, and I thank Ms. WATERS for her work with me on getting this legislation through. It is going to help our constituents.

Mrs. CAPITO. Mr. Chairman, I reserve the balance of my time.

Ms. WATERS. I yield 1 minute to my colleague from California, LINDA

SÁNCHEZ, who has given a lot of her time to this effort.

Ms. LINDA T. SÁNCHEZ of California. I rise today on behalf of residents of southern California who are struggling to make ends meet. In recent months, I've heard from a number of constituents who will soon be required to pay more than a thousand dollars a year in flood insurance premiums even though they live in a virtual desert. That's right. Southern California is officially a semi-arid, near-desert region, but many of my constituents are being told to pay a thousand dollars a year or more to guard against floods.

These families want to know why their homes were considered safe just months ago but are now considered to be in a flood zone under new FEMA maps. They want to know what has changed in such a short time to threaten their safety, particularly given the recent infrastructure investments in the L.A. River Basin.

Let me be clear, I support the National Flood Insurance Program because floods can devastate a community, but where flood maps are outdated, they should be corrected to better protect communities.

□ 1200

However, local residents should be involved in the process and given a chance to be heard before their homes are rezoned. This bill will also allow families the choice to pay their premiums in installments and allow families to lessen the burden on their budget.

I thank Congresswoman WATERS, and I urge passage of the bill.

Mrs. CAPITO. I continue to reserve the balance of my time.

Ms. WATERS. I yield 1 minute to the gentlelady from D.C., Ms. ELEANOR HOLMES NORTON.

Ms. NORTON. I'd like to thank Chairwoman WATERS for not only today's bill but for her comprehensive bill, the first since 1994; also Chairman FRANK for his work, making sure we got to the floor today as well.

I chair the subcommittee with primary jurisdiction over FEMA and understand how important the chairwoman's comprehensive bill is. I understand also that Katrina was a wake-up call. As controversial as these maps are, and they have been controversial in my district, the most important thing we do in this bill is the 5-year grace period and appeal period delay. It's the least we can do instead of facing property owners with a new and expensive mandate in the middle of an economic crisis that began in a mortgage crisis with hundreds of people waiting to close on homes, others newly in a flood map zone. This is needed relief and the least we can do before we go home. We've had our separate fights. Let's get this temporary bill done and then get on to comprehensive reform.

Mrs. CAPITO. I continue to reserve the balance of my time.

Ms. WATERS. I yield 1 minutes to the gentleman from Texas (Mr. AL GREEN). His State has experienced a lot of hardship with Katrina and Alex, and I thank him for his hard work.

Mr. AL GREEN of Texas. Thank you, Madam Chair, and I thank Ranking Member CAPITO for her assistance as well.

Quickly, I would add two things. One, this bill helps us to stabilize the housing market. There are many persons who seek to buy homes who have not been able to buy homes because the flood insurance was not available, yet required, to make the purchase. We also have persons who are concerned about the hurricane season. We have extended the flood insurance program, but this helps us to stabilize it and stabilize the housing market.

My final point is this: auto insurance is not something that I necessarily want to have. I don't use it regularly. There are many who purchase it and never use it, but it sure is good to know that you have it in the event of an accident. Flood insurance is something that we need, not because we know it will happen to us but because of the possibility.

I thank the chair. I thank the ranking member. I beg that we pass this legislation.

Mrs. CAPITO. Could I ask the chairwoman if she has any additional speakers.

Ms. WATERS. I have no other speakers, Mr. Chairman; and I would reserve the right to close.

Mrs. CAPITO. Then I would just like to say that this has been an effort that has been moving forth. As we've said, we've had a lot of lapses in this program across the country. It's caused a lot of disturbances for folks who are trying to purchase new homes or refinancing, and I think that we need a permanent extension of this for 5 years.

So, again, I do have reservations about the additional spending; \$500 million at this time of high debt and deficit and high unemployment is, I think, improperly placed, but this bill does have another purpose, and that is to make sure that homeowners and home purchasers can have the access that they need to the flood insurance program.

With that, I yield back the balance of my time.

Ms. WATERS. Mr. Chairman, I would like to thank the ranking member from West Virginia (Mrs. CAPITO) for her cooperation and the work that she has put into the formulation of this very, very important bill.

I would like to thank Members on both sides of the aisle for the cooperation that we have seen exhibited on this bill, and I think that the Members on both sides of the aisle have done a fabulous job representing their constituencies on this issue.

It is time for us to have a reauthorization for 5 years, given the lapses that we have had and the risks that we have placed homeowners at when we

don't have flood insurance coverage. And so Members have come one by one on this issue explaining what is going on in their districts, and of course, we have had a lot of criticism about FEMA. We have had Members explain that neighbors are getting together to fight some of the mapping that is being done. All of that has been brought to our attention, and we've been able to deal with most of those complaints, not only in this bill but, of course, in the manager's amendment.

We have some people who are going to bring amendments to the floor from both sides of the aisle, and I'm confident that with the work that has gone into this bill, the amendments that we will have on the floor—many of them will be adopted—that we will see a good, solid piece of legislation move from this floor that will address the concerns of so many of our constituents across this country.

I'm proud of this legislation. I thank not only the Members on both sides of the aisle but the staffs from both sides of the aisle who have worked so hard to ensure that we address these concerns.

So, now, with this authorization for 5 years, with the delayed time so that people have the opportunity to prepare, with the installment, with the way that we have done all of this, including putting an advocate in, our constituents are going to get some justice, some real attention; and I think they will be proud of the work that we have done.

AMERICAN INSURANCE ASSOCIATION,  
Washington, DC, July 15, 2010.

Hon. BARNEY FRANK,  
Chairman, Committee on Financial Services,  
House of Representatives, Washington, DC.  
Hon. SPENCER BACHUS,  
Ranking Member, Committee on Financial Services,  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN AND REPRESENTATIVE BACHUS: The American Insurance Association (AIA) would like to express its strong support for the House Financial Services Committee reported bill reauthorizing and reforming the National Flood Insurance Program (NFIP), H.R. 5114. The recent lapses in the NFIP followed by the use of short-term extensions have caused disruptions to homeowners, businesses and hindered real estate closings nationwide. A long-term NFIP reauthorization will bring much-needed stability to the market and fiscal soundness to the program.

However, we strongly oppose the amendment to be offered by Rep. Gene Taylor (D-MS). The Taylor amendment would negatively impact "Write Your Own" (WYO) companies and significantly alter the way in which claims are processed by the NFIP. Consumers want reasonably priced insurance for the risks they confront. To help meet that objective, insurers must be able to contractually define the parameters of their exposure. Adopting the Taylor amendment will cause WYO companies to take a hard look at their continued participation in the program and jeopardize our support for the underlying bill.

We look forward to continuing to work with you to enact a long-term NFIP reauthorization.

Sincerely,

LEIGH ANN PUSEY,  
President and CEO,  
American Insurance Association.

NATIONAL ASSOCIATION OF  
REALTORS®

Washington, DC, July 13, 2010.

U.S. HOUSE OF REPRESENTATIVES,  
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the 1.1 million members of the National Association of REALTORS® (NAR), thank you for the progress that Congress is making toward comprehensive reform of the National Flood Insurance Program (NFIP). Later this week, the House of Representatives is scheduled to consider H.R. 5114, the Flood Insurance Reform Priorities Act, to strengthen the NFIP and bring certainty to real estate markets that are much in need. NAR strongly supports the provision to reauthorize the NFIP through fiscal year 2015, which continues to be a top priority of our membership.

Reauthorizing the NFIP through 2015 is critical to millions of taxpaying American families who rely on the program for flood insurance, which by law, is required to obtain a mortgage in nearly 20,000 communities across the nation. Since September of 2008, Congress has approved eight short-term extensions of the NFIP's authority to issue new and renewal flood insurance policies. Twice, this authority has been allowed to expire, resulting in multi-week delays if not cancellation of thousands of real estate transactions. The many shut-downs and short-term reauthorizations of this program over the past two years have caused many hardships and lost sales for property buyers, sellers, and their communities. Enacting a multi-year NFIP reauthorization would restore flagging confidence in this vital program by ensuring its continuation for several years without further disruption to real estate markets upon which the U.S.'s economic recovery depends.

We continue to have concerns with provisions of H.R. 5114 that would phase-in actuarial rates for most pre-Flood Insurance Rate Map (pre-FIRM) properties. Section 5 would increase rates on these properties by up to 20 percent a year, beginning on the date of enactment for those non-residential properties and non-primary residences and at the point of sale for the primary residences. The bill already reauthorizes the mitigation program for "severe repetitive loss" properties; there is a sound public policy argument for increasing rates on such properties where there is demonstrated history of repeated losses, representing a disproportionate share of claims on the program. That is not the case for other pre-FIRM properties that would be impacted by the proposed changes included in H.R. 5114.

As a result, the bill in effect increases insurance rates on properties where the risk of flooding has not necessarily changed. Yet, these properties were built before the community's flood risks were known or mapped and therefore could not have been built to NFIP standards. Retrofitting reduces housing affordability, which has a multiplier effect on the tax base of surrounding communities that are older or rely on tourism. We will continue to work with the House and Senate to ensure the fair and effective application of reforms through the home transaction process.

We support moving H.R. 5114, the Flood Insurance Reform Priorities Act, to the Senate and pledge to continue to work with you on these and other important issues.

Sincerely,

VICKI COX GOLDER, CRB,  
2010 President, National Association of  
REALTORS®

[STATEMENT ON BEHALF OF THE INDEPENDENT INSURANCE AGENTS & BROKERS OF AMERICA BEFORE THE COMMITTEE ON FINANCIAL SERVICES SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY APRIL 21, 2010]

IIABA is the nation's oldest and largest trade association of independent insurance agents and brokers, and we represent a nationwide network of more than 300,000 agents, brokers, and employees. IIABA represents independent insurance agents and brokers who present consumers with a choice of policy options from a variety of different insurance companies. These small, medium, and large businesses offer all lines of insurance—property, casualty, life, health, employee benefit plans, and retirement products. It is from this unique vantage point that we understand the capabilities and challenges of the insurance market when it comes to insuring against flood risks.

#### BACKGROUND

The Big "I" believes that the NFIP provides a vital service to people and places that have been hit by a natural disaster. The private insurance industry has been, and continues to be, largely unable to underwrite flood insurance because of the catastrophic nature of these disasters. Therefore, the NFIP is virtually the only way for people to protect against the loss of their home or business due to flood loss. The NFIP currently provides 95% of flood insurance in the United States and five and a half million taxpayers depend on the NFIP as their main source of protection against flooding, the most common natural disaster in the United States.

Prior to the introduction of the Program in 1968, the Federal Government spent increasing sums of money on disaster assistance to flood victims. Since then, the NFIP has saved disaster assistance money and provided a more reliable system of payments for people whose properties have suffered flood damage. It is also important to note that for almost two decades, up until the 2005 hurricane season, no taxpayer money had been used to support the NFIP; rather, the NFIP was able to support itself through the premiums it collected every year.

Under the NFIP, independent agents play a vital role in the delivery of the product through the Write Your Own (WYO) system. Independent agents serve as the sales force of the NFIP and the conduits between the NFIP, the WYO companies, and consumers. This relationship provides independent agents with a unique perspective on the issues surrounding flood insurance, yet also means that the role of the insurance agent in the delivery process of flood insurance is considerably more complex than that of traditional property/casualty lines. Agents must possess a higher degree of training and expertise than their non-NFIP participating counterparts, which requires updating their continuing education credits through flood conferences and seminars. This is done regularly and can involve traveling to different regions of the country, costing personal time and money. Every agent assumes these responsibilities voluntarily and does so as part of being a professional representative of the NFIP. In an effort to bring the education process to as many people as possible, many of our State associations now provide Internet based seminars. This training has been extremely popular and a tremendous tool. We believe in the effectiveness of the Program and would like to see it continue and offer consumers even greater protections in the years ahead.

#### LONG TERM EXTENSION

The NFIP has traditionally been authorized for periods of five years in order to provide much needed stability to the marketplace and to instill confidence in consumers

that the program will be there for future years. Since 2006, however, the program has unfortunately been caught up in a series of short term extensions while Congress considers large scale reforms of the program. The Big ‘I’ strongly supports Congress’ efforts to reform the program in order to bring much needed stability to the program for the benefit of consumers and taxpayers. However, of paramount concern to the IIABA is that the program receives a long term extension, preferably five years.

In 2009 and the first few months of 2010, Congress was forced to pass seven short term extensions of the program. This problem has been exacerbated recently as flood insurance has been included in extensions of unemployment extensions and COBRA subsidies that last for only 1 or 2 months. In fact, twice during the last few months Congress failed to extend the flood insurance program before its expiration and the program was allowed to lapse, most recently in the beginning of April when the program was expired for nearly 3 weeks.

The Big ‘I’ urges Congress to recognize that each time the program expires there are real consequences for the American people. Expirations inevitably lead to confusion and harm to real estate markets, consumers are potentially put at risk of uninsured losses, and there is the potential of additional tax money put at risk to cover any relief efforts that may occur during such expiration. The effect on the real estate market, in particular, should not be overlooked. During the most recent expiration, IIABA fielded numerous inquiries from agents across the country asking how to proceed with real estate closings for properties in flood zones. Though the federal banking regulators thankfully did the right thing and allowed closings to proceed even without the required flood insurance coverage, unfortunately IIABA heard anecdotal stories from some agents saying that some banks did not, after all, agree to proceed with the closings. At the very least, there was significant confusion immediately following the expiration, evidenced by the fact that the federal banking regulators did not issue their guidance until approximately four days after the program had already been expired.

We are grateful Congress passed another short term extension last week, and that the extension was retroactive to cover the timeframe of the expiration. Unfortunately the program is set to once again expire on May 31, 2010. Congress will likely be forced to pass its eighth extension in the next few weeks. The National Flood Insurance Program is meant to provide some level of stability and protection for homeowners and businesses against dangerously unpredictable and costly flooding events, not to be an unpredictable ‘here one minute-gone the next’ program subject to monthly congressional action. The Big ‘I’ strongly urges Congress to pass a long term extension of this critical program.

For this reason, the IIABA supports Chairwoman Waters and Ranking Member Capito’s draft legislation to reform and extend the program for five years. Though IIABA has some recommended improvements to the draft legislation, the underlying long term extension is vital to provide stability and security to consumers.

#### MODERNIZATION OF COVERAGES

The Big ‘I’ also urges the Committee to include much needed modernizations of the NFIP. The draft legislation includes one such modernization of the program by increasing maximum coverage limits. The NFIP maximum coverage limits have not been increased since 1994 and since then, the United States has seen a housing market

boom of epic proportions. Labor and materials costs have skyrocketed, and yet the maximum indemnity a homeowner can receive for a flood loss is \$250,000. Similarly, a total loss on a commercial property would only net the occupant \$500,000. These figures are caught in time, and they do not provide reasonable financial relief for policyholders facing a complete rebuilding process. The hurricanes of the last several years have clearly showed that homeowners and businesses need higher NFIP coverage limits in order to properly insure their properties. An increase in the maximum coverage limits will better allow both individuals and commercial businesses to insure against the damages that massive flooding can cause, and we’re grateful that this increase was included in the draft legislation.

The IIABA urges the Committee to also include two other very important modernizations in any flood insurance reform bill that they consider. These are optional business interruption insurance and additional living expenses. Both of these additions, which would be purchased at the option of the consumer at actuarial rates, would offer essential coverage to consumers, bring the program additional revenue, and make the program more attractive to consumers.

The inclusion of optional business interruption coverage is particularly crucial to Big ‘I’ members and their commercial customers. If a flooding catastrophe causes business premises to be temporarily unusable, that business may have to relocate or even close down temporarily. Property owners are still required to pay employees, mortgages, leases and other debts during this process, and these ongoing expenses can mount up quickly for a business that has reduced income or no income at all. For property insurance policies, business interruption insurance provides protection against the loss of profits and continuing fixed expenses resulting from an interruption in commercial activities due to the occurrence of a peril. The inclusion of an optional business interruption provision will provide stability to the local economies in the areas affected by flood damage and will offset government disaster relief payments should the flood peril result in widespread destruction across a region. Business interruption coverage, and the security and peace of mind it provides, is crucial to our members and to small businesspeople across America.

The other provision which we strongly recommend that the Committee add to the flood insurance reform legislation is the option to purchase additional living expenses. This provision would provide consumers with greater security during the often bewildering post-flood period, and will do so in an actuarial basis as opposed to relying solely on FEMA grants and assistance. Both business interruption and additional living expenses are common options available to consumers for private commercial and homeowners’ property/casualty insurance.

These provisions have been a part of the flood insurance reform bills going back to 2006, when Chairman Mike Oxley and Subcommittee Chairman Richard Baker included these optional coverages in their ‘Flood Insurance Reform and Modernization Act of 2006’ (H.R. 4973) that passed the House. These provisions were again included in H.R. 3121, introduced by Chairwoman Waters in 2007 and also passed by the full House.

Increased coverage limits, optional business interruption, and optional additional living expenses are all pieces of the puzzle that will fit together to modernize the NFIP for the 21st century, and the Big ‘I’ strongly urges the Committee to include all three provisions in the flood insurance reform legislation. These modernizations will hopefully

have three positive effects on the NFIP as a whole. First, it will allow consumers to more adequately insure their properties and valuables against their true risks. This will in turn make the NFIP as a whole a more attractive product for consumers, thereby increasing participation in the program. And finally, as optional purchases that would be sold at actuarial rates, these modernizations of coverages will result in a NFIP that is closer to being on actuarially sound footing—which is a goal that the Big ‘I’ strongly supports.

#### CONCLUSION

The IIABA is very pleased that the Subcommittee is conducting today’s hearing on comprehensive flood insurance reform and we urge the Financial Services Committee to pass the Waters-Capito flood insurance legislation and send it to the full House of Representatives for approval. The legislation is critical to ensure the long-term stability of the NFIP. The NFIP is essential to Americans and to the U.S. economy, and we strongly support your efforts to update it to reflect today’s risks. Extending this program for five years, and avoiding the recent short term extensions and occasional expirations, would have a profound effect on consumers’ confidence in the program. Finally, we also strongly support your efforts to increase the maximum coverage limits and urge you to consider adding provisions to provide for the optional coverage of business interruption insurance and additional living expenses to your draft legislation.

We thank the Committee for the opportunity to express the views of the IIABA on this important program. We hope very much that this hearing will contribute to additional action taken by Congress to pass flood insurance reforms and to ensure the stability of the National Flood Insurance Program.

#### THE COUNCIL OF INSURANCE

AGENTS AND BROKERS,

Washington, DC, July 13, 2010.

Hon. PAUL E. KANJORSKI,

U.S. House of Representatives, Washington, DC.

ATTENTION: Financial Services Staff

Re H.R. 5114, the Flood Insurance Reform and Priorities Act of 2010.

DEAR REPRESENTATIVE KANJORSKI: Legislation reauthorizing the National Flood Insurance Program (NFIP) may be considered by the House of Representatives this week. H.R. 5114, the ‘Flood Insurance Reform and Priorities Act of 2010,’ would restore predictability to a market that is often jolted by unrelated political battles, resulting in four lapses since September 2008. As representatives of the nation’s largest and most successful commercial insurance brokerages, who collectively sell 90 percent of the nation’s business insurance, we strongly encourage you to support H.R. 5114, the ‘Flood Insurance Reform and Priorities Act of 2010.’

The legislation would reauthorize NFIP for five years, increase outdated coverage limits for residential and commercial properties, and encourage consumers in newly designated flood zones to purchase coverage by phasing in rates. The current authorization of NFIP expires on September 30, 2010.

This long-term strategy to maintain the program, as opposed to short-term reauthorizations passed by Congress over the past two years, is the responsible policy to pursue. H.R. 5114 is key to providing predictability in flood-prone economies, and seeks to responsibly increase coverage in flood zones.

We strongly urge you to support H.R. 5114, the ‘Flood Insurance Reform and Priorities Act of 2010.’ If we can answer any of your questions, or be of assistance in any way,

please feel free to contact us at (202) 783-4400. Thank you very much.

Sincerely,

KEN A. CRERAR,  
*President.*  
JOEL WOOD,  
*Senior Vice President,  
Government Affairs.*  
JOEL KOPPERUD,  
*Director, Government  
Affairs.*

PROPERTY CASUALTY INSURERS  
ASSOCIATION OF AMERICA,  
*Des Plaines, IL, April 26, 2010.*

Hon. BARNEY FRANK,  
*House Financial Services Committee, U.S. House  
of Representatives, Washington, DC.*

Hon. SPENCER BACHUS,  
*House Financial Services Committee, U.S. House  
of Representatives, Washington, DC.*

DEAR CHAIRMAN FRANK AND RANKING MEMBER BACHUS: On behalf of the Property Casualty Insurers Association of America (PCI), I strongly urge your support of H.R. 5114, the "Flood Insurance Reform and Priorities Act of 2010", sponsored by Representative Maxine Waters. The Committee is scheduled to mark-up this bill on Tuesday, April 27.

Floods are the most common natural disasters to occur in the United States. Over 5.5 million Americans rely on the National Flood Insurance Program (NFIP). But with over \$18 billion in debt, the NFIP needs meaningful reform.

Since 2008, Congress has entered into a cycle of passing short-term extensions for the NFIP, leading to lapses in program coverage. This year, there have already been two gaps in the program, including March 1-2 and March 29-April 15. This disjointed approach to NFIP leaves homeowners vulnerable and adds greater uncertainty to the real estate market in flood-prone areas.

The NFIP is currently set to expire again on May 31, 2010, one day before the start of hurricane season and just three months before the 5th anniversary of Hurricane Katrina. We need a long-term, sustainable solution to the flood program. Rep. Waters' bill takes a very responsible approach to making the NFIP more financially stable, providing the program with an important multi-year extension through 2015 and limiting additional federal exposure to natural disasters. The bill also works to increase local awareness of the devastating effects of flooding and the need to purchase flood insurance. This legislation also addresses the cost of flood insurance for consumers who now find themselves in a special flood hazard area and are required to purchase the product by phasing-in the cost.

H.R. 5114 promotes safer building practices to prevent and reduce flood losses. Significant property development, population growth, and rapidly rising real estate prices in areas prone to natural disasters exacerbate the potential for larger human and economic losses, requiring stronger loss prevention, mitigation and greater financial resources for recovery. Stronger building codes are one of the most effective ways to mitigate storm damage. We believe that state and local governments must address the need to restrict development in flood-prone areas and discourage irresponsible development. The first step is to improve outdated and inconsistent requirements for building codes and code enforcement.

We look forward to passage of this important and well-balanced legislation. We would be happy to discuss any questions regarding our support with you. We believe that H.R. 5114 will make buildings stronger, families safer, and the insurance market in flood-prone areas more stable over the long-term. We highly recommend its passage and urge

your support of H.R. 5114, the "Flood Insurance Reform and Priorities Act of 2010."

