

proved real estate or a mobile home, to the extent such agency acts in such capacity;

(8) the term “improved real estate” means real estate upon which a building is located;

(9) “lender” means a regulated lending institution or Federal agency lender;

(10) “regulated lending institution” means any bank, savings and loan association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation; and

(11) “servicer” means the person responsible for receiving any scheduled periodic payments from a borrower pursuant to the terms of a loan, including amounts for taxes, insurance premiums, and other charges with respect to the property securing the loan, and making the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the loan.

(b) The Director is authorized to define or redefine, by rules and regulations, any scientific or technical term used in this Act, insofar as such definition is not inconsistent with the purposes of this Act.

(Pub. L. 93-234, § 3, Dec. 31, 1973, 87 Stat. 976; Pub. L. 95-128, title VII, § 703(b), Oct. 12, 1977, 91 Stat. 1145; Pub. L. 98-181, title IV, § 451(e), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 100-707, title I, § 109(t), Nov. 23, 1988, 102 Stat. 4710; Pub. L. 103-325, title V, § 511(a), Sept. 23, 1994, 108 Stat. 2255; Pub. L. 109-295, title VI, § 612(c), Oct. 4, 2006, 120 Stat. 1410; Pub. L. 111-203, title III, § 368, July 21, 2010, 124 Stat. 1557.)

REFERENCES IN TEXT

This Act, referred to in text, means Pub. L. 93-234, Dec. 31, 1973, 87 Stat. 975, known as the Flood Disaster Protection Act of 1973. For complete classification of this Act to the Code, see Short Title of 1973 Amendment note set out under section 4001 of this title and Tables.

The Disaster Relief and Emergency Assistance Act, referred to in subsec. (a)(4), is Pub. L. 93-288, May 22, 1974, 88 Stat. 143, known as the Robert T. Stafford Disaster Relief and Emergency Assistance Act, which is classified principally to chapter 68 (§ 5121 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of this title and Tables.

CODIFICATION

Section was enacted as part of Flood Disaster Protection Act of 1973, and not as part of National Flood Insurance Act of 1968 which comprises this chapter.

AMENDMENTS

2010—Subsec. (a)(5). Pub. L. 111-203 struck out “, the Office of Thrift Supervision” after “the Comptroller of the Currency”.

1994—Subsec. (a)(5). Pub. L. 103-325, § 511(a)(1), added par. (5) and struck out former par. (5) which read as follows: “Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions” means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration; and”.

Subsec. (a)(7) to (11). Pub. L. 103-325, § 511(a)(2), (3), added pars. (7) to (11).

1988—Subsec. (a)(4). Pub. L. 100-707 substituted “Disaster Relief and Emergency Assistance Act” for “Disaster Relief Act of 1974”.

1983—Subsec. (a)(6). Pub. L. 98-181, § 451(e)(2), substituted definition of “Director” meaning the Director of the Federal Emergency Management Agency for definition of “Secretary” meaning the Secretary of Housing and Urban Development.

Subsec. (b). Pub. L. 98-181, § 451(e)(1), substituted “Director” for “Secretary”.

1977—Subsec. (a)(4). Pub. L. 95-128 substituted “assistance pursuant to the Disaster Relief Act of 1974 (other than assistance under such Act in connection with a flood)” for “assistance for emergency work essential for the protection and preservation of life and property performed pursuant to the Disaster Relief Act of 1970 or any subsequent Act of Congress which supersedes or modifies the Disaster Relief Act of 1970”.

CHANGE OF NAME

“Administrator of the Federal Emergency Management Agency” substituted for “Director of the Federal Emergency Management Agency” in subsec. (a)(6) on authority of section 612(c) of Pub. L. 109-295, set out as a note under section 313 of Title 6, Domestic Security. Any reference to the Administrator of the Federal Emergency Management Agency in title VI of Pub. L. 109-295 or an amendment by title VI to be considered to refer and apply to the Director of the Federal Emergency Management Agency until Mar. 31, 2007, see section 612(f)(2) of Pub. L. 109-295, set out as a note under section 313 of Title 6.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

SUBCHAPTER I—THE NATIONAL FLOOD INSURANCE PROGRAM

§ 4011. Authorization to establish and carry out program

(a) Authorization and establishment

To carry out the purposes of this chapter, the Administrator of the Federal Emergency Management Agency is authorized to establish and carry out a national flood insurance program which will enable interested persons to purchase insurance against loss resulting from physical damage to or loss of real property or personal property related thereto arising from any flood occurring in the United States.

(b) Additional coverage for compliance with land use and control measures

The national flood insurance program established pursuant to subsection (a) of this section

shall enable the purchase of insurance to cover the cost of implementing measures that are consistent with land use and control measures established by the community under section 4102 of this title for—

- (1) properties that are repetitive loss structures;
- (2) properties that are substantially damaged structures;
- (3) properties that have sustained flood damage on multiple occasions, if the Director determines that it is cost-effective and in the best interests of the National Flood Insurance Fund to require the implementation of such measures; and
- (4) properties for which an offer of mitigation assistance is made under—
 - (A) section 4104c of this title (Flood Mitigation Assistance Program);
 - (B) section 1368¹ (Repetitive Loss Priority Program and Individual Priority Property Program);
 - (C) the Hazard Mitigation Grant Program authorized under section 5170c of this title;
 - (D) the Predisaster Hazard Mitigation Program under section 5133 of this title; and
 - (E) any programs authorized or for which funds are appropriated to address any unmet needs or for which supplemental funds are made available.