Sincerely,

DAVID A. SAMPSON,  
*President and CEO.*

NATIONAL ASSOCIATION OF  
PROFESSIONAL INSURANCE AGENTS,  
*Alexandria, VA, July 13, 2010.*

Hon. NANCY PELOSI,  
*Speaker, U.S. House of Representatives, Wash-  
ington, DC.*

Hon. JOHN BOEHNER,  
*Republican Leader, U.S. House of Representa-  
tives, Washington, DC.*

DEAR SPEAKER PELOSI AND LEADER BOEHNER: On behalf of the National Association of Professional Insurance Agents (PIA) and our independent insurance agency owners, we are encouraging swift passage this week of H.R. 5114, the Flood Insurance Reform and Priorities Act of 2010, sponsored by Congresswoman Maxine Waters.

It is imperative for our members and the consumers they serve to have a stable flood insurance program available. H.R. 5114 will reauthorize the National Flood Insurance Program (NFIP) for five years, providing stability to the marketplace and fulfilling its vital role in helping citizens protect themselves from the devastating losses floods can cause.

Flooding events are the most common natural disaster in the United States. Since the NFIP's inception, tens of billions of dollars have been paid out to flood insurance customers, providing protection to the citizens of this nation that often can't be found in the private market.

Quickly passing this essential bill will help ensure that the Senate has ample time to consider it before the NFIP lapses again, currently set for September 30, 2010. Allowing the program to regularly lapse, something that has occurred multiple times this year alone, makes it much more difficult for us to convince those who need flood insurance to buy it, leaving America's homes and businesses uninsured.

Permitting uncertainty regarding the long-term future of a program that enjoys broad bipartisan support has had the unintended consequence of delaying real estate closings at a time when our nation is struggling to build a sustainable economic recovery. This has occurred at the same time that we are dealing with an environmental disaster in the Gulf of Mexico and facing the prospect of an active hurricane season.

H.R. 5114 provides much-needed reforms to the NFIP, including increasing NFIP coverage limits, phasing in actuarial property rates and phasing out premium subsidies for second and vacation homes and making business interruption and additional living expense coverages available at actuarial cost.

There is broad consensus that the National Flood Insurance Program is a vital component of America's economic prosperity that provides affordable protection to homeowners and business owners. PIA strongly supports the NFIP because it has been protecting us from flood risks since its inception over 40 years ago. We urge you to bring this bill to the floor and that it be passed quickly.

Thank you for your attention to this critical issue. If you need additional assistance from PIA, please contact Mike Becker at 703-518-1365.

Sincerely,

JON D. SPALDING,  
*President.*  
LEN BREVNIK,  
*Executive Vice Presi-  
dent.*

NATIONAL MULTI HOUSING COUNCIL,  
NATIONAL APARTMENT ASSOCIATION,  
*Washington, DC, April 20, 2010.*

Hon. MAXINE WATERS,  
*Chair, Subcommittee on Housing and Commu-  
nity Outreach, U.S. House of Representa-  
tives, Washington, DC.*

Hon. SHELLY MOORE CAPITO,  
*Ranking Member, Subcommittee on Housing and  
Community Outreach, U.S. House of Rep-  
resentatives, Washington, DC.*

DEAR CHAIRWOMAN WATERS AND RANKING MEMBER CAPITO: The National Multi Housing Council (NMHC) and The National Apartment Association (NAA) appreciate the opportunity to express our views to the Committee as you consider legislative proposals to reform the National Flood Insurance Program (NFIP) to ensure long term financial stability. Our members rely on this critical program to not only protect their property investment but to help manage the increasing costs of providing housing. Therefore, efforts to ensure the long term financial stability of the program are of critical importance to the apartment industry and we applaud your leadership.

The NMHC and NAA represent the nation's leading firms participating in the multi-family rental housing industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management, and finance. The NMHC represents the principal officers of the apartment industry's largest and most prominent firms. The NAA is the largest national federation of state and local apartment associations. NAA is a federation of 170 state and local affiliates comprised of more than 50,000 multifamily housing companies representing more than 5.9 million apartment homes. NMHC and NAA jointly operate a federal legislative program and provide a unified voice for the private apartment industry.

Our membership is extremely concerned about the future stability of the overall property insurance market and its ability to withstand the continued occurrence of not just floods but all natural disasters. Policyholders need some assurances that the resources will be available to cover the risks both now and in the future. As Congress continues its deliberations on how best to address this critical issue, we hope to participate in this broader discussion.

We support the discussion draft legislation as offered by Chairwoman Waters, the Flood Insurance Reform and Priorities Act of 2010, and specifically the following provisions that have the greatest impact on the multifamily industry:

Long Term Reauthorization of NFIP—Continuous short term extensions create uncertainty in an already challenging economy. The inability to issue new policies, renew existing policies, change limits or pay claims upon program expiration creates unnecessary problems for consumers and businesses alike. A 5 year reauthorization of the NFIP is appropriate and necessary.

Maximum coverage limits: Raising the policy limits for multifamily properties from \$250,000 to \$335,000 recognizes that current limits are outdated and do not reflect the increased real estate values.

Subsidized rates for pre-FIRM properties—The draft bill proposes to phase in actuarial rates for non-residential and non-primary residences. We support the clarifying language in Section 5 that effectively maintains the subsidized rate for multifamily properties of 4 or more dwelling units.

Currently pre-FIRM multifamily properties located in flood zones and thus eligible for subsidized rates through the NFIP, most likely represent a significant segment of the affordable housing market. The country is

already experiencing a shortage of affordable housing. As operating costs increase, these properties will be forced to pass along these costs to their residents in the form of higher rent, thus exacerbating this shortage. The impact can be far more severe for those property owners who are prohibited from raising rents due to rent stabilization restrictions or federal assistance program rules. These property owners cannot adjust their rents and must therefore determine their ability to continue in this market. Many may be forced to withdraw. And those that choose to remain may simply decline adequate coverage, exposing their properties to deterioration and declining property value.

We thank you for your work to ensure the future viability of the NFIP and look forward to working with you to secure reauthorization of this critical program. If however, a reform measure cannot be enacted prior to the May 31, 2010 expiration, we encourage Congress to enact a long term extension of the program to ensure the confidence of policyholders and stability in the market.

Sincerely,

DOUGLAS M. BIBBY,  
*President, National  
Multi Housing  
Council.*

DOUGLAS S. CULKIN, CAE,  
*President, National  
Apartment Associa-  
tion.*

Ms. RICHARDSON. Mr. Chair, I rise today in support of H.R. 5114, the Flood Insurance Reform Priorities Act of 2010, which extends the flood insurance program that provides peace of mind and security for millions of Americans. This measure also enacts important reforms that make the National Flood Insurance Program (NFIP) more financially sustainable and provide much-needed assistance to individuals in newly mapped flood zones.

I thank Chairman FRANK for his leadership in bringing this bill to the floor. I also thank Congresswoman WATERS for her commitment to ensuring that this bill is equitable and does not disadvantage struggling families and businesses.

Mr. Chair, the NFIP is an important government program that makes flood insurance available to many vulnerable families that otherwise would be unable to find coverage. However, it is critical for us to ensure that this program does not unnecessarily disadvantage individuals in newly mapped flood zones by imposing immediate insurance mandates and crippling premiums.

Fortunately, H.R. 5114 contains important provisions ensuring that it will not overburden families and businesses, many of whom are already struggling in these tough economic times. This bill delays for five years the mandatory purchase requirement for flood insurance. Following this five year delay, the bill allows for a five year phase-in of actuarial rates for newly mapped areas. These provisions provide necessary relief to families who have not been required to purchase flood insurance in the past and may be unprepared for this new expense.

For example, areas in my district with little or no history of flooding have recently been remapped into a flood zone that assigns a "once in 100 years" risk of flooding. The five year delay in the purchasing requirement and the five year phase-in of actuarial rates will give my district a grace period in which we can improve our levee and flood protection systems and ultimately lose our "at risk" designation. This bill gives districts like mine all

across the country the opportunity to make improvements without taking on the financial burden of flood insurance premiums in this period of economic recovery.

Mr. Chair, this bill is important for the people for whom it provides flood insurance and the people that it protects from unnecessary financial burdens. It is an appropriate measure that is worthy of our support. I urge my colleagues to join me in supporting H.R. 5114.

Mr. HARE. Mr. Chair, I rise today in strong support of H.R. 5114, The Flood Insurance Reform Priorities Act of 2010. This legislation would give families in my district and across the Nation the peace of mind that comes with knowing they'll be protected from the financial insecurity caused by flooding.

I'd like to thank Chairwoman WATERS for her leadership on this issue and for working with me to include language in the managers amendment that would require FEMA to update its flood maps for an area that has had its levee system improved to eliminate the risk of flooding.

My language also clarifies that updated flood maps that are issued will result in the elimination of the mandatory purchase requirement for the improved areas.

My district in Illinois lies on the banks of the Mississippi River and contains large parts of the Illinois and Rock Rivers—a district obviously that is impacted greatly by policies dealing with the National Flood Insurance Program.

It is why I strongly support the underlying bill and urge my colleagues to do the same—this legislation reauthorizes the National Flood Insurance Program for five years and puts an end to Congress passing short-term flood insurance extensions that leave the program in a state of uncertainty.

There are several other provisions of this bill that are common sense and long overdue which I would like to briefly highlight. The bill: Phases in Premium Increases; creates a flood insurance premium payment installation plan for low-income families; and establishes the Office of Flood Insurance Advocate within FEMA, which would help communities and homeowners interpret, implement and appeal flood insurance rate maps.

These are just a few of the provisions of this bill that I thank the chairwoman for including, and I again urge my colleagues to support both the manager's amendment and the underlying bill.

Passage of this important legislation will benefit all Americans who live in flood-prone areas of our Nation.

Mr. BLUMENAUER. Mr. Chair, I rise in support of this legislation to reauthorize the National Flood Insurance Program (NFIP), which is essential for people who live in hazardous areas. The bill makes a number of important reforms that will help increase the fiscal soundness and stability of the Program.

First, I am especially pleased that the bill extends the successful Severe Repetitive Loss Pilot Program, which was created in the Flood Insurance Reform Act of 2004. This program provides resources to communities to mitigate properties that have flooded repeatedly.

Repetitive loss properties cost the NFIP about \$400 million annually. While they comprise approximately 2 percent of the program, they account for more than 25 percent of the claims paid.

By extending the Pilot Program, this legislation will help reduce the cost burden of these

properties on the Program and will release homeowners from the cycle of flood, rebuild, and flood again. I appreciate that Chairwoman WATERS included a provision in the manager's amendment making a technical fix to ensure that FEMA is implementing the Pilot Program as Congress intended.

I also support language in this bill that will phase in actuarial rates for non-residential properties and non-primary residences. Many houses in hazardous areas were built before the NFIP was put in place and those hazards was identified. For too long, these properties have enjoyed subsidized rates that drive up costs for everyone else in the program and send the wrong signals to property-owners about their risks. By setting rates based on risk, this legislation bolsters the stability of the NFIP and may result in lower costs for all policy-holders.

I am disappointed, however, that the bill includes provisions that I believe will result in consumers not understanding the flood risks they face and will potentially harm both policy-holders and taxpayers.

Under direction from Congress, FEMA has undertaken a map modernization process around the country. The purpose is to identify areas at risk, as flooding patterns have changed over time.

Section 6 of this bill essentially says that even if the new maps find that a property is at risk, property owner will not have to purchase flood insurance for 5 years. This undermines the mandatory purchase requirement of the Program. If there's a flood in the next five years, taxpayers will be on the hook to bail these property owners out.

Section 7 of the bill takes this denial of risk even further, saying that after the five year delay, a property owner newly identified as living in a flood hazard area will enjoy subsidized rates for another 4 years.

Finally, I'm concerned about Section 10, which automatically deems safe properties "protected" by a levee or other flood protection system, effectively removing the mandatory purchase requirement even if the flood protection system no longer works. As my friends from New Orleans know, levees can break. With this provision, we send a signal to homeowners that they do not need to mitigate their risks.

While the bill includes some important reforms, it doesn't go far enough to address the structural problems that have cost taxpayers money, harmed the environment, and kept people in harm's way.

The challenges for the program will only increase with time, as increased development and climate change put more people at risk. Already, over the past thirty years, the number of billion dollar US weather disasters has increased. From 1980–1989, there were 10 disasters that resulted in over \$1 billion in damage. From 2000–2009 there were 44. If we don't take steps now to reform the system, this number will only continue to increase exponentially.

For this reason, I would have preferred that this bill extend the program for less than five years. I understand that FEMA is undertaking a comprehensive review of the program, long overdue, and will come to Congress in two years to make administrative and legislative recommendations to strengthen the Program for the future. I hope that as this bill moves

forward through the process we can better coordinate the extension with this review so that Congress can keep the focus on reform.

In the interest of moving this legislation forward and ending the short-term extensions that the NFIP has been facing this year, I urge passage of H.R. 5114. But I look forward to working with my colleagues to make further forms to protect taxpayers, policyholders, and the environment.

Mr. GENE GREEN of Texas. Mr. Chair, I rise today in strong support of H.R. 5114, the Flood Insurance Reform Priorities Act of 2010.

The National Flood Insurance Program makes federally-backed flood insurance available to homeowners, renters, and business owners in participating communities in exchange for those communities adopting and enforcing floodplain management ordinances to reduce future flood damage. Unfortunately, Congress did not reauthorize the program by the May 31 deadline of this year, and as a result many Americans living in flood-prone areas, including people in my congressional district, have been unable to obtain flood insurance or renew their coverage. Hurricane season is now upon us, and therefore this is an issue on which Congress must show urgency.

The Flood Insurance Reform Priorities Act of 2010 would reauthorize the National Flood Insurance Program through the year 2015, along with making certain reforms. One such reform involves a five year phase-in of flood insurance rates for newly mapped areas not previously designated as having special flood hazard. This is particularly important for low-income citizens living in where flood maps change frequently.

I have always been a supporter of the National Flood Insurance Program because I believe that hard-working Americans deserve the peace of mind that comes from knowing that their homes and businesses will be protected in the event of a major flood. I urge my colleagues to support H.R. 5114 and reauthorize the National Flood Insurance Program so that people are once again able to obtain this peace of mind.

Ms. JACKSON LEE of Texas. Mr. Chair, I rise in support of H.R. 5114, "the Flood Insurance Reform Priorities Act of 2010." I want to thank Chairwoman WATERS and Chairman FRANK for their hard work on H.R. 5114. This bill will provide enhanced security, better organization, increased participation, and a clear and improved direction for the future of the National Flood Insurance Program (NFIP). By addressing the financial and administrative issues regarding NFIP, this bill will help protect millions of Americans from the potentially devastating economic effects created by a flood.

Communities like mine in Houston rely heavily on NFIP to provide security against the risk of flood. Without this national flood insurance program, many communities across the U.S. would cease to exist because it is virtually impossible to buy flood insurance in the private market. The importance of this insurance program has grown significantly over the last decade as more and more communities have increased their dependence on the NFIP.

As a direct result of certain natural disasters, including the 2005 hurricanes, and increased annual rain and flooding, NFIP has reached its highest participation rate in its 42-year history. Today, over 5 million homes and

businesses rely on NFIP for flood coverage security. It is of extreme importance that this program continues to grow and develop to serve this population.

Mr. Chair, as you know, the Federal Emergency Management Agency (FEMA) has authority to issue, renew, or increase coverage of flood insurance policies under the NFIP; and this authority will again lapse on September 30, 2010. H.R. 5114 will extend these authorities to fiscal year 2015 and continue this program in a renewed and revitalized direction. This bill represents a great opportunity to improve and redefine NFIP and to provide greater security to the American people.

Not only will this bill clean up the NFIP requirements and expand coverage with "phase-ins" of actuarial rates to more properties and in newly mapped high flood risk areas; this bill will also address outreach issues, risk analysis, and economic effects. It will initiate studies to report the impact, effectiveness, and feasibility of NFIP policies as well as potential methods, practices, and incentives that would increase participation by low-income families owning residential properties located within special flood risk areas. The bill will also create an office to oversee and better manage all of the responsibilities of NFIP and provide assistance to communities, businesses, and homeowners with all flood insurance issues.

Furthermore, this bill will require a comprehensive strategy assessing the goals of NFIP to ensure that the program has a clear plan to pay off its debt and ensure itself a healthy future. This not only benefits the recipients of the flood insurance coverage, it also benefits the program, the U.S. budget, and the American people.

I submitted several amendments to complement the goals of this legislation. One would have required a study to analyze important data regarding the damages resulting from floods. The amendment would have directed the Administrator of the Federal Emergency Management Agency to conduct a study on the impacts of excessive rainwater on residences located in areas at high risk for flooding from bayous and highways. The results of this study would have been reported to Congress no later than 5 years after the enactment of this bill. Through this study, my amendment would have provided vital information necessary to assess the dangers of an at-risk area and better prepare communities to protect themselves from flood.

Mr. Chair, the only way to achieve the maximum security and preparedness for at-risk communities is to understand these risks with updated, relevant data and analysis. In the Houston area, there is already an on-going study, analyzing the effects of the bayou and rainfall, as flooding and its detrimental consequences are often a concern for the Houston area. The White Oak Bayou Federal Flood Damage Reduction Project is an existing project in Houston which is a partnership project between the U.S. Army Corps of Engineers (the Corps) and the Harris County Flood Control District (the District). In developing a flood damage reduction project for White Oak Bayou, the Harris County Flood Control District has performed extensive data collection and analysis. The District has held public meetings within the community several times over the course of developing the project to determine the community's interests and flood damage reduction needs. Using this informa-

tion, the District developed the flood damage reduction project for White Oak Bayou.

In 1998, the District began a feasibility study for the White Oak Bayou Federal Flood Damage Reduction Project. This investigation has involved an extensive study of the White Oak Bayou watershed. Components to address flooding were analyzed and evaluated in great detail, which generated several alternatives for consideration as part of the project. Some of the components are already being implemented.

Unfortunately, there are many other areas in Houston/Harris County, Texas and other communities throughout this country that experience an inordinate amount of flooding. In Houston, these areas that are frequently flooded from excessive rainwater include the Buffalo Bayou, the Greens Bayou, and the Halls Bayou. These areas could greatly benefit from a study and analysis to determine the impact of excessive rainwater on residences located in areas at high risk for flooding from bayous and highways. Such a study would allow for investigators to better determine the amount of flood damage and create and implement measures to prevent such future damage.

Another amendment I offered would have stated that it is the sense of Congress that it is important to provide resources to address the devastating effects of flooding; that homeowners are particularly negatively affected by flooding; that excessive rainfall often leads to unsafe and hazardous living conditions; that flooding presents unexpected destruction and damage; and that it is necessary to provide consumers the opportunity to buy flood insurance.

This amendment declares to the American people in a loud voice, that Congress understands the seriousness of flooding and the importance of flood insurance. It is important that we candidly illustrate our reasoning for the issuance of this legislation.

Mr. Chair, it is clear that we have not been taking this issue as seriously as we should. We have had three lapses of authority this year alone with the National Flood Insurance Program (NFIP). We must not continue to simply extend this program for 30 days at a time. We must not continue to play with the security of the American people when it pertains to an issue so serious and potentially devastating as floods. The people who own homes in these areas and the businesses who own property deserve better. The communities and the many potential homeowners, who cannot purchase homes without access to flood insurance, deserve better. We must take the first step by making it perfectly clear that we as a Congress will no longer play and toil with this issue. We must affirm that we are very serious about protecting our constituents and securing our nation from the devastating consequences of floods.

Finally, I also offered a well crafted amendment that would have effectively prohibited states and local governments from misusing new federal flood insurance program requirements to disadvantaged businesses and homeowners in any way. Unfortunately, federal law is often misinterpreted by state and local officials, resulting in unintended consequences in many communities across this country. My amendment was a practical and reasonable response to a previously enacted Houston ordinance that had just such unintended consequences. This ordinance prohibited property construction on vacant land or

substantially damaged property located in major floodways and bayous and almost resulted in the wrongful taking of property from innocent homeowners, merely because their property was located in the wrong place.

In 2006, I began meeting with hundreds of homeowners in Houston from areas such as Shady Acres, a 100-year-old neighborhood, as a result of the implementation of changes to Chapter 19, the City of Houston's floodplain ordinance. Listening to their testimonies and frustration made the impact of this bill very relevant. Just think, in my home district an ordinance was passed that resulted in the massive reduction in property values for almost 10,000 developed and vacant properties, including 2,400 single family homes. The ordinance took advantage of the fact that FEMA would be expected to decrease flood insurance premiums by 5 percent for those areas. Although the communities could pay less for flood insurance, the difference was minimal compared to the losses to their property values. Many owners were afraid that they would have to sell their homes because of the dramatic drop in value.

By firmly stating that state and local governments should not misinterpret these flood insurance laws to put property owners at a disadvantage, I believe we could have sent a strong message that Congress will protect the property rights and interests of American citizens and the people this bill is intended to aid. It is important to make it known that the use of any unforeseen circumstances to treat flood insurance program requirements as a proxy for the wrongful taking of property is utterly unacceptable.

I truly believe my amendments would have complemented H.R. 5114. However, I still believe the bill is a proactive measure that has been long overdue to address the urgent needs of Americans throughout this country, many of whom experience damage and losses to their homes, property and businesses from flooding.

For these reasons, I urge my colleagues to pass this important bill.

Mr. PAUL. Mr. Chair, the Flood Insurance Reform Priorities Act makes a number of changes to the National Flood Insurance Program. Some of these changes are in the interests of taxpayers, such as the new restrictions on subsidies for second houses and vacation homes, while others, particularly the coverage limits, are in the interest of those who own property in flood plains. However, taken in its entirety this bill is not really in the interest of taxpayers or property owners because it creates new federal programs that appear to serve no useful purpose and it continues to allow the Federal Emergency Management Agency (FEMA) to impose unnecessary costs on local communities.

At a time when the flood insurance program is running a deficit of 2 billion dollars this legislation wastes millions of taxpayer dollars on "outreach" and "education" programs designed to make sure people living in flood prone areas are aware of the need for flood insurance. Madame Speaker, as a homeowner in a flood plain, I can assure you that property ownership these areas are very aware of the need for flood insurance and do not need any outreach or reminders of the need for flood insurance.

Many critics of flood insurance have pointed out that federally-subsidized insurance encour-

ages people to develop land in areas where under a free market system flood insurance would be prohibitively expensive. This is a valid point; however, it is also true that the flood insurance program often imposes flood insurance mandates on property owners in areas where there is little actual risk of flooding. Much of the controversy over the redrawing of the flood plain maps revolves around concerns that FEMA may force local communities to spend millions of dollars refurbishing levees and dams even though these structures were constructed specifically to protect against the worst conceivable storms.

In some cases, FEMA is even demanding that communities spend money to alter levies that were constructed after consultation with the Corp of Engineers! While I am pleased the bill at least provides a phase-in of the flood insurance mandate for property owners living in the newly-mapped flood plains, I am concerned that it does not do enough to ensure communities and individuals are not forced to incur needless expenses simply to satisfy FEMA bureaucrats. At the least, Congress should not give FEMA the ability to impose new flood maps without adequate oversight. Yet, under this bill, it would be five years before Congress seriously re-examines the flood program.

The basic problem with the flood insurance program is that it assumes government officials are capable of knowing who should and who should not be required to purchase flood insurance, and also determine the premiums for every individual living in a flood-prone area. However, there is no way that government bureaucrats can determine correct amounts of coverage and premium prices for millions of individual homeowners.

If flood insurance were allowed to be provided by the market, private insurance could do an accurate job of pricing risk so that those who wished to live in flood-prone areas could do so as long as they were willing to pay for the risk. Under this market system, property owners and insurance companies would have incentives that are lacking when the program is subsidized by the government; i.e., incentives to adopt innovative ways to mitigate the damage from floods.

My district has experienced numerous storms and floods, including Hurricane Ike in 2008. After each incident, my office inevitably receives complaints from my constituents regarding FEMA's failure to provide them with timely assistance and compensation. My constituents' dissatisfaction with FEMA, along with the shameful way extension of the flood insurance program was held hostage last month in order to blackmail representatives into supporting adding billions more to the national debt, has strengthened my conviction that private markets, local communities, and states can more efficiently and humanely deal with the demand for flood insurance than the federal government.

The Flood Insurance Reform Priorities Act does take some steps toward fixing some of the problems with the flood insurance system, but it also needlessly spends taxpayer money and does not adequately address concerns that FEMA may impose unnecessary costs on local communities—communities which do have plenty of incentive to make sure they are adequately prepared for a flood. Therefore, I must oppose this bill.

Mr. OBERSTAR. Mr. Chair, I rise today in support of H.R. 5114, the Flood Insurance Re-

form Priorities Act of 2010. This legislation makes several significant changes to the National Flood Insurance Program (NFIP) and extends the authorization of the program through 2015.

I commend the gentleman from Massachusetts (Mr. FRANK), the Chairman of the Committee on Financial Services, and the gentleman from California (Ms. WATERS) for their efforts to advance this important legislation. I thank them for the cooperative spirit in which they have worked with the Committee on Transportation and Infrastructure on flood issues.

The Committee on Transportation and Infrastructure has jurisdiction over the Federal Emergency Management Agency (FEMA) and its programs authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). Flooding is the most common risk communities across the country face and floods are the most frequent type of disaster declared by the President. The NFIP works hand in hand with FEMA's pre- and post-disaster programs authorized by the Stafford Act.

The NFIP provides assistance to communities through all the phases of emergency management: preparedness, response, recovery, and mitigation. Initially, the program helps communities prepare by providing incentives to participate in the program; in return for improved zoning and other ordinances, communities received subsidized flood insurance. Further, flood maps under the NFIP help communities prepare for floods by helping to predict where flooding will occur and the likely severity. This in turn helps first responders know which communities need to be evacuated, or where people may need to be rescued, and where flood fighting efforts need to take place.

The NFIP helps in recovery by providing payments to policy holders above and beyond what disaster assistance under the Stafford Act will cover and by transferring these costs from the Federal taxpayers to insurance rate payers. The NFIP pays numerous claims each year for events that do not warrant Federal disaster assistance under the Stafford Act. The NFIP and flood mapping also helps mitigate damage to property and risks to lives by identifying and mandating steps communities can take to rebuild safer and smarter after a flood, or, proactively, before a flood strikes a community. This assistance works in conjunction with the Hazard Mitigation Grant Program and the Pre-Disaster Mitigation Grant Program authorized by the Stafford Act.

The amendments to the NFIP made by H.R. 5114 will provide for both a strong insurance program and strengthen the NFIP's risk communication and mitigation functions. The bill provides for outreach to communities and residents to ensure that they are aware of the risks they face and the insurance available to them. Even where this bill provides temporary relief from insurance purchase requirements, it requires communities to have the appropriate notice, risk communication, and emergency management plans in place to protect their citizens from the risks posed by floods.

Mr. Chair, I also wish to note several additional issues related to the nation's efforts to address the risk of flooding that are not addressed in this legislation and to state the commitment of the Committee on Transportation and Infrastructure to continue to work on these issues in the hopes of bringing forward

comprehensive reform of the nation's flood damage reduction efforts in the near future.

The Committee on Transportation and Infrastructure has a longstanding interest in the maintenance and safety of our nation's infrastructure. Over the past few years, the importance of maintaining the safety of our nation's flood control structures, including our levee systems, has been reinforced by pictures of the catastrophic consequences of their failure.

Since the events of Hurricanes Katrina and Rita, the Committee on Transportation and Infrastructure has held numerous hearings on the condition of the nation's flood damage reduction infrastructure. Most shocking was the realization that our nation had never conducted a simple inventory of all the levees in this country. We learned that Federal, State, and local agencies did not have comprehensive knowledge about where all of the levees in our Nation were located, what condition they are in, or what resources are at risk if they fail or should they be overtopped.

In the 110th Congress, this body voted, by a vote of 361–54 to override a Presidential veto of the Water Resources Development Act 2007, in order to authorize critical but long overdue spending on our nation's water infrastructure. Section 9003 of WRDA 2007 created the National Committee on Levee Safety to develop plans and recommendations for a National Levee Safety Program.

Earlier this Congress, the Subcommittee on Water Resources and Environment held a hearing on the draft recommendations of the National Committee and on proposals to take a more holistic view towards sustainable flood damage reduction including: improvements to the Nation's system of flood control structures; the establishment of clear, national standards for the condition of levees and for maintaining these critical structures; for communicating to the public the inherent risks associated with potential flooding events; and for encouraging the incorporation of nonstructural approaches into the overall system of flood protection.

Over the past year, our Committee has reached out to numerous Federal, State, and local agencies responsible for flood protection, as well as numerous non-governmental organizations to begin the discussions on how to comprehensively reform our Nation's efforts to protect the lives and livelihoods of its citizenry. I want to thank the Chairman of the Committee on Financial Services (Mr. FRANK) for his participation in these discussions and for his willingness to find longterm, comprehensive solutions to the flooding issues facing this Nation.

The answers to these questions are likely to be lengthy and expensive, but investing in our levee systems now will save billions of dollars and many lives later.

The National Oceanic and Atmospheric Administration (NOAA) estimates that hurricanes and floods cost the country over \$10 billion in damages in an average year. However, extreme events in the past several decades push this number up. For example, Hurricane Katrina, the costliest and most deadly hurricane we have seen this century, caused an estimated \$100 billion in damages and the loss of hundreds of lives. Additionally, the Midwest has seen two 500-year floods in the past 15 years. Flooding in 2008 alone resulted in upwards of \$15 billion in damages and the loss of two dozen lives.

Our goal is to prevent such massive losses in the future by creating an effective national

flood damage reduction and levee safety program. We must be clear that no program can effectively eliminate all risk of flooding. However, implementing certain policies will lower this risk.

We must have an accurate assessment of the condition of our current levee system and based on that assessment, create national standards that will apply to all levee systems. Taking into consideration new risk factors, such as changing hydrological conditions, increased development within floodplains, and the effects of global climate change, will be essential in this process. In light of these factors, the current 100-year flood model may no longer be sufficient as a minimum standard for some levees.

Some would have liked the legislation before the House today to address both reforms to the NFIP and to the Nation's overall flood damage reduction efforts. Such broad reform to our system of flood control requires careful consideration and additional work, which the Committee on Transportation and Infrastructure stands ready to do. I look forward to continuing to work with Chairman FRANK and other Members to address this important issue in the near future.

I urge my colleagues to support H.R. 5114.

Mr. KANJORSKI. Mr. Chair, I rise today in strong support of H.R. 5114, the Flood Insurance Reform Priorities Act of 2010. This legislation would reauthorize the National Flood Insurance Program (NFIP) through fiscal year 2015 and make several improvements to the program.

My Congressional District is home to some of the most flood prone rivers and streams in the United States. Nearly every major rain event causes some type of the flooding for residents and businesses. As a result, the NFIP is a tremendously important program for my constituents and I am proud to be an original cosponsor of this legislation.

H.R. 5114 contains provisions I authored to help communities that are currently constructing flood control projects where new scientific data would require changes in the design of the levee systems. In this situation, residents and businesses would be required to pay flood insurance rates as if the levees were not even constructed.

Mr. Chair, it is enormously unfair for communities that have contributed millions of dollars toward a flood control project to be penalized with higher flood insurance rates because of conflicting scientific data. Communities invest in flood control projects with not only the expectation of being protected from future floods but also having the expectation of receiving reduced flood insurance rates.

My provisions ensure that when this situation arises the community will be treated fairly for purposes of purchasing flood insurance during the construction of flood protection measures.

Ms. WATERS. I yield back the balance of my time.

The CHAIR. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 5114

*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 Priorities Act of 2010”.

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

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purposes.

Sec. 3. Extension of national flood insurance program.

Sec. 4. Maximum coverage limits.

Sec. 5. Phase-in of actuarial rates for nonresidential properties, certain pre-FIRM properties, and non-primary residences.

Sec. 6. 5-year delay in effective date of mandatory purchase requirement for new flood hazard areas.

Sec. 7. 5-year phase-in of flood insurance rates for newly mapped areas.

Sec. 8. Increase in annual limitation on premium increases.

Sec. 9. Consideration of construction, reconstruction, and improvement of flood protection systems in determination of flood insurance rates.

Sec. 10. Treatment of certain flood protection projects.

Sec. 11. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.

Sec. 12. Coverage for additional living expenses and business interruption.

Sec. 13. Exception to waiting period for effective date of policies.

Sec. 14. Minimum deductibles for claims.

Sec. 15. Payment of premiums in installments for low-income policyholders.

Sec. 16. Enforcement.

Sec. 17. Notification to tenants of availability of contents insurance.

Sec. 18. Flood insurance outreach.

Sec. 19. Notice of availability of flood insurance and escrow in RESPA good faith estimate.

Sec. 20. Authorization of additional FEMA staff.

Sec. 21. Plan to verify maintenance of flood insurance on Mississippi and Louisiana properties receiving emergency supplemental funds.

Sec. 22. Flood insurance advocate.

Sec. 23. Eligibility of property demolition and rebuilding under flood mitigation assistance program.

Sec. 24. Study regarding mandatory purchase requirement for non-federally related loans.

Sec. 25. Study of methods to increase flood insurance program participation by low-income families.

Sec. 26. Report on inclusion of building codes in floodplain management criteria.

Sec. 27. Study on repaying flood insurance debt.

Sec. 28. Study regarding impact of rate increases on pre-FIRM properties.

Sec. 29. Study of effects of Act.

Sec. 30. Rulemaking.

**SEC. 2. FINDINGS AND PURPOSES.**

(a) *FINDINGS.*—The Congress finds that—

(1) since the enactment of National Flood Insurance Act of 1968, the national flood insurance program has been the primary source of reliable, reasonably priced, flood insurance coverage for millions of American homes and businesses;

(2) today over 5,500,000 homes and businesses in the United States rely on the national flood insurance program to provide a degree of financial security;

(3) although participation in the national flood insurance program has, in the past, largely been limited to properties required to participate in the program because of the program's

mandatory purchase requirement for properties in special flood hazard areas with loans from federally regulated lenders, recent annual and extraordinary flooding has resulted in the program enjoying its highest voluntary participation since the establishment of the mandatory flood insurance purchase requirement;

(4) several years of below-average flood claims losses and increased voluntary participation in the national flood insurance program have allowed the program to fully service the debt incurred following Hurricanes Katrina and Rita and allowed the program to pay \$598,000,000 of the principal of that outstanding debt;

(5) though significant reforms are needed to further improve the financial outlook of the national flood insurance program, long-term and reliable authorization of the program is an essential element to stabilizing the already fragile United States housing market;

(6) increased flooding in areas outside designated special flood hazard areas prompted the Executive and the Congress in 2002 to begin calling for the national flood insurance program to develop and disseminate revised, updated flood insurance rate maps that reflect the real risk of flooding for properties not previously identified as being located within a special flood hazard area;

(7) dissemination of accurate, up-to-date, flood-risk information remains a primary goal of the national flood insurance program and such information should be disseminated as soon as such information is collected and available;

(8) communities should be encouraged to make their residents aware of updated flood-risk data while communities are assessing and incorporating updated flood-risk data into long-term community planning;

(9) the maximum coverage limits for flood insurance policies should be increased to reflect inflation and the increased cost of housing; and

(10) phasing out flood insurance premium subsidies currently extended to vacation homes, second homes, and commercial properties would result in significant average annual savings to the national flood insurance program.

(b) PURPOSES.—The purposes of this Act are—

(1) to identify priorities essential to the reform and ongoing stable functioning of the national flood insurance program;

(2) to increase incentives for homeowners and communities to participate in the national flood insurance program and to improve oversight to ensure better accountability of the national flood insurance program and the Federal Emergency Management Agency; and

(3) to increase awareness of homeowners of flood risks and improve the information regarding such risks provided to homeowners.

### SEC. 3. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXTENSION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2008” and inserting “September 30, 2015”.

(b) FINANCING.—Section 1309(a) of such Act (42 U.S.C. 4016(a)) is amended by striking “September 30, 2008” and inserting “September 30, 2015”.

(c) EXTENSION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.—Section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a) is amended—

(1) in subsection (k)(1), by striking “2005, 2006, 2007, 2008, and 2009” and inserting “2011, 2012, 2013, 2014, and 2015”; and

(2) by striking subsection (l).

### SEC. 4. 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 (2), by striking “\$250,000” and inserting “\$335,000”;

(2) in paragraph (3), by striking “\$100,000” and inserting “\$135,000”; and

(3) in paragraph (4)—

(A) by striking “\$500,000” each place such term appears and inserting “\$670,000”; and

(B) by inserting before “; and” the following: “; except that, in the case of any nonresidential property that is a structure containing more than one dwelling unit that is made available for occupancy by rental (notwithstanding the provisions applicable to the determination of the risk premium rate for such property), additional flood insurance in excess of such limits shall be made available to every insured upon renewal and every applicant for insurance so as to enable any such insured or applicant to receive coverage up to a total amount that is equal to the product of the total number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in paragraph (2); except that in the case of any such multi-unit, nonresidential rental property that is a pre-FIRM structure (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014 note), the risk premium rate for the first \$500,000 of coverage shall be determined in accordance with section 1307(a)(2) and the risk premium rate for any coverage in excess of such amount shall be determined in accordance with section 1307(a)(1)”.

### SEC. 5. PHASE-IN OF ACTUARIAL RATES FOR NON-RESIDENTIAL PROPERTIES, CERTAIN PRE-FIRM PROPERTIES, AND NON-PRIMARY RESIDENCES.

(a) IN GENERAL.—Section 1308(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is amended—

(1) by redesignating paragraph (2) as paragraph (5); and

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

“(2) NONRESIDENTIAL PROPERTIES.—Any nonresidential property, which term shall not include any multifamily rental property that consists of four or more dwelling units.

“(3) NON-PRIMARY RESIDENCES.—Any residential property that is not the primary residence of any individual, including the owner of the property or any other individual who resides in the property as a tenant.

“(4) RECENTLY PURCHASED PRE-FIRM SINGLE-FAMILY PROPERTIES USED AS PRINCIPAL RESIDENCES.—Any single family property that—

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

“(B) is purchased after the date of enactment of the Flood Insurance Reform Priorities Act of 2010”.

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

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking “the limitations provided under paragraphs (1) and (2)” and inserting “subsection (e)”; and

(B) in paragraph (1), by striking “, except” and all that follows through “subsection (e)”; and

(2) in subsection (e), by striking “paragraph (2) or (3)” and inserting “paragraph (5)”.

(c) EFFECTIVE DATE AND TRANSITION.—

(1) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply beginning upon the expiration of the 3-year period that begins on the date of the enactment of this Act, except as provided in paragraph (2) of this subsection.

(2) TRANSITION FOR PROPERTIES COVERED BY FLOOD INSURANCE UPON EFFECTIVE DATE.—

(A) INCREASE OF RATES OVER TIME.—In the case of any property described in paragraph (2), (3), or (4) of section 1308(c) of the National

Flood Insurance Act of 1968, as amended by subsection (a) of this section, that, as of the effective date under paragraph (1) of this subsection, 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) for the area in which the property is located, the Director 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).

(B) 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 paragraph (1) of this subsection 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 premium rate or to comply with subparagraph (C)).

(C) 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 paragraph or to an increase described in section 1308(e) of the National Flood Insurance Act of 1968 may not exceed 20 percent.

(D) FULL ACTUARIAL RATES.—The provisions of paragraphs (2), (3), and (4) of such section 1308(c) shall apply to such a property upon the accomplishment of the increase under this paragraph and thereafter.

### SEC. 6. 5-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD AREAS.

(a) 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) DELAYED EFFECTIVE DATE OF MANDATORY PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD AREAS.—

“(1) IN GENERAL.—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 that takes effect on or after September 1, 2008, becomes designated as an area having special flood hazards, if each State and local government having jurisdiction over any portion of the geographic area has complied with paragraph (2), such designation shall not take effect for purposes of subsection (a), (b), or (e) of this section, or section 202(a) of this Act, until the expiration of the 5-year period beginning upon the date that such maps, as issued, revised, update, or otherwise changed, become effective.

“(2) NOTICE REQUIREMENTS.—A State or local government shall be considered to have complied with this paragraph with respect to any geographic area described in paragraph (1) only if the State or local government has, before the effective date of the issued, revised, updated, or changed maps, and in accordance with such standards as shall be established by the Director—

“(A) developed an evacuation plan to be implemented in the event of flooding in such portion of the geographic area; and

“(B) developed and implemented an outreach and communication plan to advise occupants in such portion of the geographic area of potential flood risks, the opportunity to purchase flood insurance, and the consequences of failure to purchase flood insurance.

“(3) **RULE OF CONSTRUCTION.**—Nothing in paragraph (1) 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 (1).”

(b) **CONFORMING AMENDMENT.**—The second sentence of subsection (h) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is amended by striking “Such” and inserting “Except for notice regarding a change described in section 102(i)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(i)(1)), such”.

(c) **NO REFUNDS.**—Nothing in this section or the amendments made by this section 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 subsection (a).

**SEC. 7. 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR NEWLY MAPPED AREAS.**

Section 1308 of the National 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 (a), in the matter preceding paragraph (1), by inserting “or notice” after “prescribe by regulation”;

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

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

“(g) **5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR NEWLY MAPPED AREAS.**—Notwithstanding 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 upon the expiration of the period referred to in section 102(i)(1) of the Flood Disaster Protection Act of 1973 with respect to such area, the chargeable premium rate for flood insurance under this title with respect to any property that is located within such area shall be—

“(1) for the first year of such 5-year period, 20 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(2) 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;

“(3) 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;

“(4) 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

“(5) 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.”

**SEC. 8. INCREASE IN ANNUAL LIMITATION ON PREMIUM INCREASES.**

Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended by striking “10 percent” and inserting “20 percent”.

**SEC. 9. CONSIDERATION OF CONSTRUCTION, RECONSTRUCTION, AND IMPROVEMENT OF FLOOD PROTECTION SYSTEMS IN DETERMINATION OF FLOOD INSURANCE RATES.**

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

(1) in subsection (e)—

(A) 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)”;

(B) in the second sentence—

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

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

(2) in subsection (f)—

(A) 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;

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

(C) 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”.

(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 promulgate regulations to carry out the amendments made by subsection (a). Section 5 may not be construed to annul, alter, affect, authorize any waiver of, or establish any exception to, the requirement under the preceding sentence.

(c) **IMPLEMENTATION.**—The Administrator of the Federal Emergency Management Agency shall implement this section and the amendments made by this section in a manner that will not materially weaken the financial position of the national flood insurance program or increase the risk of financial liability to Federal taxpayers.

**SEC. 10. TREATMENT OF CERTAIN FLOOD PROTECTION PROJECTS.**

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(h) **TREATMENT OF CERTAIN FLOOD PROTECTION PROJECTS.**—

“(1) **INAPPLICABILITY OF MANDATORY PURCHASE REQUIREMENT; PREMIUM RATES.**—Notwithstanding any other provision of law, upon full completion, as designed, of a flood protection system that was intended to provide flood protection with respect to a covered area, such covered area—

“(A) shall not be considered to be an area having special flood hazards for purposes of this Act or subsections (a), (b), or (e) of section 102, or section 202(a) of the Flood Disaster Protection Act of 1973; and

“(B) shall be eligible for flood insurance under this Act, if and to the extent that such area is eligible for such insurance under the other provisions of this Act, at premium rates not exceeding those that would be applicable under this section if the flood protection system referred to in paragraph (2) for such area had been completed and accredited as providing protection from floods at the level that the system was designed to provide (before construction, reconstruction, or improvement of the system, as applicable, began).

The flood insurance rate maps shall indicate, for each covered area, the status of the area under subparagraphs (A) and (B).

“(2) **COVERED AREA.**—For purposes of this subsection, a covered area is an area that was intended to be protected by a flood protection system—

“(A)(i) for which, as of April 15, 2010—

“(I) construction, reconstruction, or improvement has not been completed;

“(II) adequate progress, within the meaning of section 1307(e), has been made on such construction, reconstruction, or improvement; and

“(III) is in an area having special flood hazards; or

“(ii) for which, as of such date—

“(I) construction, reconstruction, or improvement has been completed;

“(II) a determination regarding accreditation has not been made; and

“(III) is in an area having special flood hazards;

“(B) that was designed to provide protection for at least the 100-year frequency flood; and

“(C) that has been determined, pursuant to waterflow data or other scientific information of a Federal agency obtained after, or that has changed since, commencement of construction, reconstruction, or improvement, will not provide protection from floods at the level referred to in subparagraph (B).”

**SEC. 11. 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 Director, 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(h) of the National Flood Insurance Act of 1968 applies to properties within such area; and

“(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. 12. COVERAGE FOR ADDITIONAL LIVING EXPENSES AND BUSINESS INTERRUPTION.**

Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended—

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

(2) in paragraph (5)—

(A) by inserting “pursuant to paragraph (2), (3), or (4)” after “any flood insurance coverage”; and

(B) by striking the period at the end and inserting a semicolon; and

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

“(6) in the case of any residential property, each renewal or new contract for flood insurance coverage shall provide not less than \$1,000 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, which coverage shall be 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);

“(7) in the case of any residential property, optional coverage for additional living expenses described in paragraph (6) shall be made available to every insured upon renewal and every applicant in excess of the limits provided in paragraph (6) in such amounts and at such rates as the Director shall establish, except that such chargeable rates shall not be less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1); and

“(8) in the case of any commercial property or other residential property, including multifamily rental property, optional 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 shall be made available to every insured upon renewal and every applicant, except that—

“(A) the Director may provide such coverage under such terms, conditions, and requirements as the Director considers appropriate to meet the needs of small businesses while complying with the requirement under subparagraph (C); and

“(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).”

**SEC. 13. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE DATE OF POLICIES.**

Section 1306(c)(2)(A) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(2)(A)) is amended by inserting before the semicolon the following: “or is in connection with the purchase or other transfer of the property for which the coverage is provided (regardless of whether a loan is involved in the purchase or transfer transaction), but only when such initial purchase of coverage is made not later than 30 days after such making, increasing, extension, or renewal of the loan or not later than 30 days after such purchase or other transfer of the property, as applicable”.

**SEC. 14. 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 Director is”; and

(2) by adding at the end the following:

“(b) MINIMUM ANNUAL DEDUCTIBLES.—

“(1) PRE-FIRM PROPERTIES.—For any structure that is covered by flood insurance under this title, and on which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial flood insurance rate map published by the Director under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to or loss of such structure shall be—

“(A) \$1,500, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than \$100,000; and

“(B) \$2,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than \$100,000.