The Director shall impose a surcharge on each insured of not more than \$75 per policy to provide cost of compliance coverage in accordance with the provisions of this subsection.

(c) Participation and risk sharing by insurers

In carrying out the flood insurance program the Director shall, to the maximum extent practicable, encourage and arrange for—

- (1) appropriate financial participation and risk sharing in the program by insurance companies and other insurers, and
- (2) other appropriate participation, on other than a risk-sharing basis, by insurance companies and other insurers, insurance agents and brokers, and insurance adjustment organizations,

in accordance with the provisions of subchapter II of this chapter.

(Pub. L. 90-448, title XIII, §1304, Aug. 1, 1968, 82 Stat. 574; Pub. L. 98-181, title IV, §451(d)(1), (2), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 103-325, title V, §555(a), Sept. 23, 1994, 108 Stat. 2274; Pub. L. 108-264, title I, §105(a), June 30, 2004, 118 Stat. 723; Pub. L. 109-295, title VI, §612(c), Oct. 4, 2006, 120 Stat. 1410.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

2004—Subsec. (b). Pub. L. 108-264, §105(a)(1)(B), which directed insertion of “by the community” after “estab-

lished” in introductory provisions, was executed by making the insertion after “established” the second time appearing to reflect the probable intent of Congress.

Pub. L. 108-264, §105(a)(1)(A), substituted “implementing measures that are consistent” for “compliance” in introductory provisions.

Subsec. (b)(2). Pub. L. 108-264, §105(a)(2), substituted “are substantially damaged structures;” for “have flood damage in which the cost of repairs equals or exceeds 50 percent of the value of the structure at the time of the flood event; and”.

Subsec. (b)(3). Pub. L. 108-264, §105(a)(3), which directed the substitution of “the implementation of such measures; and” for “compliance with land use and control measures.”, was executed by making the substitution for “compliance with the land use and control measures.”, to reflect the probable intent of Congress.

Subsec. (b)(4). Pub. L. 108-264, §105(a)(4), added par. (4).

1994—Subsecs. (b), (c). Pub. L. 103-325 added subsec. (b) and redesignated former subsec. (b) as (c).

1983—Subsec. (a). Pub. L. 98-181, §451(d)(2), substituted “Director of the Federal Emergency Management Agency” for “Secretary of Housing and Urban Development”.

Subsec. (b). Pub. L. 98-181, §451(d)(1), substituted “Director” for “Secretary”.

CHANGE OF NAME

“Administrator of the Federal Emergency Management Agency” substituted for “Director of the Federal Emergency Management Agency” in subsec. (a) on authority of section 612(c) of Pub. L. 109-295, set out as a note under section 313 of Title 6, Domestic Security. Any reference to the Administrator of the Federal Emergency Management Agency in title VI of Pub. L. 109-295 or an amendment by title VI to be considered to refer and apply to the Director of the Federal Emergency Management Agency until Mar. 31, 2007, see section 612(f)(2) of Pub. L. 109-295, set out as a note under section 313 of Title 6.

EFFECTIVE DATE OF 1994 AMENDMENT

Section 555(b) of Pub. L. 103-325 provided that: “The provisions of subsection (a) [amending this section] shall apply only to properties that sustain flood-related damage after the date of enactment of this Act [Sept. 23, 1994].”

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

CONGRESSIONAL FINDINGS

Pub. L. 108-264, §2, June 30, 2004, 118 Stat. 712, provided that: “The Congress finds that—

- “(1) the national flood insurance program—
 - “(A) identifies the flood risk;
 - “(B) provides flood risk information to the public;
 - “(C) encourages State and local governments to make appropriate land use adjustments to constrict the development of land which is exposed to flood damage and minimize damage caused by flood losses; and

¹ So in original. Pub. L. 90-448 does not contain a section 1368.