“(2) POST-FIRM PROPERTIES.—For any structure that is covered by flood insurance under this title, and on which construction or substantial improvement occurred after December 31, 1974, or after the effective date of an initial flood insurance rate map published by the Director under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to or loss of such structure shall be—

“(A) \$750, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than \$100,000; and

“(B) \$1,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than \$100,000.”

**SEC. 15. PAYMENT OF PREMIUMS IN INSTALLMENTS FOR LOW-INCOME POLICYHOLDERS.**

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 LOW-INCOME POLICYHOLDERS.—In addition to any other terms and conditions under subsection (a), such regulations shall provide that,

in the case of any residential property that is owned by a family whose income level is at or below 200 percent of the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902)) applicable to the size of such family, or a family that has no adult member who is employed, premiums for flood insurance coverage for such property may be paid in monthly installments.”

**SEC. 16. ENFORCEMENT.**

Section 102(f) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)(iii), by striking “or” at the end;

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

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

“(C) in connection with the making, increasing, extending, servicing, or renewing of any loan, requiring the purchase of flood insurance coverage under the National Flood Insurance Act of 1968, or purchasing such coverage pursuant to subsection (e)(2), in an amount in excess of the minimum amount required under subsections (a) and (b) of this section.”;

(2) in paragraph (5)—

(A) in the first sentence, by striking “\$350” and inserting “\$2,000”; and

(B) in the last sentence, by striking “\$100,000” and inserting “\$1,000,000; except that such limitation shall not apply to a regulated lending institution or enterprise for a calendar year if, in any three (or more) of the five calendar years immediately preceding such calendar year, the total amount of penalties assessed under this subsection against such lending institution or enterprise was \$1,000,000”; and

(3) in paragraph (6), by adding after the period at the end the following: “No penalty may be imposed under this subsection on a regulated lending institution or enterprise that has made a good faith effort to comply with the requirements of the provisions referred to in paragraph (2) or for any non-material violation of such requirements.”

**SEC. 17. 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 Director 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—

“(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 Director where such information is available.”

**SEC. 18. FLOOD INSURANCE OUTREACH.**

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

**“SEC. 1326. GRANTS FOR OUTREACH TO PROPERTY OWNERS AND RENTERS.**

“(a) IN GENERAL.—The Director may, to the extent amounts are made available pursuant to subsection (h), make grants 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 this title, for use by such agencies to carry out outreach activities to encourage and facilitate the purchase of flood insurance protection under this Act by owners and renters of properties in such communities and to promote educational activities that increase awareness of flood risk reduction.

“(b) OUTREACH ACTIVITIES.—Amounts from a grant under this section shall be used only for activities designed to—

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

“(2) 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;

“(3) 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;

“(4) 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; and

“(5) encouraging such owners and renters to maintain or acquire such coverage.

“(c) COST SHARING REQUIREMENT.—

“(1) IN GENERAL.—In any fiscal year, the Director may not provide a grant under this section to a local governmental agency in an amount exceeding 3 times the amount that the agency certifies, as the Director shall require, that the agency will contribute from non-Federal funds to be used with grant amounts only for carrying out activities described in subsection (b).

“(2) NON-FEDERAL FUNDS.—For purposes of this subsection, 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 grant recipient, the value of the time and services contributed by volunteers to carry out such services (at a rate determined by the Director), and the value of any donated material or building and the value of any lease on a building.

“(d) ADMINISTRATIVE COST LIMITATION.—Notwithstanding subsection (b), the Director may use not more than 5 percent of amounts made available under subsection (g) to cover salaries, expenses, and other administrative costs incurred by the Director in making grants and provide assistance under this section.

“(e) APPLICATION AND SELECTION.—

“(1) IN GENERAL.—The Director shall provide for local governmental agencies described in subsection (a) to submit applications for grants under this section and for competitive selection, based on criteria established by the Director, of agencies submitting such applications to receive such grants.

“(2) **SELECTION CONSIDERATIONS.**—In selecting applications of local government agencies to receive grants under paragraph (1), the Director shall consider—

“(A) the existence of a cooperative technical partner agreement between the local governmental agency and the Federal Emergency Management Agency;

“(B) the history of flood losses in the relevant area that have occurred to properties, both inside and outside the special flood hazards zones, which are not covered by flood insurance coverage;

“(C) the estimated percentage of high-risk properties located in the relevant area that are not covered by flood insurance;

“(D) demonstrated success of the local governmental agency in generating voluntary purchase of flood insurance; and

“(E) demonstrated technical capacity of the local governmental agency for outreach to individual property owners.

“(f) **DIRECT OUTREACH BY FEMA.**—In each fiscal year that amounts for grants are made available pursuant to subsection (h), the Director may use not more than 50 percent of such amounts to carry out, and to enter into contracts with other entities to carry out, activities described in subsection (b) in areas that the Director determines have the most immediate need for such activities.

“(g) **REPORTING.**—Each local government agency that receives a grant under this section, and each entity that receives amounts pursuant to subsection (f), shall submit a report to the Director, not later than 12 months after such amounts are first received, which shall include such information as the Director considers appropriate to describe the activities conducted using such amounts and the effect of such activities on the retention or acquisition of flood insurance coverage.

“(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for grants under this section \$50,000,000 for each of fiscal years 2011 through 2015.”

**SEC. 19. 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. 20. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency may employ such additional staff as may be necessary to carry out all of the responsibilities of the Director pursuant to this Act and the amendments made by this Act. There are authorized to be appropriated to Director such sums as may be necessary for costs of employing such additional staff.

**SEC. 21. PLAN TO VERIFY MAINTENANCE OF FLOOD INSURANCE ON MISSISSIPPI AND LOUISIANA PROPERTIES RECEIVING EMERGENCY SUPPLEMENTAL FUNDS.**

The Secretary of Housing and Urban Development and the Director of the Federal Emergency

Management Agency shall jointly develop and implement a plan to verify that persons receiving funds under the Homeowner Grant Assistance Program of the State of Mississippi or the Road Home Program of the State of Louisiana from amounts allocated to the State of Mississippi or the State of Louisiana, respectively, from the Community development fund under the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109–148) are maintaining flood insurance on the property for which such persons receive such funds as required by each such Program.

**SEC. 22. FLOOD INSURANCE ADVOCATE.**

Chapter II of the National Flood Insurance Act of 1968 is amended by inserting after section 1330 (42 U.S.C. 4041) the following new section:

**“SEC. 1330A. OFFICE OF THE FLOOD INSURANCE ADVOCATE.**

“(a) **ESTABLISHMENT OF POSITION.**—

“(1) **IN GENERAL.**—There shall be in the Federal Emergency Management Agency an Office of the Flood Insurance Advocate which shall be headed by the National Flood Insurance Advocate. The National Flood Insurance Advocate shall report directly to the Director and shall, to the extent amounts are provided pursuant to subsection (f), be compensated at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Director so determines, at a rate fixed under section 9503 of such title.

“(2) **APPOINTMENT.**—The National Flood Insurance Advocate shall be appointed by the Director, and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

“(3) **QUALIFICATIONS.**—An individual appointed under paragraph (2) shall have a background in customer service as well as insurance.

“(4) **STAFF.**—To the extent amounts are provided pursuant to subsection (f), the National Flood Insurance Advocate may employ such personnel as may be necessary to carry out the duties of the Office.

“(b) **FUNCTIONS OF OFFICE.**—

“(1) **IN GENERAL.**—It shall be the function of the Office of the Flood Insurance Advocate to—

“(A) assist insureds under the national flood insurance program in resolving problems with the Federal Emergency Management Agency relating to such program;

“(B) identify areas in which such insureds have problems in dealings with the Agency relating to such program;

“(C) identify potential legislative, administrative, or regulatory changes which may be appropriate to mitigate such problems; and

“(D) assist communities and homeowners with interpreting, implementing, and appealing floodplain maps and floodplain map determinations.

“(2) **ANNUAL REPORTS.**—

“(A) **ACTIVITIES.**—Not later than December 31 of each calendar year, the National Flood Insurance Advocate shall 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 activities of the Office of the Flood Insurance Advocate during the fiscal year ending during such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information, and shall—

“(i) identify the initiatives the Office of the Flood Insurance Advocate has taken on improving services for insureds under the national flood insurance program and responsiveness of the Federal Emergency Management Agency with respect to such program;

“(ii) identify areas of the law or regulations relating to the national flood insurance program that impose significant compliance burdens on such insureds or the Federal Emergency Man-

agement Agency, including specific recommendations for remedying these problems; and

“(iii) include such other information as the National Flood Insurance Advocate may deem advisable.

“(B) **DIRECT SUBMISSION OF REPORT.**—Each report required under this paragraph shall be provided directly to the committees identified in subparagraph (A) without any prior review or comment from the Director, the Secretary of Homeland Security, or any other officer or employee of the Federal Emergency Management Agency or the Department of Homeland Security, or the Office of Management and Budget.

“(c) **FUNDING.**—Pursuant to section 1310(a)(4), the Director may use amounts from the National Flood Insurance Fund to fund the activities of the Office of the Flood Advocate in each of fiscal years 2011 through 2016, except that the amount so used in each such fiscal year may not exceed \$5,000,000 and shall remain available until expended. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.”

**SEC. 23. ELIGIBILITY OF PROPERTY DEMOLITION AND REBUILDING UNDER FLOOD MITIGATION ASSISTANCE PROGRAM.**

Section 1366(e)(5)(B) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(e)(5)(B)) is amended by striking “or floodproofing” and inserting “floodproofing, or demolition and rebuilding”.

**SEC. 24. STUDY REGARDING MANDATORY PURCHASE REQUIREMENT FOR NON-FEDERALLY RELATED LOANS.**

(a) **IN GENERAL.**—The Comptroller General shall conduct a study to assess the impact, effectiveness, and feasibility of, and basis under the Constitution of the United States for, amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to any property that is located in any area having special flood hazards and which secures the repayment of a loan that is not described in paragraph (1), (2), or (3) of section 102(b) of such Act, and shall determine how best to administer and enforce such a requirement, taking into consideration other insurance purchase requirements under Federal and State law.

(b) **REPORT.**—The Comptroller General shall submit a report to the Congress regarding the results and conclusions of the study under subsection (a) not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

**SEC. 25. STUDY OF METHODS TO INCREASE FLOOD INSURANCE PROGRAM PARTICIPATION BY LOW-INCOME FAMILIES.**

(a) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study to identify and analyze potential methods, practices, and incentives that would increase the extent to which low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) that own residential properties located within areas having special flood hazards purchase flood insurance coverage for such properties under the national flood insurance program. In conducting the study, the Comptroller General shall analyze the effectiveness and costs of the various methods, practices, and incentives identified, including their effects on the national flood insurance program.

(b) **REPORT.**—The Comptroller General shall submit to the Congress a report setting forth the conclusions of the study under this section not later than 12 months after the date of the enactment of this Act.

**SEC. 26. 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; and

(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance 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.

**SEC. 27. 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. 28. STUDY REGARDING IMPACT OF RATE INCREASES ON PRE-FIRM PROPERTIES.**

(a) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study to assess the impacts of implementing provisions regarding pre-FIRM properties (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014)), including the impact on the program participation rate among owners, renters, and tenants of non-primary residences or commercial nonresidential properties. In conducting the study, the Comptroller General shall analyze the cost effectiveness and effect on local government tax base of various options, including an option of implementing such provisions on the severe repetitive loss properties only.

(b) **REPORT.**—The Comptroller General shall submit a report to Congress regarding the results and conclusions of the study under subsection (a) not later than the expiration of the 9-month period beginning on the date of enactment of this Act.

**SEC. 29. STUDY OF EFFECTS OF ACT.**

(a) **STUDY.**—The Administrator of the Federal Emergency Management Agency shall conduct a study to identify and assess the impacts, including short-term and long-term impacts, of this Act and the amendments made by this Act on the financial soundness of the national flood insurance program.

(b) **REPORT.**—Not later than 12 months after the date of the enactment of this Act, the Ad-

ministrator shall submit a report to the Congress setting forth the results and conclusions of study under subsection (a), which shall include specific recommendations for actions to mitigate against any negative financial impacts resulting from this Act and the amendments made by this Act that could increase the debt of the national flood insurance program.

**SEC. 30. RULEMAKING.**

(a) **INTERIM FINAL RULE.**—The Administrator of the Federal Emergency Management Agency shall issue an interim final rule as a temporary regulation implementing this Act and the amendments made by this Act as soon as practicable after the date of the enactment of this Act, without regard to the provisions of chapter 5 of title 5, United States Code. All regulations prescribed under the authority of this subsection that are not earlier superseded by final regulations shall expire not later than one year after the date of the enactment of this Act.

(b) **INITIATION OF RULEMAKING.**—The Administrator of the Federal Emergency Management Agency may initiate a rulemaking to implement this Act and the amendments made by this Act as soon as practicable after the date of the enactment of this Act. The final rule issued pursuant to such rulemaking may supersede the interim final rule promulgated under subsection (a).

The CHAIR. No amendment to the committee amendment is in order except those printed in House Report 111–537. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

**AMENDMENT NO. 1 OFFERED BY MS. WATERS**

The CHAIR. It is now in order to consider amendment No. 1 printed in House Report 111–537.

Ms. WATERS. Mr. Chairman, I have an amendment at the desk that was made in order under the rule.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 9, strike lines 1 through 3 and insert the following:

**SEC. 5. PHASE-IN OF ACTUARIAL RATES FOR CERTAIN PRE-FIRM PROPERTIES, SEVERE REPETITIVE LOSS PROPERTIES, AND PROPERTIES SUBSTANTIALLY DAMAGED OR SUBSTANTIALLY IMPROVED.**

Page 9, lines 7 and 8, strike “paragraph (5)” and insert “paragraph (7)”.

Page 9, lines 21 and 22, strike “USED AS PRINCIPAL RESIDENCES”.

Page 10, lines 5 and 6, strike “date of enactment” and insert “effective date of this paragraph, pursuant to section 5(c)(1)”.

Page 10, line 7, strike the quotation marks and the last period.

Page 10, after line 7, insert the following:

“(5) **SEVERE REPETITIVE LOSS PROPERTIES.**—Any severe repetitive loss property, as such term is defined in section 1361A(b), that is so designated as such as a result of losses occurring on or after the date of the enactment of the Flood Insurance Reform Priorities Act of 2010.

“(6) **PROPERTIES SUBSTANTIALLY DAMAGED OR SUBSTANTIALLY IMPROVED.**—Any property that, on or after the date of the enactment of the Flood Insurance Reform and Priorities Act of 2010, has experienced or sustained—

“(A) substantial 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.”.

Page 10, line 20, strike “paragraph (5)” and insert “paragraph (7)”.

Page 11, line 7, strike “or (4)” and insert “(4), (5), or (6)”.

Page 12, line 21, strike “and (4)” and insert “(4), (5), and (6)”.

Page 13, line 6, strike “subsection” and insert “subsections”.

Page 13, line 13, strike “September 30, 2008” and insert “September 30, 2007”.

Page 14, line 22, strike the quotation marks and the last period.

Page 14, after line 22, insert the following:

“(j) **AVAILABILITY OF PREFERRED RISK RATING METHOD PREMIUMS.**—The preferred risk rate method premium shall be available for flood insurance coverage for properties located in areas referred to in subsection (i)(1) and during the time period referred to in subsection (i)(1).”.

Page 15, line 13, before “Section” insert “(a) **IN GENERAL.**—”.

Page 17, after line 3, insert the following:

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

Strike line 20 on page 18 and all that follows through page 19, line 2, and insert the following:

(b) **REGULATIONS.**—The Administrator of the Federal Emergency Management Agency shall promulgate regulations to implement this section and the amendments made by this section as soon as practicable, but not more than 18 months after the date of the enactment of this Act. Section 5 may not be construed to annul, alter, affect, authorize any waiver of, or establish any exception to, the requirement under the preceding sentence.

Page 21, after line 21, insert the following new section:

**SEC. 11. PROHIBITION OF EXTENSION OF SUBSIDIZED RATES TO LAPSED POLICIES.**

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(i) **PROHIBITION OF EXTENSION OF SUBSIDIZED RATES TO LAPSED POLICIES.**—The Director shall not provide flood insurance coverage under this title to any prospective insured at a rate less than the applicable estimated risk premium rates for the area (or subdivision thereof) for any policy under the flood insurance program that has lapsed in coverage, as a result of the deliberate choice of the holder of such policy.”.

Page 22, line 25, strike the semicolon and insert a period.

Page 22, after line 25, insert the following new sections:

**SEC. 13. COMMUNITY OUTREACH PLAN FOR UPDATING FLOODPLAIN AREAS AND FLOOD-RISK ZONES.**

The Administrator of the Federal Emergency Management Agency shall, not later than the expiration of the 60-day period beginning upon the date of the enactment of this Act, submit to the Congress a community outreach plan for the updating of floodplain areas and flood-risk zones under section 1360(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)).

**SEC. 14. NOTIFICATION OF ESTABLISHMENT OF FLOOD ELEVATIONS.**

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:

“(1) 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 preliminary maps for such revision or updating, or any other significant action relating to any such revision or update, the Director shall notify the Senators for each State affected, and each Member of the House of Representatives for each congressional district affected, by such revision or update in writing of the action taken.”.

Page 27, line 8, strike “**LOW-INCOME POLICYHOLDERS**” and insert “**RESIDENTIAL PROPERTIES**”.

Page 27, line 13, strike “**LOW-INCOME POLICYHOLDERS**” and insert “**RESIDENTIAL PROPERTIES**”.

Page 27, strike line 16 and all that follows through “is employed” in line 22.

Page 27, line 23, strike “monthly”.

Page 27, after line 23, insert the following new section:

**SEC. 19. 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) by redesignating paragraphs (3) and (4) as paragraphs (5) and (6), respectively; and

(2) by adding inserting after paragraph (2) the following new paragraphs:

“(3) **TERMINATION OF FORCE-PLACED INSURANCE.**—Within 15 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 borrower during any period during which the borrower’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.**—A lender or servicer for a loan shall accept any reasonable form of written confirmation from a borrower of existing flood insurance coverage, which shall include the existing flood insurance policy number along with the identity of, and contact information for, the insurance company or agent.”.

Page 30, after line 20, insert the following new section:

**SEC. 21. GRANTS FOR DIRECT FUNDING OF MITIGATION ACTIVITIES FOR INDIVIDUAL REPETITIVE CLAIMS PROPERTIES.**

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

(1) in the section heading, by inserting “**DIRECT**” before “**GRANTS**”; and

(2) in the matter in subsection (a) that precedes paragraph (1)—

(A) by inserting “, to owners of such properties,” before “for mitigation actions”; and

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

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

Page 31, line 4, strike “(h)” and insert “(i)”.

Page 33, line 14, strike “(g)” and insert “(i)”.

Page 34, line 19, strike “and”.

Page 34, line 22, strike the period and insert “; and”.

Page 34, after line 22 insert the following:

“(F) the number of flood-related major disaster or emergency declarations made by the President with respect to the relevant area under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) during the preceding five years.

Page 34, line 25, strike “(h)” and insert “(i)”.

Page 35, after line 4, insert the following new subsection:

“(g) **COORDINATION WITH OTHER AGENCIES.**—A local governmental agency that receives a grant under this section, and an entity that receives amounts pursuant to subsection (f), 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 subsection (b) with respect to such populations or constituencies.”.

Page 35, line 5, strike “(g)” and insert “(h)”.

Page 35, line 14, strike “(h)” and insert “(i)”.

Page 35, after line 16, insert the following new section:

**SEC. 24. 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.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

**“SEC. 1327. 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 enclosed 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.”.

Page 36, line 17, strike “and” and insert a comma.

Page 36, line 17, before the period insert “, and the national flood insurance program”.

Page 39, line 6, strike “and”.

Page 39, line 10, strike the period and insert a semicolon.

Page 39, after line 10 insert the following:

“(E) facilitate the sharing of the best-practices of the Federal Emergency Management Agency amongst all offices of the Agency with respect to the creation and updating of floodplain maps;

“(F) not less than one year after receipt of a request from a community, perform an economic impact analysis for such community on the economic impact of floodplain maps and floodplain map determinations on small businesses, lending, real estate development, and other economic indicators within such community;

“(G) establish a national arbitration panel regarding flood map modernization, with panel members consisting of experts in flood insurance, flood map determination, real estate development, structural engineering, and other such experts, including a representative from the Federal Emergency Management Administration, to allow individuals or communities impacted by a flood map revision to challenge such a revision; such panel may, under such terms and conditions it may establish, temporarily suspend implementation of a floodplain map pending such panel’s review of evidence submitted by

such individuals or communities as part of such challenge;

“(H) establish a process under which scientific and engineering data, including maps and an explanation of how the Director makes a determination regarding a map revision, will be made publicly available to any interested individuals to be impacted by a flood map revision; and

“(I) establish a process under which each community to be impacted by a flood map revision will be provided an open community forum to consult with and ask questions of representatives of the Federal Emergency Management Administration.

Page 41, after line 8, insert the following new sections:

**SEC. 29. TREATMENT OF PREVIOUSLY MAPPED AREAS.**

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 PREVIOUSLY MAPPED AREAS.**—If the Director issues a letter of map revision for an area or a portion of an area to correct an error in a recently issued flood insurance rate map and such letter results in the designation of such area as not having special flood hazards, the Director shall reexamine the designation of any areas bordering or abutting the area that was the subject of such letter if such areas are located within a special flood hazard area. The Director shall inform the community and residents within such area of the results of such examination no later than one year after the date of the initial letter of map revision.

**“SEC. 30. REMAPPING OF AREAS WITH IMPROVED 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:

“(a) **REMAPPING OF AREAS WITH IMPROVED LEVEES.**—If at any time any community, any State, the Army Corps of Engineers, or any other entity improves any levee system that protects any area that is located in an area having special flood hazards and the Director determines that such improvement mitigates flood risk in a manner that eliminates the risk of flooding in the area, the Director shall—

“(1) revise and update the floodplain areas and flood risk zones, and the flood insurance maps reflecting such areas and zones, for the areas protected by such levee system so that any requirement under the Flood Disaster Protection Act of 1973 for mandatory purchase of flood insurance does not apply to such area; and

“(2) make the updated maps and any information regarding such updating available to the affected communities.”.

Page 41, line 12, strike “Section” and insert the following:

(a) **FLOOD MITIGATION ASSISTANCE PROGRAM.**—Section

Page 41, line 15, before the quotation marks insert “of properties to at least base flood elevation or greater, if required by any local ordinance”.

Page 41, after line 15, insert the following:

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that section 1366 of the Flood Insurance Act of 1968 (42 U.S.C. 4104c), as in effect on the day before the date of enactment of this Act, authorized the Administrator of the Federal Emergency Management Agency to consider property demolition and rebuilding as eligible activities under the Flood Mitigation Assistance Program. The purpose of the amendment made by subsection (a) is to clarify that such authority exists.

Page 42, line 15, before the period insert “**AND FAMILIES IN RURAL COMMUNITIES AND ON INDIAN RESERVATIONS**”.

Page 42, line 21, after "(42 U.S.C. 1437a(b))" insert ", families residing in rural communities, and families who reside on Indian reservations,".

Page 44, line 14, strike "and".

Page 44, line 20, strike the period and insert a semicolon.

Page 44, after line 20, insert the following new paragraphs:

(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.

Page 45, after line 5, insert the following new sections:

**SEC. 36. STUDY REGARDING CERTAIN HARBOR AREAS.**

(a) **STUDY.**—The Administrator of the Federal Emergency Management Agency shall carry out a study to identify the impacts of the National Flood Insurance Program on harbor areas that are working waterfronts, which shall—

(1) identify the models and assumptions used under such program with respect to wave action in working waterfronts and harbors;

(2) determine whether these are the same models and assumptions used for open or unprotected coast lines;

(3) identify the assumptions used under such program in modeling V-zones;

(4) identify the underlying basis for projected impact of waves on working waterfronts,

(5) identify the frequency with which individual working waterfronts receive revised flood-risk based on the data they provide;

(6) determine the feasibility of basing flood maps for such working waterfronts on actual historical flood and damage data;

(7) identify the standards for construction and design of working waterfront infrastructure that would be needed to safely develop commercial buildings in the V-zone;

(8) determine the economic impacts of the National Flood Insurance Program on working waterfronts and working waterfront dependant businesses;

(9) identify any new or alternative models that may be used to more accurately reflect the risk of flooding in working waterfronts and harbor environments;

(10) review the current coastal flood insurance study guidelines and recommended methodologies;

(11) determine whether methodologies other than those referred to in paragraph (10) should be applied with respect to complicated harbors and open shorelines;

(12) review where 2-D ST Wave methodology should be applied and where other methodologies should be applied;

(13) review available data on wave attenuation through pilings and piers and determine whether a physical model for the attenuation of waves in that environment can be undertaken to derive such data; and

(14) include any other information the Administrator considers relevant to evaluating the flood risk and insurance challenges facing working waterfronts.

(b) **REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Administrator shall submit to the Congress a report setting forth the results and conclusions of the study, including—

(1) a description of all of the matters identified and determined pursuant to subsection (a); and

(2) an analysis of the feasibility of developing a sheltered harbor flood zone for purposes of the National Flood Insurance Program that specifically recognizes the unique challenges faced by working waterfronts and built-up harbors.

(c) **DEFINITION.**—In this section, the term "working waterfront" means real property (including support structures over water and other facilities) that provides access to coastal waters to persons engaged in commercial fishing, recreational fishing business, boatbuilding, aquaculture, or other water-dependent coastal-related business and is used for, or that supports, commercial fishing, recreational fishing, boatbuilding, aquaculture, or other water-dependent coastal-related business.

**SEC. 37. STUDY REGARDING HAZARD MODELING.**

The Administrator of the Federal Emergency Management Agency shall conduct a study to identify and assess the impacts, including short-term and long-term impacts, of significant flooding events and subsequent revisions of hazard modeling and mapping since January 1, 2000, on the financial soundness of the national flood insurance program. The Administrator may enter into an agreement with Water Resources Research Institutes to conduct the study under this section. The Administrator shall provide for a final report regarding the study to be submitted to the Congress not later than the expiration of the 16-month period beginning on the date of the enactment of this Act. The report may include recommendations of the Administrator with respect to revising hazard modeling and mapping.

Strike line 16 on page 46 and all that follows through page 47, line 7, and insert the following:

**SEC. 40. INTERIM FINAL RULEMAKING.**

The Administrator of the Federal Emergency Management Agency shall issue an interim final rule to implement the amendments made by this Act as soon as practicable, but not more than 18 months after the date of the enactment of this Act. The Administrator of the Federal Emergency Management Agency shall issue a final rule within one year after the effective date of the interim final rule. In the event that the deadlines in this section are not met, the Administrator shall report to the Congress monthly on the status of the rulemakings and the reasons for the failure to comply with the statutory deadlines.

Page 19, after line 8, insert the following new section:

**SEC. 10. DISCOUNTED FLOOD INSURANCE RATES FOR PROPERTIES PROTECTED BY A FLOOD-PROTECTION SYSTEM FROM LESS THAN A 100-YEAR FREQUENCY FLOOD.**

Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended by adding at the end the following new subsection:

"(g) Except as provided in subsection (f) and notwithstanding any other provision of law, flood insurance coverage shall be made available for a property that the Director determines is protected by a flood-protection system that does not provide protection against a 100-year frequency flood at premium rates that reflect a discount for the actual protection against flood risk afforded by such flood-protection system."

The CHAIR. Pursuant to House Resolution 1517, the gentlewoman from California (Ms. WATERS) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the manager's amendment I have submitted to the committee would make further improvements on the bill. The amendment would contribute to the stability of the flood insurance program by prospec-

tively phasing in actuarial rates for severe repetitive loss properties and properties sustaining substantial damage.

The financial solvency of the program would also be protected by a provision that would make sure that homeowners receiving preferred rates who deliberately drop out of the program are charged actuarial rates if they rejoin the program.

The amendment also strengthens protections for homeowners by allowing all homeowners to pay flood insurance premiums in installments, providing grants to homeowners experiencing repeated flooding with funds to mitigate their flood risk, requiring FEMA to take a second look at areas that may be incorrectly mapped, and requiring FEMA to study the impacts of the flood insurance program on working waterfronts.

I am pleased that this amendment also incorporates amendments offered by many Members, including Mr. HINCHAY, Mr. CLYBURN, Ms. HERSETH SANDLIN, Mr. HARE, Ms. MARKEY, Mrs. MCCARTHY, Mr. MELANCON, and Mr. PASCRELL. I thank these Members and others who have made suggestions to me for their constructive additions to this amendment.

This amendment makes significant improvements to the underlying legislation, and I urge an "aye" vote on the amendment.

Mr. Chairman I reserve the balance of my time.

Mrs. CAPITO. I rise to claim time in opposition to the amendment, although I'm not opposed.

The CHAIR. Without objection, the gentlewoman from West Virginia is recognized for 10 minutes.

There was no objection.

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Mrs. CAPITO. Mr. Chairman, I would like to say that the chairwoman's manager's amendment does make good improvements to the underlying bill by phasing out taxpayer subsidies for severe repetitive losses.

As we know, and as I said in my opening statement, the NFIP is facing serious financial challenges and the program cannot afford to go on its current path. So in this respect, I think that Chairwoman WATERS' manager's amendment is a positive step in the right direction. In addition, the manager's amendment includes additional reforms that seeks to reduce the subsidies over time that continue to burden this program.

The measure includes several provisions to address local community concerns that we have all heard in our districts resulting from new flood risk maps and the ongoing flood control projects, resulting in delays of purchase requirements and higher rates in certain cases.

I would like to point out why I believe that phasing out the subsidies for severe repetitive loss properties is important. If you look at the accounting

for these losses over the last several years, the repetitive loss properties only account for 1 percent of the total policies in the program nationwide, yet the repetitive loss properties account for almost 30 percent of the claims paid annually.

Well, I think there is a sense of fairness about this, and most of us recognize that this is unfair. The subsidies for folks who continue to live in repetitive loss property areas continue to run up the losses in this very important flood insurance program. The high incidence of claims on repetitive loss properties has cost the National Flood Insurance Program more than \$2.7 billion since 1978.

So with the reforms that the chairwoman has made in the manager's amendment, I support the manager's amendment.

I yield back the balance of my time.

Ms. WATERS. I think everything has been said that needs to be said.

I simply again want to thank all of the Members that have been involved. I am very pleased that we finally are responding to the concerns of all of our constituents, particularly about new mapping. There are a lot of concerns about that. But the way that we delay implementation will give our constituents an opportunity to prepare the installment plans, the way we deal with the actuarial rates. I think this is some of the best work that could have been done to honor the concerns of our constituents.

I yield back the balance of my time.

The CHAIR. The question is on the amendment offered by the gentlewoman from California (Ms. WATERS).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. PUTNAM

The CHAIR. It is now in order to consider amendment No. 2 printed in House Report 111-537.

Mr. PUTNAM. Mr. Chairman, I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 35, strike line 5 and insert the following:

“(g) REPORTING.—

“(1) LOCAL GOVERNMENTS.—Each local government agency that”.

Page 35, after line 13, insert the following new paragraph:

“(2) DIRECTOR.—The Director shall submit an annual report, not later than December 31 of each year, 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 effectiveness of grants awarded under this section to local government agencies, the activities conducted using such grant amounts, and the effect of such activities on the retention or acquisition of flood insurance coverage.”.

The CHAIR. Pursuant to House Resolution 1517, the gentleman from Florida (Mr. PUTNAM) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. PUTNAM. Mr. Chair, I rise to outline a minor issue but an important issue.

Hurricane season began June 1, and in Florida, the seventh-largest State in terms of flood insurance claims and the third-highest in terms of foreclosure rates, we cannot afford any more uncertainty in our housing market.

When legislation recently failed to move on two separate occasions that would have provided for a temporary extension of flood insurance, I heard from my constituents that were beyond the point of frustration that they could not close on a home or renew an expiring policy, and they had every right to be frustrated.

Florida and Texas combined represent half of the properties covered by the National Flood Insurance Program, and a lapse in NFIP reauthorization prohibits the issuance of new flood insurance policies and renewal of expired ones. Our communities are located along the gulf coast. If a home is damaged by a storm or surge waters contaminated by the oil spill, only flood insurance would cover the cost of those repairs. For a program that has continually been placed on the GAO's high-risk list of government programs since 2006, this is unacceptable. It is time for Congress to reform and provide for a long-term extension of this important program.

Floods are the number one most common natural disaster in the United States, and since 2008 the National Flood Insurance Program has been temporarily extended six times. Whether you are a homeowner, business owner, or renter, the NFIP provides an opportunity to guard against the loss of property. We should encourage individuals and families to protect their property before the next storm hits, not just those communities located in high-risk flood zones.

Given the challenges facing the NFIP, the financial and management challenges, this amendment provides a step in the right direction in working towards the necessary reforms to assist in the long-term viability of the program.

Not expanding the scope of perils that the program currently covers, as well as eliminating subsidized rates over time for vacation homes and charging premiums that more accurately cover the risk associated with the property, are some of the reforms that will strengthen the NFIP. While the NFIP still has a long way to go to reach self-sufficiency, I applaud the bill's sponsors for taking the necessary steps and encourage the Senate to act on the long-term extension as well.

This amendment would require FEMA to submit to Congress through a report on the effectiveness of a portion of the bill that relates to new grants created and awarded to local government agencies for outreach to owners and renters. The report would include the activities conducted with those grants and an assessment of the results, the assessment of the effect that those activities have on the retention or purchase of additional flood insurance.

I caution against whether this is the most fiscally responsible approach to spend tax dollars and ensure that property owners and renters understand the apparent flood risks that exist, even though they are not subject to the mandatory purchase requirement.

The underlying legislation appropriates \$250 million for new outreach grants over a 5-year period. At a time of record deficits and spending, and frustration over a lack of transparency and accountability in our Nation's government, it is imperative that this new spending be fully accounted for.

Clearly, there is a need to control FEMA's communication with property owners and communities concerning flood risk maps and threats of flooding, but this is a large sum of new money to appropriate to an agency that is currently \$18.75 billion in debt to Treasury and consistently on the high-risk list. That is why it is essential to guarantee that the management and utilization of grant funding is completed in an effective and transparent way. I further encourage FEMA to go above and beyond and provide this information in an easily accessible form on their Web site so the taxpayers are aware of how their money is being spent.

We must ensure that these grants are used to increase participation in the program and educate owners and renters on flood preparedness and mitigation efforts which lower risk. This annual report will be an important first step in doing so.

I want to thank the sponsor of the legislation for her work on this issue for two consecutive Congresses and urge adoption of the amendment.

Mr. Chairman, I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I rise to claim time in opposition, although I am not opposed.

The Acting CHAIR (Mr. CUELLAR). Without objection, the gentlewoman from California is recognized for 5 minutes.

There was no objection.

Ms. WATERS. Mr. Chairman, I would like to thank the gentleman from Florida for offering this amendment.

The underlying bill authorizes grants to local communities to reach out to homeowners and communities about the flood insurance program and flood risk. As we know, the process by which homeowners receive notification of new flood maps is severely lacking.

Too often, homeowners learn that they are in a floodplain when they receive a letter from their mortgage company informing them that they have 45 days to buy flood insurance or it will be purchased on their behalf. Local communities are supposed to inform residents about new maps. However, communities often receive little notification from FEMA themselves. Also, some communities simply lack the resources to do the type of notification that is necessary to ensure that homeowners are aware of changes to the flood maps.

By providing a grant program to assist communities, the underlying bill would address this problem. The gentleman's amendment would require the director of the flood insurance program to submit annual reports to the Congress on the effectiveness of these grants. I think that is important. And I think that Congress should know how these grants are working and how these funds are being spent.

So I support the gentleman's amendment, and I would urge an "aye" vote.

I yield back the balance of my time.

Mr. PUTNAM. I appreciate the gentleman's kind comments.

The amendment was agreed to.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. PUTNAM).

The amendment was agreed to.

□ 1220

AMENDMENT NO. 3 OFFERED BY MR. DRIEHAUS

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in House Report 111-537.

Mr. DRIEHAUS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 46, after line 15, insert the following new section:

**SEC. 30. REIMBURSEMENT FOR COSTS INCURRED BY HOMEOWNERS OBTAINING LETTERS OF MAP AMENDMENT.**

If the owner of any property located in an area described in section 102(i)(1) of the Flood Disaster Protection Act of 1973 (as added by the preceding provisions of this Act) obtains a letter of map amendment during the 5-year period for such area referred to in such section, the Administrator of the Federal Emergency Management Agency shall reimburse such owner, or such entity or jurisdiction acting on such owner's behalf, for any costs incurred in obtaining such letter.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from Ohio (Mr. DRIEHAUS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. DRIEHAUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the chairman of the committee, Ms. WATERS, for her tremendous work on this legislation. Also, the cosponsors of this amendment, Mr. WELCH and Mr. HINCHEY. This amendment is pretty straightforward. It would authorize the administrator of the Federal Emergency Management Agency to reimburse property owners or entity or jurisdiction acting on their behalf for any expenses that they incurred in order to file for a letter of map amendment if they are ultimately successful in petitioning the exclusion of their property from a flood zone between fiscal year 2007 to the present, and in the future.

The problem is this, Mr. Chairman. We have thousands of property owners who are challenging these maps as FEMA has currently drawn them. They find out about them after the maps have been drawn, after the maps are official. They then want to challenge that designation. They hire the surveyors. They hire the engineers. They go ahead and incur that cost. And in many cases, when we find out that in fact the property owner was correct and they should not have been included in the designation to begin with, they're excluded. Yet they have incurred the cost. This amendment simply says that if that's the case and we find that the property owner is correct or if we find that the municipality or jurisdiction is correct in challenging the map, that they will be reimbursed by FEMA. CBO has scored this and said it would be negligible in terms of cost, yet it would relieve thousands of homeowners from the burden that they currently see in terms of incurring these costs.

Just a little background. Under current law, FEMA is authorized to reimburse property owners, lessees, and communities for engineering and surveying expenses that they incur for petitioning the inclusion of the property in a flood zone prior to the enactment of a new flood map. But this doesn't serve the folks that we're talking about. I've got a community in Harrison, Ohio, where over 370 households have been included in the flood map. Now, they didn't start the process of challenging the map until after the map was already official. So they're well beyond the time period that FEMA currently allows for that amendment to take place. This would address what is currently wrong in that situation—and that is, it would allow the homeowners to be reimbursed for their expenses.

With that, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I claim time in opposition to the amendment.

The Acting CHAIR. The gentleman from West Virginia is recognized for 5 minutes.

Mrs. CAPITO. Mr. Chairman, I certainly understand. And I've had constituents myself who have been remapped and fallen into the flood plain and questionable areas a lot, to their frustration. And I understand the gentleman from Ohio's intent on his amendment. But I think it sort of opens the door a little too broadly and a little too widely. While the amendment that he is proposing helps property owners who seek to recoup their expenses of appealing the flood map, it provides for full reimbursement for any costs. There's no specification to what reasonable costs could be—but any cost. And I think this is too broad.

I would prefer to see the amendment go back to the drawing board, reshape it, so that we can address the needs and the cost issues to our constituents but also make sure that we don't leave it

so the door is so wide open that it would encourage in some possibilities maybe re-looking at it, overly expensive investigations into the flood mapping, without any kind of reasonable assurances that the costs that are incurred in challenging the maps would fall within a reasonable amount.

With that, I yield back the balance of my time.

Mr. DRIEHAUS. Mr. Chair, I appreciate the concerns of my colleague from West Virginia. I take those very seriously. Although, FEMA does have rulemaking authority that allows them to address the concerns that were raised. This is really an issue of fairness—an issue of fairness for property owners. You've got the Federal Government coming onto your property, telling you that you have to purchase flood insurance because you're now designated within the map. When you find FEMA to be wrong, that payment shouldn't be incurred by you, the property owner, but it should be reimbursed by FEMA. It's just that simple. This is a taking. And the Federal Government shouldn't be in the business of taking property, which is what they're doing in this case, in the form of the expenses that are incurred by the homeowners. This has impacted thousands of Americans. And it's wrong that the Federal Government is making them pay the price to challenge the Federal Government.

With that, Mr. Chairman, I would like to yield 2 minutes to the gentleman from New York (Mr. HINCHEY), the cosponsor of the amendment.

Mr. HINCHEY. Mr. Chairman, I rise today in strong support of H.R. 5114, the Flood Insurance Reform Priorities Act of 2010 and the manager's amendment. I want to thank Representative WATERS for bringing forward this essential legislation, which will extend the national flood insurance program and make essential reforms to ensure that the program works efficiently and effectively. I also thank Representative WATERS and the committee for including in the manager's amendment several provisions which I sought to help to assist property owners with new costs they face due to the Federal Emergency Management Agency's flood map modernization program and improve congressional oversight.

FEMA is currently working to update, revise, and digitize the flood maps for more than 20,000 communities all across the country. While nobody doubts that we need to have accurate flood maps, some home and business owners in my district and also throughout the country are now finding out that their property is located in a flood zone—even though they may have never experienced a flood. As a result of FEMA's remapping process, many of these home and business owners are now required to purchase insurance.

To help those who suddenly face this new and unexpected cost, the underlying legislation and the manager's

amendment do several important things. First, property owners will have the option to delay the requirement to purchase flood insurance for 5 years. Second, home and business owners will then have the option to purchase the insurance at a reduced cost for another 5 years. Third, congressional oversight of the flood mapping process will be greatly improved by requiring FEMA to notify Members of Congress regarding key map modernization developments within their districts.

At a time when small businesses and homeowners throughout New York and everyplace else across the country are still feeling the pinch in a recovering economy, this bill will help ensure that this remapping process doesn't provide an additional burden. Again, I thank Representative WATERS for her strong leadership on this issue and I commend the committee for their understanding of the need for these reforms.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Ohio (Mr. DRIEHAUS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. FLAKE

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in House Report 111-537.

Mr. FLAKE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 35, line 16, strike the quotation marks and the last period.

Page 35, after line 16, insert the following new subsection:

“(i) PROHIBITION ON EARMARKS.—No amounts made available for grants under this section may be used for a Congressional earmark as defined in clause 9(e) of Rule XXI of the Rules of the House of Representatives.”.

The CHAIR. Pursuant to House Resolution 1517, the gentleman from Arizona (Mr. FLAKE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. Mr. Chairman, this is a straightforward amendment and should be noncontroversial. H.R. 5114 establishes a new grant program that would provide grants to local government agencies responsible for flood plain management in communities that participate in the national flood insurance program. Funds from this grant program would be used for outreach to inform both renters and owners of the national flood insurance program. This amendment would specifically prohibit any earmarking of the funds made available under this new grant program.

Mr. Chairman, I'm not sure it's the taxpayers'—or, I don't think it is the taxpayers' responsibility to inform renters and owners of these flood plain requirements. Having said that, if we are going to provide funds here and say that it's a competitive grant program,

then we shouldn't go in and earmark it later. Those funds ought to be available to those who compete for them, not directed by Members of Congress to favored constituents or groups.

□ 1230

With that, I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentlewoman from California is recognized for 5 minutes.

There was no objection.

Ms. WATERS. Mr. Chairman, quite simply, I support the gentleman's amendment. While I believe that the bill is clear that the grants provided under the bill would be competitive and, therefore, not subject to earmarking, I can understand the gentleman's need for wanting to clarify that these funds cannot be used for earmarks. Therefore, I support the amendment, and I would urge an “aye” vote. I yield back the balance of my time.

Mr. FLAKE. I thank the gentlelady for accepting the amendment.

Some have asked, Why do this if there's no intention to earmark the program? Why do we need this language? Unfortunately, in the past, with programs that have been adopted like this, competitive grant programs, we have said and promised in Congress that we won't earmark those funds, and we've come and earmarked them. A good example is FEMA's Pre-Disaster Mitigation Grant Program that was put in place. It was not to be earmarked. It was a grant program like this one. Yet in 2007, nearly half of the funds for the program were earmarked. I just want to make sure that they aren't in this program as well.

So I thank the gentlelady for accepting the amendment. I urge its adoption.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Arizona (Mr. FLAKE).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Ms. WATERS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Arizona will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. TAYLOR

The Acting CHAIR. It is now in order to consider amendment No. 5 printed in House Report 111-537.

Mr. TAYLOR. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 35, after line 16, insert the following new section:

SEC. \_\_\_\_ REQUIREMENTS RELATING TO WINDSTORM AND FLOOD.

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 subsections:

“(d) REQUIREMENTS FOR WRITE-YOUR-OWN INSURERS RELATING TO WINDSTORM AND FLOOD.—

“(1) WRITTEN AGREEMENT.—The Director may not utilize the facilities or services of any insurance company or other insurer or entity to offer flood insurance coverage under this title unless such company, insurer, or entity enters into a written agreement with the Director that provides as follows:

“(A) PROHIBITION ON EXCLUSION OF WIND DAMAGE COVERAGE.—The agreement shall prohibit the company, insurer, or entity from including, in any policy provided by the company or insurer for homeowners' insurance coverage or coverage for damage from windstorms, any provision that excludes coverage for wind or other damage solely because flooding also contributed to damage to the insured property.

“(B) FIDUCIARY RESPONSIBILITY.—The agreement shall provide that the company, insurer, or entity—

“(i) has a fiduciary duty with respect to the Federal taxpayers;

“(ii) in selling and servicing policies for flood insurance coverage under this title and adjusting claims under such coverage, will act in the best interests the national flood insurance program rather than in the interests of the company, insurer, or entity; and

“(iii) will provide written guidance to each insurance agent and claims adjuster for the company, insurer, or entity that sets forth the terms of the agreement pursuant to subparagraph (A) and this subparagraph.

“(2) REQUIREMENTS FOR ADJUSTMENT OF CLAIMS.—The Director shall, in utilizing the facilities of any insurance company or other insurer or entity pursuant to this section to offer flood insurance coverage under this title, the Director shall provide as follows:

“(A) APPROVAL OF ADJUSTMENT PROCEDURES.—No such insurance company, other insurer, or entity may offer flood insurance coverage under this title unless the Director has approved, as meeting standards as the Director shall establish, the procedures, protocols, guidelines, standards, or instructions used by the company, insurer, or entity in adjusting claims for identifying, apportioning, quantifying, and differentiating damage caused by flooding and damage caused by wind.

“(B) TREATMENT OF WIND AND FLOOD CLAIMS FROM SAME EVENT.—The Director shall require any insurance company or other insurer or entity that, pursuant to this section, provides flood insurance coverage under this title for a property and that also provides insurance coverage for the same property for losses resulting from wind, when claims are made both for damage resulting from flood and for damage resulting from wind involved in a single event, to comply with the following requirements:

“(i) CONTEMPORANEOUS ADJUSTMENT.—The claims for damage to the property under the coverage under this title for losses from flood and under the coverage for losses from wind shall be adjusted contemporaneously.

“(ii) INCLUSIONS IN FLOOD CLAIM FILE.—The insurance company, other insurer, or entity shall obtain and include in the file maintained with respect to any claim under the flood insurance coverage under this title, and make available to the Director upon request, the following information relating to the wind claim:

“(I) The amount paid on the claim and the date of such payment..

“(II) An explanation of rationale used by the company, insurer, or entity in determining which damage resulted from flood and which damage resulted from wind.

“(III) Copies of any photographs, witness statements, and other evidence related to the wind or flood claim.

“(iii) REVIEW.—The Director shall review the information obtained pursuant to clause (ii) to ensure that—

“(I) claims are paid under coverage under this title only for losses resulting from flood; and

“(II) in the adjusting the claims, the insurance company or other insurer or entity complied with procedures, protocols, guidelines, standards, or instructions for identifying, apportioning, quantifying, and differentiating damage caused by flooding and damage caused by wind that have been approved by the Director as meeting the standards established by the Director pursuant to subparagraph (A).

“(iv) PAYMENT UNDER FLOOD COVERAGE WHEN CAUSE OF LOSS CANNOT BE DETERMINED.—If the insurance company or other insurer or entity determines that the loss claimed was caused by flooding or wind, but that the evidence is insufficient to differentiate the losses caused by flooding from those caused by wind, the company, insurer, or entity shall pay the claim under the flood insurance coverage for the property as if the entire loss were caused by flooding, and shall submit all information regarding the claim to the Director.

“(v) FEMA DETERMINATION AND RECOVERY.—In the case of any claim paid pursuant to clause (iv), the Director shall review the information related to the claim and determine, in accordance with procedures for making such a determination regarding such claims as the Director shall establish, the losses caused by wind. The Director shall seek to recover any portion of the losses that the Director determines were caused by wind from the insurance company or other insurer or entity that, pursuant to clause (iv), paid such losses as flood losses”.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from Mississippi (Mr. TAYLOR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Mississippi.

Mr. TAYLOR. Mr. Chairman, this amendment is to clarify a provision in the existing law. The existing provision was used to deprive thousands of homeowners of the wind coverage they should have had in the wake of Hurricane Katrina. It, unfortunately, had the additional effect of sticking the taxpayer, through the National Flood Insurance Program, with billions of dollars that they should not have paid.

Under the national Write Your Own program, we hired the private sector to write the policy. No problem there. We pay them a commission of 29 percent to write that policy. It saves us the cost of having additional government employees. The problem comes in in that we also let the private insurance company adjust the claim.

So think of it. You are a 29-year-old father of two. You are counting on your Christmas bonus. You work for State Farm, Nationwide or Allstate. A hurricane comes through and your house is gone. Now, you can look at it and say, you know, I see trees falling down. That is an indication of wind. I see tin up in trees. That means the wind blew it up there. But that means that my company is going to have to

pay something. Or I could say the flood did it all, which means the taxpayers have to pay it all.

You see, under the law, they are called upon to do a fair adjustment of the claim. But buried in a typical wind insurance policy, in the case of a State Farm policy in Mississippi, on page 10 of a 24-page document, there is one paragraph that said, If any two things happen concurrently, then State Farm wasn't going to pay at all. This question was actually raised before the Mississippi State Supreme Court. And the attorney for Nationwide Mutual Insurance Company, Mr. Landau, was asked a question by the chief justice of the Mississippi Supreme Court, Justice Pierce, “I'm giving you—the example is 95 percent of the home is destroyed, the flood comes in and gets the other 5 percent, and you know that. Does your interpretation of the word ‘sequence’ mean you pay zero?” The attorney for Nationwide Insurance, Mr. Landau, answered, “Yes, Your Honor.”

See, that goes beyond just hurting individuals on their payment. Number one, a typical insurance policy says that if your home is destroyed, the insurance company will pay to put you up until it's repaired, but if they deny your claim in full, then they pay nothing. So in the case of Hurricane Katrina, our Nation went out and bought 140,000 trailers at \$15,000 per trailer, then paid a friend of the Bush administration another \$16,000 per trailer to deliver those trailers just 60 miles, hook them up to a water line and a sewer line. So \$31,000 per trailer times 44,000 trailers, and that was just in Mississippi. That's \$1.3 billion that the taxpayers paid that the insurance companies, in almost every instance, should have paid. On top of that, there were the homeowners grants; on top of that, there were SBA loans, for a total of \$34 billion.

I understand the gentleman's concern that this program lost \$18 billion. The taxpayers lost \$34 billion because the insurance companies didn't pay. This amendment would prohibit the language that was buried in that State Farm insurance policy. This amendment would prohibit that language that was buried in that Nationwide policy. It would go back to, if these people want to do business with the Nation under the national Write Your Own program, then they are going to stick to their obligation of doing a fair adjustment of the claim.

If the house is 50 percent destroyed by water, flood insurance pays 50 percent. If it's 50 percent by wind, then the wind insurance company has to pay 50 percent. But whatever the ratio is, a fair adjustment of the claim, as it should have been, is already spelled out in the contract with the Nation. But the contract between the insurance companies and the individuals had this language buried in there that is completely contrary to what they told our Nation. And, quite honestly, I would like to see which shill for the insurance

companies wants to defend what they have done to individuals in the gulf coast and what they have done to the taxpayers as a whole.

I yield to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, I stand in support of this gentleman's amendment.

In April, my subcommittee held a hearing on flood and wind insurance legislative proposals. And at that hearing, the gentleman from Mississippi testified about the way the insurance industry abused the flood insurance program following Hurricane Katrina by claiming that if so much as a drop of water touched a home, that all the resulting damage was the result of flood and not wind, even if there was damage to the contrary. Insurers were able to maintain their bottom line at the expense of the financial solvency of the National Flood Insurance Program.

Nobody has worked harder on these issues than he has. He deserves support for this amendment, and we will continue to support his instructions about what we should be doing in the future.

Mrs. CAPITO. Mr. Chair, I oppose the amendment, and I rise to claim the time in opposition to it.

The Acting CHAIR. The gentlewoman from West Virginia is recognized for 5 minutes.

Mrs. CAPITO. I would like to begin by saying to my friend from Mississippi, we have kind of had an ongoing discussion on this. I think he knows this is not a personal issue for me, but it is a very personal one for him, and I certainly understand that. I can't really even imagine being in your shoes, quite frankly, and a lot of your fellow Mississippians in what has happened.

But I am going to oppose this amendment, really, by seeking to address the water and wind issue, which is something I think we do need to address. I have several issues that I would like to bring forward.

First of all, I have concern that this could interfere with the State regulation of insurance. As we all know, insurance is regulated through the States. It could dictate some of the processes that I think would undermine the State regulation of insurance.

It's interesting that the gentleman brought up State Farm because—and I'm sure he's aware that State Farm has just recently announced that they are going to be withdrawing from the WYO program, which is the Write Your Own insurance program, for several reasons, I believe. I'm not certain what they all are. But this means that 800,000 customers nationwide who bought their flood insurance coverage through State Farm will now need to be picked up by other Write Your Own insurance companies.

□ 1240

Third, I think this amendment could impose or would impose a new fiduciary responsibility on insurance companies that participate in this program. According to industry experts,

this could expose insurers to new lawsuits and force them to place the interests of the Federal program over the interests of their own policy holders.

I think there could be a better way to address this issue and the objectives of this amendment by working with FEMA officials and State insurance regulators to devise a formula with ratios that would apportion losses fairly to address the situation in the future. Some States and companies are already using this approach to help clarify potential wind-versus-water issues.

So, with that, I would like to thank the gentleman for his passion and his "stick-to-it-iveness" to try to solve a very deep problem, particularly in his region of the country. But with the way this amendment is written and printed, I would have to be in opposition to it.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Mississippi (Mr. TAYLOR).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MRS. MILLER OF MICHIGAN

The Acting CHAIR. It is now in order to consider amendment No. 6 printed in House Report 111-537.

Mrs. MILLER of Michigan. Mr. Chairman, I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the appropriate place in the bill, insert the following new section:

**SEC. \_\_\_\_ . STUDY ON PRIVATE INSURANCE MARKET, COMMUNITY PARTICIPATION IN THE NATIONAL FLOOD INSURANCE PROGRAM, AND THE REGIONALIZATION OF THE NATIONAL FLOOD INSURANCE PROGRAM.**

(a) STUDY.—The Comptroller General shall conduct a study on—

(1) ways that the private insurance market can contribute to insuring against flood damage;

(2) the impact on the National Flood Insurance Program if communities decide not to participate in the Program; and

(3) the feasibility of regionalizing the National Flood Insurance Program and ensuring that there is no cross-subsidization between regions under such Program.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report containing the results of the study conducted under subsection (a).

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from Michigan (Mrs. MILLER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan.

Mrs. MILLER of Michigan. Mr. Chairman, my amendment calls for a GAO study to study the ways that the private insurance market can contribute to insuring against flood damage; to further study the impact on the National Flood Insurance Program if communities decide actually not to participate in this program; and to

study the feasibility of recognizing the National Flood Insurance Program and ensuring that there's no cross-subsidization between the regions.

The United States, Mr. Chairman, is actually the only industrialized nation that uses our form of government to administer flood insurance. In every other industrialized nation this is done by a private insurance company. Even in Canada or the U.K., they use the private industry to do so. And I believe that the role of the U.S. Government in terms of flood insurance certainly is the creation and maintenance of accurate flood maps, and to have those that live in flood-prone areas, though, pay their own freight by purchasing private flood insurance.

Since Congress established the NFIP, we have engaged in subsidizing our fellow Americans who do live in flood-prone areas, essentially creating a moral hazard. And as a result, more than half of the U.S. population now lives in coastal watershed counties or flood plain areas.

My constituents in Michigan, that's the reason I offered this amendment, Mr. Chairman, are paying very, very high flood insurance premiums; and yet we rarely receive claims. I mentioned this during general debate, but I'll mention it again: since 1978, Michigan residents have actually received about \$44 million in claims from the flood insurance program. However, this year alone our premiums in the State are going to be almost \$20 million, which means that in 2 years of premiums we have covered all of our losses since 1978, in other words, paid over \$200 million in premiums, yet we've sent more than \$150 million to other States since '78. And I would guess that all of the Great Lakes States, all of the States that are in the Great Lakes basin would have similar experiences.

So my constituents and the residents of my State, I think, are unfairly carrying a very high burden, given their relatively low risk. I think it's a very vivid demonstration when you see that the average premium for flood insurance in Michigan is \$764 and yet in Louisiana it's \$647.

I think, Mr. Chairman, again, we need to have a national catastrophic fund. We are very sensitive and very sympathetic to folks that live in States that flood, that are flood-prone, that have hurricanes, et cetera. But I don't think it is fair for property owners in areas that don't have this high risk to keep paying so much money for other areas. I think we should try to share the burden among the entire States.

I would also ask that the GAO would look at regionalization of the National Flood Insurance Program as a means to correct this balance. Currently, FEMA has 10 separate regions, and I believe that if you did this amongst those regions, perhaps that would be a good way to reorganize the flood insurance program. And so each region would then, ideally, have actuarially

sound premiums that are reflective of the risk of that region. And I think, under that plan, States like Michigan again would not be forced to subsidize other parts of the Nation that have substantially higher risk than we do.

And in lieu of that, the last part of the study for the GAO would look at the impacts of communities to actually opt out of this program.

Mr. Chairman, several years ago I actually wrote a letter to our Governor asking her to consider having Michigan, our entire State, opt out of this program because we are so unfairly disadvantaged. And although that has not happened yet, I'm going to continue to press that because I do think if we self-insured and got out of this program, it would be much, much, much better for the State of Michigan to do so.

So, again, my amendment asks the GAO to look at I think several commonsense ways to fix a very severely flawed program. And I would ask that my colleagues consider my amendment and support its adoption as well.

I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I rise to claim time in opposition, although I'm not opposed to the amendment.

The Acting CHAIR. Without objection, the gentlewoman is recognized for 5 minutes.

There was no objection.

Ms. WATERS. Mr. Chairman, I support the gentlewoman's amendment. I understand that the gentlewoman has some concerns with the flood insurance program. I understand that she does believe that homeowners in her district are subsidizing the cost of flood insurance for homeowners along the coast.

While I disagree with her premise, I see no harm in having the GAO perform the study described in her amendment to look into the role of the private insurance market in providing flood insurance, the impact on the program if communities drop out, and the feasibility of regionalizing the program.

However, I would like to note that flood insurance is just that, insurance. It insures against an event that may or may not happen in the future. We have taken several steps in this bill to address the "sticker shock" that homeowners are encountering as a result of the mandatory purchase requirement resulting from the new maps.

However, if the maps are accurate, and if there is a flood risk, public policy should dictate that homeowners have coverage for that risk because if they don't, the Federal Government will have to pick up the tab.

Therefore, I disagree with the problem the gentlewoman has with the program. But I see no harm in her amendment, and so I would support that amendment.

I yield back the balance of my time.

Mrs. MILLER of Michigan. I would certainly just say that I am very appreciative of the gentlewoman's acceptance of my amendment. I do think it will help the Nation lead us forward

on a path to fairness and equity in this issue of flood insurance.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Michigan (Mrs. MILLER).

The amendment was agreed to.

□ 1250

AMENDMENT NO. 7 OFFERED BY MR. BOSWELL

The Acting CHAIR. It is now in order to consider amendment No. 7 printed in House Report 111-537.

Mr. BOSWELL. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 14, line 11, insert "appropriate evacuation routes under the evacuation plan referred to in subparagraph (A)," after "risks."

Page 32, line 15, strike "properties; and" and insert "properties;"

Page 32, line 17, strike the period and insert ";; and"

Page 32, after line 17 insert the following: "(6) notify such owners of where to obtain information regarding how to obtain such coverage, including a telephone number, mailing address, and Internet site of the Director where such information is available.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from Iowa (Mr. BOSWELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. BOSWELL. Mr. Chairman, I rise today to thank the chairman of the committee and my good friend the gentleman from Massachusetts (Mr. FRANK) and Ranking Member BACHUS for their leadership on this issue, as well as Chairwoman WATERS and Ranking Member CAPITO.

Unfortunately, the Iowans I represent know all too well how flooding can ravage a farm, a neighborhood, a city. Much of the State is still recovering from the devastating floods of 2008, as high rivers and creeks are threatening their homes and businesses yet again. Neighborhoods are sandbagging, and some residents have left their homes. For Iowa, flooding is a real and a tangible threat.

Just last weekend, as I arrived back in my district, in my capital city, I met the mayor, I met the city manager, I met the public works director, and we went to the levees, and we really, really were worried whether we were going to make it through the night. So we understand it very well.

The bill before us is a good bill. I intend to support it. However, I rise today to offer a straightforward amendment that will strengthen this legislation for Iowans and the residents of other States that are often affected by flooding. I certainly understand, after being there and seeing the aftermath, the threat and the concerns that Congressman TAYLOR and his constitu-

ents had when they faced Katrina. Where to go, how to get there.

Under section 6 of this bill, State and local governments must provide flood risk and crisis information to residents in order to be eligible for a 5-year delay in the effective date of the mandatory purchase requirement of new flood hazard areas. This amendment would require that these entities also provide appropriate evacuation routes. Floodwaters rise quickly, and when people are forced to evacuate, we must make sure that residents have the information they need to do so in a way that is safe.

Additionally, my amendment would help residents and property owners to obtain flood insurance by including information about flood coverage in the outreach activities listed under section 1326. This amendment is about providing our constituents with the best possible information to keep their families and their property safe.

I ask my colleagues to support this important amendment.

I reserve the balance of my time.

Mrs. CAPITO. I rise to claim the time in opposition to the amendment, although I am not opposed to it.

The Acting CHAIR. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. I would just like to speak very briefly in support of the gentleman's amendment. We have all had in our States issues with knowing the correct way to leave and evacuate certain areas. I sort of was hoping that this area of information was already covered. So I want to thank the gentleman for bringing this amendment forward, and I would ask that we support the gentleman's amendment.

I yield back the balance of my time.

Mr. BOSWELL. I thank the gentlewoman for her support, and the chairwoman. I thank you very much, and I encourage passage.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Iowa (Mr. BOSWELL).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. HILL

The Acting CHAIR. It is now in order to consider amendment No. 8 printed in House Report 111-537.

Mr. HILL. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 39, line 6, strike "and".

Page 39, line 10, strike the period and insert ";; and"

Page 39, after line 10, insert the following: "(E) identify ways to assist communities in efforts to fund the accreditation of flood protection systems.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from Indiana (Mr. HILL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Indiana.

Mr. HILL. Mr. Chairman, Indiana has been hit with a number of severe storms over the last few years. Residents in my district of southern Indiana have been hit especially hard, and many of our local communities continue to be devastated by flooding.

While natural disasters cannot be avoided, the government's efforts in responding, preparing, and dealing with these situations can certainly improve. The amendment I offer here today would call for a very small change, but one that I believe will help provide lasting benefits for American cities and towns in the overall flood insurance program.

The underlying bill establishes an Office of Flood Insurance Advocate within FEMA. This office is tasked with helping people in the program resolve problems with FEMA flood insurance and identifying potential changes to help fix these problems. My amendment would add another function to this office, and call on it to identify ways to assist communities in their efforts to fund the accreditation of flood protection systems.

I have heard from several of my local communities that are having problems obtaining funding to meet requirements to get their flood protection systems accredited. If a levee shows adequate protection, then FEMA will place it in a moderate risk zone, and property owners are not required to carry flood insurance, referred to as an accredited levee. Decertified, or uncertified levees, however, will not be accredited. Therefore, the areas behind these levees will be placed in high-risk areas, and flood insurance will be required for property owners.

While FEMA does not design, construct, fund, or approve levee systems or floodwall systems, in 2007 FEMA issued new guidelines that communities must meet. Unfortunately, private companies charge upwards of \$500,000 to certify levees for communities, and the Corps of Engineers will only perform them for those who obtain a Federal match. This clearly leaves out many smaller communities who are in the most cash-strapped areas. If these communities do not meet FEMA guidelines and due dates, then they will be deemed a high-risk area, and this will dramatically increase the cost of their flood insurance.

My amendment would ensure this office looks into this issue and helps find ways to assist communities in their efforts to comply with these new guidelines. I have two cities, Tell City and Cannelton, that face the possibility of being placed in a high-risk flood zone because they are having trouble obtaining certifications. If we help these communities complete their certifications, then we are helping them provide the checks and inspections that are needed to ensure our levees are safe. And if we have safer levees and flood protections in place, then not only will more Americans be protected from devastating natural disasters, but

this will prevent the flood insurance program and the Federal Government from taking on the high cost that would result if the levee or flood protection measure failed to do the job.

While I support updating this important program, I believe any new office should be focused on finding ways to reduce the cost burden for communities that are struggling during this difficult economy. My amendment would ensure that this new office focuses on communities who bear both the burden of natural disasters and the costs in preventing them.

I urge my colleagues to pass this commonsense amendment.

I reserve the balance of my time.

Mrs. CAPITO. I rise to claim the time in opposition to the amendment, although I am not necessarily opposed to it.

The Acting CHAIR. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. I would like to address the gentleman's amendment really in the broader context of the Office of the Flood Insurance Advocate. This is creating it within this bill, and I think in my opening statements I addressed this issue. It's creating a new office. And at a time when we have rising debts and deficits, we are creating another bureaucracy, another obligation on the Federal taxpayer where I think that we could work within existing regulatory and administrative offices to try to accomplish the same thing.

We had a discussion yesterday in the Rules Committee where the chairwoman of our subcommittee talked about the need for advocacy. And I don't oppose the need for helping people wind through the intricacies of FEMA, trying to make appeals, trying to find out when and how they're going to be paid or what their alternate living arrangements might be and all the things that an advocate can do in terms of winding through a large bureaucracy like FEMA. But FEMA has assured us that they have already a functioning appeals process, and on top of an Inspector General and continual GAO oversight of the NFIP program.

So I think that the advocacy office itself is representing some duplicative and unnecessary bureaucracy and spending. So while I don't oppose the gentleman's amendment, if the advocacy office goes through, it's not really the substance of your amendment, it's really more the basis of the flood advocate itself, Office of the Flood Advocate itself.

I yield back balance of my time.

Mr. HILL. I would like to thank the gentlelady and the chairwoman for the opportunity to offer this amendment. It's not a big change, but it's a change I think will help local communities in my district.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Indiana (Mr. HILL).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MR. LOEBSACK

The Acting CHAIR. It is now in order to consider amendment No. 9 printed in House Report 111-537.

Mr. LOEBSACK. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 41, after line 8, insert the following new section:

**SEC. 23. 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 “determinations” by inserting the following: “by notifying a local television and radio station,”; and

(2) in the first sentence of subsection (b), by inserting 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”.

(b) APPLICABILITY.—The amendments made by subsection (a) 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 determination under the flood insurance map modernization process.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from Iowa (Mr. LOEBSACK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. LOEBSACK. Mr. Chairman, I yield myself such time as I may consume.

I want to thank Congresswoman WATERS for bringing this bill to the floor today. It will help address concerns all of us have likely heard from our constituents about the flood insurance program and flood map modernization efforts. In Iowa, flood insurance is an issue we are all too familiar with.

□ 1300

Two years ago this issue was brought to our attention with terrible effects. Iowa was devastated by the floods of 2008, which left 85 of our 99 counties Presidentially declared disaster areas and caused billions of dollars in damage.

The National Flood Insurance Program was and remains an important program and has helped many homeowners recovering from the floods. Unfortunately, due to a lack of notification during the process of updating the flood insurance rate maps to digital maps, many homeowners continue to be surprised when they find out that their homes may be newly placed in a special flood hazard area and they will be required to purchase flood insurance. Many homeowners don't even know that new proposed flood elevations have been made and a flood rate map update is, in fact, taking place.

My amendment is simple. It will help to ensure communities and home-

owners that might be affected by new maps are made aware of the process taking place from the beginning. Currently, FEMA is only required to publish notice of new flood elevations in a local newspaper. For one community in my district, this translated to roughly a 2-inch by 2-inch paragraph in the legal notice section of the newspaper.

My amendment will require FEMA to notify not only the local paper, but also a local television and radio station of the proposed flood elevations. It will also require FEMA to notify a local television station and radio station in communities that are still in the middle of the flood map modernization process so they are fully informed of the process taking place.

This amendment will ensure the homeowners have the information they need to make informed decisions and to participate in the process while also ensuring media outlets for disseminating information, important information, so the public is made aware as well. The more homeowners that are aware of new flood elevations, I think, the more participation there is in the process.

It would also serve the purpose of making more people aware of the National Flood Insurance Program itself and in general, hopefully increasing voluntary participation rates as well.

I think we can agree that simply notifying a local television and radio station in addition to the local newspaper is a commonsense change and will help get the word out about flood map changes.

I urge my colleagues to support this amendment on behalf of homeowners in all of our districts.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Iowa (Mr. LOEBSACK).

The amendment was agreed to.

AMENDMENT NO. 10 OFFERED BY MR. MCMAHON

The Acting CHAIR. It is now in order to consider amendment No. 10 printed in House Report 111-537.

Mr. MCMAHON. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 32, line 15, strike “and”.

Page 32, line 17, strike the period and insert “; and”.

Page 32, after line 17, insert the following: “(6) educate local real estate agents in communities participating in the national flood insurance program regarding the program and the availability of coverage 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 this Act and increase awareness of flood risk reduction.”.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from New York (Mr. MCMAHON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. McMAHON. Mr. Chairman, I want to first thank Chairman FRANK and Chairwoman WATERS and the ranking member as well for their work to reauthorize the National Flood Insurance Program for 5 years.

The Flood Insurance Program is a good example of government providing a basic need for millions of Americans—insurance against catastrophic flooding at a reasonable price. The program is only as strong as the reserve fund created by selling insurance to people in certified flood risk areas and pooling those premiums to cover any losses. That is why this bill includes money to educate local authorities about flood insurance.

Many people don't know that an area requires flood insurance or that the NFIP program exists until it is very late in the process. Others hear the words "flood insurance" and think it is costly or will affect the value of their home. Sometimes people can't close on a House or refinance without having insurance in place. And sometimes people who have been living in a neighborhood all their life only find out that NFIP is needed when they try to move or sell their house.

The uncertainty of the program is something I have heard quite often from my constituents. Representing parts of the city of New York in Staten Island and Brooklyn, an urban area, people are quite often shocked to hear that they live in a floodplain, and quite often they find out too late, and that's why this program is so important.

My amendment will allow NFIP, in their education and partnership efforts, to also include local real estate agents in their outreach on the NFIP program and its costs and benefits. No one knows neighborhoods, markets, price points, and options better than a local Realtor.

This amendment works within the bill's existing outreach program and does not increase the cost of the program in any way.

NFIP should work with the Realtors to increase their knowledge of the NFIP program, educate them when areas are added to the floodplain area, and keep local agents up to date on the program itself.

The real estate market and the job of a Realtor are very dynamic. Things change all the time, and NFIP should communicate directly to them on how they can help their clients take advantage of this program. And this dovetails very nicely into the way FEMA already does communicate with Realtors on other issues.

And finally, in closing, Mr. Chairman, I urge my colleagues to support this long-term extension. The fact that the program expired in September of 2008 and this Congress continues to do short-term extensions isn't helpful to a fragile real estate market or to the long-term viability of this program. For the millions of current and future American homeowners who take advantage of NFIP, we need to extend this program for 5 years.

Mr. Chairman, I reserve the balance of my time.

Mrs. CAPITO. Mr. Chairman, I rise to claim the time in opposition, although I'm not opposed to the gentleman's amendment.

The Acting CHAIR. Without objection, the gentlewoman from West Virginia is recognized for 5 minutes.

There was no objection.

Mrs. CAPITO. I would like to thank the gentleman for his amendment.

I raise questions about this amendment for the same reason that I raised questions about the previous amendment, and that is, you know, we are at a point here in our economy in this time where we have high unemployment. We have our deficit that has just passed over the trillion dollar mark for the second year in a row. We have increasingly excruciating debt that we're going to be passing on to our children and grandchildren, and yet we're still going to be creating a grant program in this bill that's going to cost the taxpayers \$250 million—significant dollars at a time when people are losing their jobs or cutting back or making decisions in their own lives about the ways to afford the things that they not just want but they absolutely must have and need. And while, you know, further education and outreach is always a good thing, I think now would be a good time for us to make a statement in this bill by saying, not now, not this time, not this \$250 million.

I have a question, too, in terms of the gentleman's amendment, not being a real estate agent myself. I'm not sure that in the real estate agent—in the training to become a real estate agent and the things—I know you have to be licensed and you have to take continuing ed and you have to keep up on all different kinds of financing and property evaluations and all the things. It's kind of a surprise to me that real estate agents don't already know the extent or how to deal with the Flood Insurance Program, particularly if there are regions of the country that are prone to this type of damage and these type of floods. But I don't know if the gentleman has an answer for that.

Are you aware of whether real estate agents now, across the country, are exposed to this kind of information? I mean, why wouldn't they already have this?

I yield to the gentleman if you have an answer to the question. I don't know the answer to that.

Mr. McMAHON. I thank the gentlelady for yielding.

And while real estate agents do go through rigorous training, as the gentlelady knows, the boundaries and lines of floodplains change through time as topographical maps are changed, as physical conditions change in certain areas. Certainly along the coast or in the harbor where my district exists, water levels change, as well, and requirements change. So it's the changing nature of the program that we seek

to have that information provided as requirements change, as mapping lines change and the like.

Mrs. CAPITO. Thank you for that clarification.

Reclaiming my time, I would just additionally say that I would think, through the continuing education of the real estate schools and the licensing boards throughout the different States who have these issues, that this would already be something that's covered.

Again, I will go back to my original premise, \$250 million in 5 years at a time of record debt and deficit and high unemployment, to me, is an improper expenditure at this time.

With that, I yield back the balance of my time.

□ 1310

Mr. McMAHON. Mr. Chairman, I yield myself the balance of my time.

I thank the gentlelady from West Virginia for her questions and comments and would certainly add that the costs of this program and certainly the Federal deficit and debt itself are of deep concern to me and the people who sent me here a little over 18 months ago to represent them.

My amendment raises no costs whatsoever. It simply says there's an option that if the NFIP program does share information with local community leaders and local entities that they include the local real estate community as well so that they can better provide that information to the people they represent, and I think it's a way to certainly instill confidence in the real estate markets that do exist in floodplain areas. So I think it's a good, commonsense solution and proposal and doesn't cost the taxpayer any money.

I certainly would comment that I share, as I said, the gentlelady's concern about the growing debts and deficits and am certainly glad that her side of the aisle has now joined in this fight with our side of the aisle, for certainly when they were in the majority in the House and had the presidency, there didn't seem to be such a great concern, but certainly we are glad that it is a concern they share with our side of the aisle at this time, and hopefully we can join together in a bipartisan fashion, something that hasn't been done before, to deal with this issue.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MR. MURPHY OF NEW YORK

The Acting CHAIR. It is now in order to consider amendment No. 11 printed in House Report 111-537.

Mr. MURPHY of New York. I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of the bill, add the following new section:

**SEC. 31. ETHICS COMPLIANCE.**

All funds authorized under this Act or any amendment made by this Act shall be expended in a manner that is consistent with the manual on Standards of Ethical Conduct for Employees of the Executive Branch.

The Acting CHAIR. Pursuant to House Resolution 1517, the gentleman from New York (Mr. MURPHY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, as a small businessman, I'm deeply concerned with our Nation's fiscal mismanagement. In fact, we've now learned that in fiscal year 2009, Federal agencies were estimated to have made nearly \$98 billion in improper payments. You don't have to be a Democrat or a Republican to know that this is just unacceptable. It's just common sense.

My simple amendment to this bill reiterates that all the funds authorized in this act must be spent in compliance with the manual on Standards of Ethical Conduct for Employees of the executive branch.

As Members of Congress, it's our duty to allocate taxpayer dollars in a measured and responsible way, and we all know that Congress must do more to rein in wasteful spending. However, it is also our responsibility to make sure that the money we allocate is spent appropriately by the Federal agencies.

Sadly, we're far too accustomed to reports of Federal dollars being used inappropriately. Just recently, the Department of Homeland Security's Office of Inspector General issued a report noting that \$247,000 in improper expenses were charged to FEMA credit cards.

These examples highlight the need for Congress to be vigilant in its oversight of Federal agencies and to hold the agencies accountable and to create a system in which waste, fraud and abuse are eliminated. Yesterday, the House took an important step toward this goal when it passed legislation to identify, reduce, and eliminate improper payments, as well as recover lost funds that Federal agencies have spent improperly.

In that same spirit, my amendment today is intended to reaffirm our commitment to ensuring that Federal employees, in this case FEMA employees, spend Federal moneys properly and on their intended purpose, with only the best interests of the taxpayer.

I urge my fellow Members to support this amendment as well as the underlying bill.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New York (Mr. MURPHY).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. MURPHY of New York. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New York will be postponed.

**ANNOUNCEMENT BY THE ACTING CHAIR**

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 111-537 on which further proceedings were postponed, in the following order:

Amendment No. 4 by Mr. FLAKE of Arizona.

Amendment No. 11 by Mr. MURPHY of New York.

The first electronic vote will be conducted as a 15-minute vote. The remaining electronic vote will be conducted as a 5-minute vote.

**AMENDMENT NO. 4 OFFERED BY MR. FLAKE**

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona (Mr. FLAKE) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

**RECORDED VOTE**

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 423, noes 3, not voting 12, as follows:

[Roll No. 444]

AYES—423

Ackerman	Brady (TX)	Connolly (VA)	Eshoo	Lee (NY)	Rahall
Aderholt	Braley (IA)	Conyers	Etheridge	Levin	Rangel
Adler (NJ)	Brown (GA)	Cooper	Faleomavaega	Lewis (CA)	Rehberg
Akin	Brown (SC)	Costa	Fallin	Lewis (GA)	Reichert
Alexander	Brown, Corrine	Costello	Farr	Linder	Reyes
Altmire	Brown-Waite,	Courtney	Fattah	Lipinski	Richardson
Andrews	Ginny	Crenshaw	Filner	LoBiondo	Rodriguez
Arcuri	Buchanan	Critz	Flake	Loeb sack	Roe (TN)
Austria	Burgess	Crowley	Fleming	Lofgren, Zoe	Rogers (AL)
Baca	Burton (IN)	Cuellar	Forbes	Lowe y	Rogers (KY)
Bachmann	Butterfield	Culberson	Fortenberry	Lucas	Rogers (MI)
Bachus	Buyer	Cummings	Foster	Luetkemeyer	Rohrabacher
Baird	Calvert	Dahlkemper	Fox x	Luján	Rooney
Baldwin	Camp	Davis (AL)	Frank (MA)	Lummis	Ros-Lehtinen
Barrett (SC)	Campbell	Davis (CA)	Franks (AZ)	Lungren, Daniel	Roskam
Barrow	Cantor	Davis (IL)	Frelinghuysen	E.	Ross
Bartlett	Cao	Davis (KY)	Fudge	Lynch	Rothman (NJ)
Barton (TX)	Capito	Davis (TN)	Gallegly	Mack	Roybal-Allard
Bean	Capps	DeFazio	Garamendi	Maffei	Royce
Becerra	Capuano	DeGette	Garrett (NJ)	Maloney	Ruppersberger
Berkley	Cardoza	DeLahunt	Gerlach	Manzullo	Rush
Berman	Carnahan	DeLauro	Giffords	Marchant	Ryan (OH)
Biggert	Carney	Dent	Gingrey (GA)	Markey (CO)	Ryan (WI)
Bilbray	Carson (IN)	Deutch	Gohmert	Markey (MA)	Sablan
Bilirakis	Carter	Diaz-Balart, L.	Gonzalez	Marshall	Salazar
Bishop (GA)	Cassidy	Diaz-Balart, M.	Goodlatte	Matheson	Sánchez, Linda
Bishop (NY)	Castle	Dicks	Gordon (TN)	Matsui	T.
Bishop (UT)	Castor (FL)	Dingell	Granger	McCarthy (CA)	Sanchez, Loretta
Blackburn	Chaffetz	Djoug	Graves (GA)	McCarthy (NY)	Sarbanes
Blumenauer	Chandler	Doggett	Graves (MO)	McCa ul	Scallise
Boccieri	Childers	Donnelly (IN)	Grayson	McClintock	Schakowsky
Boehner	Christensen	Doyle	Green, Al	McCollum	Schauer
Bonner	Chu	Dreier	Green, Gene	McCotter	Schiff
Bono Mack	Clarke	Drie haus	Griffith	McDermott	Schmidt
Boozman	Clay	Edwards (MD)	Grijalva	McGovern	Schock
Bordallo	Cleaver	Edwards (TX)	Guthrie	McHenry	Schwartz
Boren	Clyburn	Ehlers	Gutierrez	McIntyre	Scott (GA)
Boswell	Coble	Ellison	Hall (NY)	McKeon	Scott (VA)
Boucher	Coffman (CO)	Ellsworth	Hall (TX)	McMahon	Sensenbrenner
Boustany	Cohen	Emerson	Halvorson	McMorris	Serrano
Boyd	Cole	Engel	Hare	Rodgers	Sessions
Brady (PA)	Conaway		Harman	McNerney	Sestak
			Harper	Meek (FL)	Shadegg
			Hastings (WA)	Meeks (NY)	Shea-Porter
			Heinrich	Melancon	Sherman
			Heller	Mica	Shimkus
			Hensarling	Michaud	Shuler
			Herger	Miller (FL)	Shuster
			Herseth Sandlin	Miller (MI)	Simpson
			Hill	Miller (NC)	Sires
			Himes	Miller, Gary	Skelton
			Hinche y	Miller, George	Slaughter
			Hirono	Minnick	Smith (NE)
			Hodes	Mitchell	Smith (NJ)
			Holden	Mollohan	Smith (TX)
			Holt	Moore (KS)	Smith (WA)
			Honda	Moore (WI)	Snyder
			Hoyer	Moran (KS)	Space
			Hunter	Murphy (CT)	Spier
			Inglis	Murphy (NY)	Spratt
			Inslee	Murphy, Patrick	Stark
			Israel	Murphy, Tim	Stearns
			Issa	Myrick	Stupak
			Jackson (IL)	Nadler (NY)	Sullivan
			Jackson Lee	Napolitano	Sutton
			(TX)	Neal (MA)	Tanner
			Jenkins	Neugebauer	Taylor
			Johnson (GA)	Norton	Teague
			Johnson (IL)	Nunes	Terry
			Johnson, E. B.	Nye	Thompson (CA)
			Davis (AL)	Oberstar	Thompson (MS)
			Davis (CA)	Obey	Thompson (PA)
			Davis (IL)	Olver	Thornberry
			Davis (KY)	Ortiz	Tiahrt
			Davis (TN)	Owens	Tiberi
			DeFazio	Pallone	Tierney
			DeGette	Pascrell	Titus
			DeLahunt	Pastor (AZ)	Tonko
			DeLauro	Paulsen	Towns
			Dent	Payne	Tsongas
			Deutch	Pence	Turner
			Diaz-Balart, L.	Perlmutter	Upton
			Diaz-Balart, M.	Perriello	Van Hollen
			Dicks	Peters	Velázquez
			Dingell	Peterson	Visclosky
			Djoug	Petri	Walden
			Doggett	Pierluisi	Walz
			Donnelly (IN)	Pingree (ME)	Wasserman
			Doyle	Pitts	Schultz
			Dreier	Platts	Waters
			Drie haus	Poe (TX)	Watson
			Duncan	Lance	Watt
			Edwards (MD)	Langevin	Waxman
			Edwards (TX)	Larsen (WA)	Weiner
			Ehlers	Larson (CT)	Welch
			Ellison	Latham	Westmoreland
			Ellsworth	LaTourette	Whitfield
			Emerson	Latta	Wilson (OH)
			Engel	Lee (CA)	Wilson (SC)

Wittman Woolsey Yarmuth  
 Wolf Wu Young (FL)

NOES—3

Berry Paul Young (AK)

NOT VOTING—12

Blunt Hinojosa Moran (VA)  
 Bright Hoekstra Olson  
 Hastings (FL) Kagen Schrader  
 Higgins Kirk Wamp

□ 1344

Messrs. DAVIS of Illinois, BUCHANAN, and GINGREY of Georgia changed their vote from “no” to “aye.”

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 11 OFFERED BY MR. MURPHY OF NEW YORK

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New York (Mr. MURPHY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 421, noes 0, not voting 17, as follows:

[Roll No. 445]

AYES—421

Ackerman Brown (SC) Critz  
 Aderholt Brown, Corrine Crowley  
 Adler (NJ) Brown-Waite, Cuellar  
 Akin Ginny Culberson  
 Alexander Buchanan Cummings  
 Altmire Burgess Dahlgemper  
 Andrews Burton (IN) Davis (AL)  
 Arcuri Butterfield Davis (CA)  
 Austria Buyer Davis (IL)  
 Baca Calvert Davis (KY)  
 Bachmann Camp Davis (TN)  
 Baird Campbell DeFazio  
 Baldwin Cantor DeGette  
 Barrett (SC) Cao Delahunt  
 Barrow Capito DeLauro  
 Bartlett Capps Dent  
 Barton (TX) Capuano Deutch  
 Bean Cardoza Diaz-Balart, L.  
 Becerra Carnahan Diaz-Balart, M.  
 Berkley Carney Dicks  
 Berman Carson (IN) Dingell  
 Berry Carter Djou  
 Biggert Cassidy Doggett  
 Bilbray Castle Donnelly (IN)  
 Bilirakis Castor (FL) Doyle  
 Bishop (GA) Chaffetz Dreier  
 Bishop (NY) Chandler Driehaus  
 Bishop (UT) Childers Duncan  
 Blackburn Christensen Edwards (MD)  
 Blumenauer Chu Edwards (TX)  
 Blunt Clarke Ehlers  
 Boccieri Clay Ellison  
 Boehner Cleaver Ellsworth  
 Bonner Clyburn Emerson  
 Bono Mack Coble Engel  
 Boozman Coffman (CO) Eshoo  
 Bordallo Cohen Etheridge  
 Boren Cole Faleomavaega  
 Boswell Conaway Fallon  
 Boucher Connolly (VA) Farr  
 Boustany Conyers Fattah  
 Boyd Cooper Filner  
 Brady (PA) Costa Flake  
 Brady (TX) Costello Fleming  
 Braley (IA) Courtney Forbes  
 Broun (GA) Crenshaw Fortenberry

Foster Lowey Rodriguez  
 Foxx Lucas Roe (TN)  
 Frank (MA) Luetkemeyer Rogers (AL)  
 Franks (AZ) Luján Rogers (KY)  
 Frelinghuysen Lummis Rogers (MI)  
 Fudge Lungren, Daniel Rohrabacher  
 Gallegly E. Rooney  
 Garamendi Lynch Ros-Lehtinen  
 Garrett (NJ) Mack Roskam  
 Gerlach Maffei Ross  
 Giffords Maloney Rothman (NJ)  
 Gingrey (GA) Manzullo Roybal-Allard  
 Gohmert Marchant Royce  
 Gonzalez Markey (CO) Ruppertsberger  
 Goodlatte Markey (MA) Ryan (OH)  
 Gordon (TN) Marshall Ryan (WI)  
 Granger Matheson Sablan  
 Graves (GA) Matsui Salazar  
 Graves (MO) McCarthy (CA) Sánchez, Linda  
 Grayson Grayson, T. T.  
 Green, Al McCaul Sanchez, Loretta  
 Green, Gene McClintock Sarbanes  
 Griffith McCollum Scalise  
 Grijalva McCotter Schakowsky  
 Guthrie McDermott Schauer  
 Gutierrez McGovern Schiff  
 Hall (NY) McHenry Schmidt  
 Hall (TX) McIntyre Schock  
 Halvorson McKeon Schwartz  
 Hare McMahan Scott (GA)  
 Harman McMorris Scott (VA)  
 Harper Rodgers Sensenbrenner  
 Hastings (WA) McNerney Sessions  
 Heinrich Meek (FL) Sestak  
 Heller Meeks (NY) Shadegg  
 Hensarling Melancon Shea-Porter  
 Herger Mica Sherman  
 Herseth Sandlin Michaud Shimkus  
 Hill Miller (FL) Shuler  
 Himes Miller (MI) Shuster  
 Hinchey Miller (NC) Simpson  
 Hirono Miller, Gary Sires  
 Hodes Sires Skelton  
 Holden Minnick Slaughter  
 Holt Mitchell Smith (NE)  
 Honda Mollohan Smith (NJ)  
 Hoyer Moore (KS) Smith (TX)  
 Hunter Moore (WI) Smith (WA)  
 Inglis Moran (KS) Snyder  
 Inslee Murphy (CT) Space  
 Israel Murphy (NY) Speier  
 Issa Murphy, Patrick Spratt  
 Jackson (IL) Myrick Stark  
 Jackson Lee Nadler (NY)  
 (TX) Napolitano  
 Jenkins Neal (MA)  
 Johnson (GA) Neugebauer  
 Johnson (IL) Norton  
 Johnson, E. B. Nunes  
 Johnson, Sam Nye  
 Jones Oberstar  
 Jordan (OH) Obey  
 Kanjorski Oliver  
 Kaptur Kennedy Ortiz  
 Kildee Owens  
 Kilpatrick (MI) Pallone  
 Kilroy Pascrell  
 Kind King (IA) Pastor (AZ)  
 King (IA) Paul  
 King (NY) Paulsen  
 Kingston Payne  
 Kirkpatrick (AZ) Pence  
 Kissell Perlmutter  
 Klein (FL) Perriello  
 Kline (MN) Peters  
 Kosmas Peterson  
 Kratovil Petri  
 Kucinich Pierluisi  
 Lamborn Pingree (ME)  
 Lance Pitts  
 Langevin Platts  
 Larsen (WA) Poe (TX)  
 Larson (CT) Polis (CO)  
 Latham Pomeroy  
 LaTourette Posey  
 Latta Price (GA)  
 Lee (CA) Price (NC)  
 Lee (NY) Putnam  
 Levin Qigley  
 Lewis (GA) Radanovich  
 Lewis (GA) Rahall  
 Linder Rangel  
 Lipinski Rehberg  
 LoBiondo Reichert  
 Loeb sack Reyes  
 Lofgren, Zoe Richardson

NOT VOTING—17

Bachus Kagen Serrano  
 Bright Kirk Tsongas  
 Hastings (FL) Moran (VA) Wamp  
 Higgins Olson Waxman  
 Hinojosa Rush Wittman  
 Hoekstra Schrader

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). There are 2 minutes remaining in this vote.

□ 1353

So the amendment was agreed to. The result of the vote was announced as above recorded.

Stated for: Mr. WITTMAN. Mr. Chair, on rollcall No. 445, I was unavoidably detained. Had I been present, I would have voted “aye.”

Mr. BACHUS. Mr. Chair, on July 15, 2010, I missed rollcall vote No. 445. Had I been present, I would have voted “aye.”

Ms. TSONGAS. Mr. Chair, I missed rollcall vote No. 445 to require all funds authorized under H.R. 5114 to be expended in a manner consistent with the manual on Standards of Ethical Conduct for Employees of the Executive Branch.

Had I been present, I would have voted “aye.” I have consistently voted to hold Members of Congress and their staffs, Federal employees, and other representatives of government to the highest ethical standards.

The Acting CHAIR. The question is on the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The Acting CHAIR. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SERRANO) having assumed the chair, Mr. CUELLAR, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5114) to extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, and for other purposes, and, pursuant to House Resolution 1517, reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. HENSARLING. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HENSARLING. I am, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Hensarling moves to recommit the bill, H.R. 5114, to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Strike section 18 (relating to flood insurance outreach).

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, the motion to recommit today is a simple one. It says today, right here, right now, this body will decline to create yet another new government spending program, this one, a quarter of a billion dollar new FEMA outreach program on top of the FEMA outreach program that is already in place.

Mr. Speaker, the American people know already that the National Flood Insurance Program is in trouble, just like almost every other federally administered insurance program.

Social Security has a long-term deficit of \$15.1 trillion. The Federal Pension Benefit Guarantee Corporation has a debt of \$22 billion. The Federal Crop Insurance Program, Medicaid, and the list goes on and on.

The National Flood Insurance Program owes the taxpayer, owes the Treasury already \$19 billion. Why are we going to add to this burden today, Mr. Speaker?

And, in addition, as I said earlier, this is duplicative of an already existing program. I'm not here to say, Mr. Speaker, that outreach is a bad idea. But I am curious what is wrong with the Cooperating Technical Partners Program of FEMA.

□ 1400

Mr. Speaker, even if this wasn't duplicative of an already existing system, even if we truly needed it, the question is, can we afford it? Is it really worth borrowing 43 cents on the dollar, mainly from the Chinese, and sending the bill to our children and grandchildren? At this time, Mr. Speaker, at a time when our Nation is facing a debt crisis, the motion to recommit says no, it doesn't meet that test.

I mean, Mr. Speaker, we know already that the deficit has increased almost tenfold in just 2 years. I mean we are looking at the largest deficits in American history. Our Nation is literally drowning in debt.

Don't take my word for it. Mr. Speaker, I have the honor, as a number of our Members do, to serve on the President's Fiscal Responsibility Commission. It's led by Democrat Erskine Bowles, former chief of staff to President Clinton, who just this week said before the National Governors Association, "The debt is like a cancer. It is truly going to destroy the country from within." That is the Democratic head of the President's Fiscal Responsibility Commission. He recognizes the problem that we are facing today.

Renowned economist Robert Samuelson has said that our spending could "trigger an economic and political death spiral." Former Comptroller David Walker has said we are facing, quote, "a fiscal cancer."

Mr. Speaker, if there was ever a crisis in our Nation's history that we could see coming from miles away it's this one. Why do we want to make it worse? Right here, right now we can take one tiny step towards ensuring we don't put more debt on our children and our grandchildren for a program that is already in the red almost \$19 billion.

I would say that there is very little that I agree with the distinguished chairman of the Financial Services Committee on. But I noticed that last night on NPR he was quoted as saying, "We have to reduce the deficit. I believe that we are reaching a point where the deficit could be unsustainable. We have to make this point: We're going to have to reduce government spending fairly significantly." And I agree with Chairman FRANK on that point. And I would hope that this would be the moment where we could take that one step.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. HENSARLING. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I appreciate it, and I hope he would then join me in something really significant like getting our troops out of Iraq for a year and a half and save about a thousand times as much as this motion to recommit.

Mr. HENSARLING. Reclaiming my time, with the chairman being in the majority, I am sure if he wants to do that, he has the opportunity to do that. If the Democratic majority wants to raise taxes on those who have less than a quarter-billion dollars in income, that is their opportunity to do that. If they want to quit funding our troops in harm's way, they have the opportunity to do that.

What we are saying is there is an opportunity right here, right now not to create yet another duplicative program and add to the debt burden. Now, I am sure we might hear that somehow this is going to create more jobs, but I ask where are the jobs? Where has the spending led to?

I encourage all to support the motion to recommit.

Ms. WATERS. Mr. Speaker, I rise to speak in opposition to the motion.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker and Members, we patiently waited over here to hear what this motion to recommit was going to be all about. We thought about all of the Members who have been calling us, writing us, working with us from both sides of the aisle to please help them address the concerns of their constituents about flood insurance. We have worked very hard with

Members from both sides of the aisle to include their concerns in this bill.

You saw Members come to the floor with those amendments. You saw in the manager's amendment that we had worked with so many Members not only to include their concerns, but to answer questions and prepare them for going back to their communities explaining how this whole thing works.

Many of those questions that have been raised by our constituents have been raised over a long period of time. Our offices are bombarded with questions about the mapping. How does it work? How are they going to get timely notification? What are the premiums all about? These questions go on and on and on, to the point where our offices are oftentimes overwhelmed, not able to give sufficient information, or to assist those communities where they have banded together, despite the fact oftentimes they have few resources to deal with these issues.

And now, in this comprehensive authorization that we are doing we address those constituents' concerns with this outreach. I am very surprised that the Members on the opposite side of the aisle would try and deny to their constituents the basic kind of information and services that we should all be responsible for. We should be able to say to our constituents not only do you have a right to this information, but we are going to give you some help. You don't have to try and band together with resources that you don't have to find out how it all works to oppose FEMA, to find out from your mortgage servicers why you didn't get a timely notice, to find out from your city, who was notified perhaps by FEMA, why they didn't notify the community.

Mr. Speaker and Members, these are simply outreach activities that must be dealt with. These are outreach activities that our constituents deserve. To oppose assisting our constituents when they may be forced into new mapping that's going to cost them money that they had not anticipated, on and on and on, is just unbelievable.

So I would simply say it speaks for itself. Assistance to our constituents asking those basic questions. I would ask for a "no" vote on this motion to recommit. It works against the best interests of all of our constituents. They deserve better than this.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. HENSARLING. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum

time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 191, noes 229, not voting 12, as follows:

[Roll No. 446]

AYES—191

Aderholt	Frelinghuysen	Murphy (NY)
Akin	Gallely	Murphy, Patrick
Alexander	Garrett (NJ)	Murphy, Tim
Austria	Gerlach	Myrick
Bachmann	Gingrey (GA)	Neugebauer
Bachus	Gohmert	Nunes
Barrett (SC)	Goddlatte	Nye
Bartlett	Granger	Paul
Barton (TX)	Graves (GA)	Paulsen
Biggert	Graves (MO)	Pence
Bilbray	Griffith	Peters
Bilirakis	Guthrie	Peterson
Bishop (UT)	Hall (TX)	Petri
Blackburn	Harman	Pitts
Blunt	Harper	Platts
Boehner	Hastings (WA)	Poe (TX)
Bonner	Heller	Posey
Bono Mack	Hensarling	Price (GA)
Boozman	Herger	Putnam
Boustany	Hunter	Radanovich
Brady (TX)	Inglis	Rehberg
Broun (GA)	Issa	Roe (TN)
Brown (SC)	Jenkins	Rogers (AL)
Brown-Waite,	Johnson (IL)	Rogers (KY)
Ginny	Johnson, Sam	Rogers (MI)
Buchanan	Jones	Rohrabacher
Burgess	Jordan (OH)	Rooney
Burton (IN)	King (IA)	Ros-Lehtinen
Buyer	King (NY)	Roskam
Calvert	Kingston	Royce
Camp	Kline (MN)	Ryan (WI)
Campbell	Kratovil	Scalise
Cantor	Lamborn	Schmidt
Capito	Lance	Schock
Carter	Latham	Sensenbrenner
Cassidy	LaTourette	Sessions
Castle	Latta	Sestak
Chaffetz	Lee (NY)	Shadegg
Childers	Lewis (CA)	Shimkus
Coble	Linder	Shuster
Coffman (CO)	LoBiondo	Simpson
Cole	Lucas	Smith (NE)
Conaway	Luetkemeyer	Smith (NJ)
Cooper	Lummis	Smith (TX)
Costa	Lungren, Daniel	Stearns
E.		Sullivan
Culberson	Mack	Taylor
Davis (KY)	Manzullo	Teague
Dent	Marchant	Terry
Diaz-Balart, L.	Marshall	Thompson (PA)
Diaz-Balart, M.	Matheson	Thornberry
Djou	McCarthy (CA)	Tiahrt
Donnelly (IN)	McCauley	Tiberi
Dreier	McClintock	Titus
Duncan	McCotter	Turner
Ehlers	McHenry	Upton
Ellsworth	McKeon	Walden
Emerson	McMorris	Westmoreland
Fallin	Rodgers	Whitfield
Flake	Mica	Wilson (SC)
Fleming	Miller (FL)	Wittman
Forbes	Miller (MI)	Wolf
Fortenberry	Miller, Gary	Young (AK)
Foxx	Mitchell	Young (FL)
Franks (AZ)	Moran (KS)	

NOES—229

Ackerman	Brady (PA)	Courtney
Adler (NJ)	Braley (IA)	Critz
Altmire	Brown, Corrine	Crowley
Andrews	Butterfield	Cuellar
Arcuri	Cao	Cummings
Baca	Capps	Dahlkemper
Baird	Capuano	Davis (AL)
Baldwin	Cardoza	Davis (CA)
Barrow	Carnahan	Davis (IL)
Bean	Carney	Davis (TN)
Becerra	Carson (IN)	DeFazio
Berkley	Castor (FL)	DeGette
Berman	Chandler	Delahunt
Berry	Chu	DeLauro
Bishop (GA)	Clarke	Deutch
Bishop (NY)	Clay	Dicks
Blumenauer	Cleaver	Dingell
Bocchieri	Clyburn	Doggett
Boren	Cohen	Doyle
Boswell	Connolly (VA)	Driehaus
Boucher	Conyers	Edwards (MD)
Boyd	Costello	Edwards (TX)

Ellison	Lewis (GA)	Rothman (NJ)
Engel	Lipinski	Roybal-Allard
Eshoo	Loebsack	Ruppersberger
Etheridge	Lofgren, Zoe	Rush
Farr	Lowe	Ryan (OH)
Fattah	Lujan	Salazar
Filner	Lynch	Sánchez, Linda
Foster	Maffei	T.
Frank (MA)	Maloney	Sánchez, Loretta
Fudge	Markey (CO)	Altmire
Garamendi	Markey (MA)	Andrews
Giffords	Matsui	Schakowsky
Gonzalez	McCarthy (NY)	Schauer
Gordon (TN)	McCollum	Schiff
Grayson	McDermott	Schwartz
Green, Al	McGovern	Scott (GA)
Green, Gene	McIntyre	Scott (VA)
Grijalva	McMahon	Serrano
Gutierrez	McNerney	Shea-Porter
Hall (NY)	Meek (FL)	Sherman
Halvorson	Meeks (NY)	Shuler
Hare	Melancon	Sires
Heinrich	Michaud	Skelton
Hill	Miller (NC)	Slaughter
Himes	Miller, George	Smith (WA)
Hinche	Minnick	Snyder
Hirono	Mollohan	Space
Hodes	Moore (KS)	Speier
Holden	Moore (WI)	Spratt
Holt	Moran (VA)	Stark
Honda	Murphy (CT)	Stupak
Hoyer	Nadler (NY)	Sutton
Inslee	Napolitano	Tanner
Israel	Neal (MA)	Thompson (CA)
Jackson (IL)	Oberstar	Thompson (MS)
Jackson Lee	Obey	Tierney
(TX)	Olver	Tonko
Johnson (GA)	Ortiz	Brady (PA)
Johnson, E. B.	Owens	Brady (TX)
Kanjorski	Pallone	Towns
Kaptur	Pascarell	Tsongas
Kennedy	Pastor (AZ)	Van Hollen
Kildee	Payne	Velázquez
Perlmutter		Visclosky
Kilroy	Perrillo	Walz
Kind	Pingree (ME)	Wasserman
Kirkpatrick (AZ)	Polis (CO)	Schultz
Kissell	Price (NC)	Waters
Klein (FL)	Quigley	Watson
Kosmas	Rahall	Watt
Kucinich	Rangel	Waxman
Langevin	Reichert	Weiner
Larsen (WA)	Reyes	Welch
Larson (CT)	Richardson	Wilson (OH)
Lee (CA)	Rodriguez	Woolsey
Levin	Ross	Wu
		Yarmuth

NOT VOTING—12

Bright	Hinojosa	Olson
Hastings (FL)	Hoekstra	Pomeroy
Herseht Sandlin	Kagen	Schrader
Higgins	Kirk	Wamp

□ 1426

Messrs. McDERMOTT and RUSH changed their vote from “aye” to “no.”

Mr. SAM JOHNSON of Texas changed his vote from “no” to “aye.”

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated against:

Ms. HERSEHT SANDLIN. Mr. Speaker, I regret that I was unable to participate in a vote on the floor of the House of Representatives today.

The vote was on the Motion to Recommit on the Flood Insurance Reform Priorities Act of 2010. Had I been present, I would have voted “no” on that question.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Ms. WATERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 329, noes 90, not voting 13, as follows:

[Roll No. 447]

AYES—329

Ackerman	Edwards (MD)	Lungren, Daniel
Adler (NJ)	Edwards (TX)	E.
Altmire	Ehlers	Lynch
Andrews	Ellison	Mack
Arcuri	Ellsworth	Maffei
Austria	Emerson	Maloney
Baca	Engel	Markey (CO)
Baird	Eshoo	Markey (MA)
Baldwin	Etheridge	Marshall
Barrow	Fallin	Matheson
Bean	Farr	Matsui
Becerra	Fattah	McCarthy (NY)
Berkley	Filner	McCauley
Berman	Forbes	McCollum
Berry	Fortenberry	McDermott
Bilirakis	Foster	McGovern
Bishop (GA)	Frank (MA)	McIntyre
Bishop (NY)	Fudge	McMahon
Bishop (UT)	Garamendi	McNerney
Blumenauer	Gerlach	Meek (FL)
Blunt	Giffords	Meeks (NY)
Bocchieri	Gohmert	Melancon
Bonner	Gonzalez	Mica
Bono Mack	Gordon (TN)	Michaud
Boozman	Granger	Miller (FL)
Boren	Graves (MO)	Miller (NC)
Boswell	Grayson	Miller, George
Boucher	Green, Al	Minnick
Boustany	Green, Gene	Mitchell
Boyd	Grijalva	Mollohan
Brady (PA)	Guthrie	Moore (KS)
Brady (TX)	Gutierrez	Moore (WI)
Braley (IA)	Hall (NY)	Moran (VA)
Brown (SC)	Hall (TX)	Murphy (CT)
Brown, Corrine	Halvorson	Murphy (NY)
Brown-Waite,	Hare	Murphy, Patrick
Ginny	Harman	Murphy, Tim
Buchanan	Harper	Nadler (NY)
Burgess	Heinrich	Napolitano
Butterfield	Heller	Neal (MA)
Cao	Herseht Sandlin	Nye
Capito	Hill	Oberstar
Capps	Himes	Obey
Capuano	Hinche	Olver
Carnahan	Hirono	Ortiz
Carney	Hodes	Owens
Carson (IN)	Holden	Pallone
Carter	Holt	Pascrell
Cassidy	Honda	Pastor (AZ)
Castor (FL)	Hoyer	Payne
Chandler	Inslee	Perlmutter
Childers	Israel	Perriello
Chu	Jackson (IL)	Peters
Clarke	Jackson Lee	Peterson
Clay	(TX)	Petri
Cleaver	Johnson (GA)	Pingree (ME)
Clyburn	Johnson (IL)	Platts
Coffman (CO)	Johnson, E. B.	Poe (TX)
Cohen	Jones	Polis (CO)
Conaway	Kanjorski	Pomeroy
Connolly (VA)	Kaptur	Posey
Conyers	Kennedy	Price (NC)
Cooper	Kildee	Putnam
Costa	Kilpatrick (MI)	Quigley
Costello	Kilroy	Rahall
Courtney	Kind	Rangel
Crenshaw	King (NY)	Rehberg
Critz	Kingston	Reichert
Crowley	Kirkpatrick (AZ)	Richardson
Cuellar	Kissell	Rodriguez
Cummings	Klein (FL)	Roe (TN)
Dahlkemper	Kosmas	Rogers (KY)
Davis (AL)	Kratovil	Rooney
Davis (CA)	Kucinich	Ros-Lehtinen
Davis (IL)	Lance	Ross
Davis (KY)	Langevin	Rothman (NJ)
Davis (TN)	Larsen (WA)	Roybal-Allard
DeFazio	Larson (CT)	Ruppersberger
DeGette	Latham	Ryan (OH)
Delahunt	LaTourette	Salazar
DeLauro	Lee (CA)	Sánchez, Linda
Dent	Lee (NY)	T.
Deutch	Levin	Sánchez, Loretta
Diaz-Balart, L.	Lewis (GA)	Sarbanes
Diaz-Balart, M.	Lipinski	Scalise
Dicks	LoBiondo	Schakowsky
Dingell	Loebsack	Schauer
Djou	Lofgren, Zoe	Schiff
Doggett	Lowe	Schock
Donnelly (IN)	Luetkemeyer	Schwartz
Doyle	Lujan	Scott (GA)
Driehaus	Lummis	Scott (VA)

Serrano	Tanner	Wasserman
Sestak	Taylor	Schultz
Shea-Porter	Teague	Waters
Sherman	Terry	Watson
Shimkus	Thompson (CA)	Watt
Shuler	Thompson (MS)	Waxman
Shuster	Thompson (PA)	Weiner
Simpson	Thornberry	Welch
Sires	Tiberi	Whitfield
Skelton	Tierney	Wilson (OH)
Slaughter	Titus	Wilson (SC)
Smith (NJ)	Tonko	Wittman
Smith (WA)	Towns	Wolf
Snyder	Tsongas	Woolsey
Space	Turner	Wu
Speier	Van Hollen	Yarmuth
Spratt	Velazquez	Young (AK)
Stark	Viscofsky	Young (FL)
Stearns	Walden	Walz
Sutton	Walz	

## NOES—90

Aderholt	Gallegly	Miller (MI)
Akin	Garrett (NJ)	Miller, Gary
Alexander	Gingrey (GA)	Moran (KS)
Bachmann	Goodlatte	Myrick
Bachus	Graves (GA)	Neugebauer
Barrett (SC)	Griffith	Nunes
Bartlett	Hastings (WA)	Paul
Barton (TX)	Hensarling	Paulsen
Biggart	Herger	Pence
Blibray	Hunter	Pitts
Blackburn	Inglis	Price (GA)
Boehner	Issa	Radanovich
Broun (GA)	Jenkins	Rogers (AL)
Burton (IN)	Johnson, Sam	Rogers (MI)
Buyer	Jordan (OH)	Rohrabacher
Calvert	King (IA)	Roskam
Camp	Kline (MN)	Royce
Campbell	Lamborn	Ryan (WI)
Cantor	Latta	Schmidt
Castle	Lewis (CA)	Sensenbrenner
Chaffetz	Linder	Sessions
Coble	Lucas	Shadegg
Cole	Manzullo	Smith (NE)
Culberson	Marchant	Smith (TX)
Dreier	McCarthy (CA)	Stupak
Duncan	McClintock	Sullivan
Flake	McCotter	Tiahrt
Fleming	McHenry	Upton
Foxx	McKeon	Westmoreland
Franks (AZ)	McMorris	
Frelinghuysen	Rodgers	

## NOT VOTING—13

Bright	Hoekstra	Rush
Cardoza	Kagen	Schrader
Hastings (FL)	Kirk	Wamp
Higgins	Olson	
Hinojosa	Reyes	

□ 1435

Mr. INGLIS changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. RUSH. Mr. Speaker, on rollcall No. 447, had I been present, I would have voted "aye."

#### AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 5114, FLOOD INSURANCE REFORM PRIORITIES ACT OF 2010

Ms. WATERS. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 5114, to include corrections in spelling, punctuation, section numbering and cross-referencing, the insertion of appropriate headings, and clerical errors in amendatory instructions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### RESIGNATION OF CHIEF ADMINISTRATIVE OFFICER

The SPEAKER laid before the House the following communication from the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, HOUSE OF REPRESENTATIVES,

Washington, DC, July 1, 2010.

Hon. NANCY PELOSI,  
Speaker, House of Representatives,  
Washington, DC.

DEAR MADAM SPEAKER: I'm writing to tender my resignation as Chief Administrative Officer for the U.S. House of Representatives effective July 18, 2010.

It has been a distinct honor and privilege to serve you and House in this position over the past three and one-half years. I believe we have made substantial strides to make House operations more sustainable, provide Members and staff with improved benefits, and provide the House community with a safer and more secure information technology system.

I will always be grateful to you for giving me this opportunity to serve this wonderful institution. I also want to thank you for your personal support.

With warmest best regards, I am

Sincerely yours,

DANIEL P. BEARD.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

#### APPOINTMENT OF TEMPORARY CHIEF ADMINISTRATIVE OFFICER

The SPEAKER. Pursuant to the provisions of section 208(a) of the Legislative Reorganization Act of 1946, the Chair appoints Daniel J. Strodel of the District of Columbia to act as and to exercise temporarily the duties of Chief Administrative Officer of the House of Representatives, effective July 18, 2010.

Mr. Strodel appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear or affirm that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter, so help you God.

The SPEAKER. Congratulations.

#### PRIVILEGED REPORT ON RESOLUTION OF INQUIRY TO THE ATTORNEY GENERAL

Mr. CONYERS from the Committee on the Judiciary, submitted an adverse privileged report (Rept. No. 111-538) on the resolution (H. Res. 1455) directing the Attorney General to transmit to the House of Representatives copies of certain communications relating to

certain recommendations regarding administration appointments, which was referred to the House Calendar and ordered to be printed.

□ 1440

#### LEGISLATIVE PROGRAM

(Mr. CANTOR asked and was given permission to address the House for 1 minute.)

Mr. CANTOR. Madam Speaker, I yield to the gentleman from Maryland, the majority leader, for the purpose of announcing next week's schedule.

Mr. HOYER. I thank the Republican whip for yielding.

Madam Speaker, on Monday, the House will meet at 12:30 p.m. for morning-hour debate and 2 p.m. for legislative business, with votes postponed until 6 p.m. On Tuesday, Madam Speaker, the House will meet at 10:30 a.m. for morning-hour debate and 12 p.m. for legislative business. On Wednesday and Thursday, the House will meet at 10 a.m. for legislative business. On Friday, the House will meet at 9 a.m. for legislative business.

We will consider several bills under suspension of the rules. A complete list of all suspension bills will be announced by the close of business tomorrow. In addition, we will consider Mr. TAYLOR's bill, H.R. 1264, the Multiple Peril Insurance Act of 2009. We're also expecting to consider several items from the Senate, including Senate amendments to H.R. 4213, the Restoration of Emergency Unemployment Compensation Act; and Senate amendments to H.R. 4899, the Supplemental Appropriations Act of 2010.

Lastly, Madam Speaker, we expect to consider several bills addressing the oil spill in the gulf, including H.R. 2693, the Oil Pollution Research and Development Program Reauthorization Act; and H.R. 5716, the Safer Oil and Natural Gas Drilling Technology Research and Development Act.

Mr. CANTOR. Madam Speaker, given the schedule the gentleman just announced, I would ask the majority leader whether he expects the House to be in session next Friday.

Mr. HOYER. I say to the gentleman that will, again, depend on what our colleagues in the Senate send over to us and whether or not we can complete the business that we have before us that I've announced by Thursday. In the event that we don't have legislation coming back from the Senate that we needed to deal with on Friday, or our business that is scheduled does not take longer than Thursday, then it is possible that we would not be in session. But, again, I would caution Members that we have 2 weeks left to go and those days will be scheduled and will be utilized if needed.

Mr. CANTOR. Madam Speaker, the gentleman just explained that we do only have 2 more weeks left in the month of July for legislative business. I would ask the gentleman if he could