- “(D) makes flood insurance available on a nationwide basis that would otherwise not be available, to accelerate recovery from floods, mitigate future losses, save lives, and reduce the personal and national costs of flood disasters;
- “(2) the national flood insurance program insures approximately 4,400,000 policyholders;
- “(3) approximately 48,000 properties currently insured under the program have experienced, within a 10-year period, 2 or more flood losses where each such loss exceeds the amount \$1,000;
- “(4) approximately 10,000 of these repetitive-loss properties have experienced either 2 or 3 losses that cumulatively exceed building value or 4 or more losses, each exceeding \$1,000;
- “(5) repetitive-loss properties constitute a significant drain on the resources of the national flood insurance program, costing about \$200,000,000 annually;
- “(6) repetitive-loss properties comprise approximately 1 percent of currently insured properties but are expected to account for 25 to 30 percent of claims losses;
- “(7) the vast majority of repetitive-loss properties were built before local community implementation of floodplain management standards under the program and thus are eligible for subsidized flood insurance;
- “(8) while some property owners take advantage of the program allowing subsidized flood insurance without requiring mitigation action, others are trapped in a vicious cycle of suffering flooding, then repairing flood damage, then suffering flooding, without the means to mitigate losses or move out of harm’s way;
- “(9) mitigation of repetitive-loss properties through buyouts, elevations, relocations, or flood-proofing will produce savings for policyholders under the program and for Federal taxpayers through reduced flood insurance losses and reduced Federal disaster assistance;
- “(10) a strategy of making mitigation offers aimed at high-priority repetitive-loss properties and shifting more of the burden of recovery costs to property owners who choose to remain vulnerable to repetitive flood damage can encourage property owners to take appropriate actions that reduce loss of life and property damage and benefit the financial soundness of the program;
- “(11) the method for addressing repetitive-loss properties should be flexible enough to take into consideration legitimate circumstances that may prevent an owner from taking a mitigation action; and
- “(12) focusing the mitigation and buy-out of repetitive loss properties upon communities and property owners that choose to voluntarily participate in a mitigation and buy-out program will maximize the benefits of such a program, while minimizing any adverse impact on communities and property owners.”

MISCELLANEOUS FLOOD INSURANCE PROVISIONS

Pub. L. 108-264, title II, June 30, 2004, 118 Stat. 725, as amended by Pub. L. 109-295, title VI, §612(c), Oct. 4, 2006, 120 Stat. 1410, provided that:

“SEC. 201. DEFINITIONS.

“In this title, the following definitions shall apply:

“(1) DIRECTOR.—The term ‘Director’ means the Administrator of the Federal Emergency Management Agency.

“(2) FLOOD INSURANCE POLICY.—The term ‘flood insurance policy’ means a flood insurance policy issued under the National Flood Insurance Act of 1968 (42 U.S.C. [4001] et seq.).

“(3) PROGRAM.—The term ‘Program’ means the National Flood Insurance Program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

“SEC. 202. SUPPLEMENTAL FORMS.

“(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act [June 30, 2004], the Direc-

tor shall develop supplemental forms to be issued in conjunction with the issuance of a flood insurance policy that set forth, in simple terms—

“(1) the exact coverages being purchased by a policyholder;

“(2) any exclusions from coverage that apply to the coverages purchased;

“(3) an explanation, including illustrations, of how lost items and damages will be valued under the policy at the time of loss;

“(4) the number and dollar value of claims filed under a flood insurance policy over the life of the property, and the effect, under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), of the filing of any further claims under a flood insurance policy with respect to that property; and

“(5) any other information that the Director determines will be helpful to policyholders in understanding flood insurance coverage.

“(b) DISTRIBUTION.—The forms developed under subsection (a) shall be given to—

“(1) all holders of a flood insurance policy at the time of purchase and renewal; and

“(2) insurance companies and agents that are authorized to sell flood insurance policies.

“SEC. 203. ACKNOWLEDGEMENT FORM.

“(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act [June 30, 2004], the Director shall develop an acknowledgement form to be signed by the purchaser of a flood insurance policy that contains—

“(1) an acknowledgement that the purchaser has received a copy of the standard flood insurance policy, and any forms developed under section 202; and

“(2) an acknowledgement that the purchaser has been told that the contents of a property or dwelling are not covered under the terms of the standard flood insurance policy, and that the policyholder has the option to purchase additional coverage for such contents.

“(b) DISTRIBUTION.—Copies of an acknowledgement form executed under subsection (a) shall be made available to the purchaser and the Director.

“SEC. 204. FLOOD INSURANCE CLAIMS HANDBOOK.

“(a) IN GENERAL.—Not later than 6 months after the date of enactment of this Act [June 30, 2004], the Director shall develop a flood insurance claims handbook that contains—

“(1) a description of the procedures to be followed to file a claim under the Program, including how to pursue a claim to completion;

“(2) how to file supplementary claims, proof of loss, and any other information relating to the filing of claims under the Program; and

“(3) detailed information regarding the appeals process established under section 205.

“(b) DISTRIBUTION.—The handbook developed under subsection (a) shall be made available to—

“(1) each insurance company and agent authorized to sell flood insurance policies; and

“(2) each purchaser, at the time of purchase and renewal, of a flood insurance policy, and at the time of any flood loss sustained by such purchaser.

“SEC. 205. APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

“Not later than 6 months after the date of enactment of this Act [June 30, 2004], the Director shall, by regulation, establish an appeals process through which holders of a flood insurance policy may appeal the decisions, with respect to claims, proofs of loss, and loss estimates relating to such flood insurance policy, of—

“(1) any insurance agent or adjuster, or insurance company; or

“(2) any employee or contractor of the Federal Emergency Management Agency.

“SEC. 206. STUDY AND REPORT ON USE OF COST COMPLIANCE COVERAGE.

“Not later than 1 year after the date of enactment of this Act [June 30, 2004], the Administrator of the Fed-

eral Emergency Management Agency shall submit to Congress a report that sets forth—

“(1) the use of cost of compliance coverage under section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) in connection with flood insurance policies;

“(2) any barriers to policyholders using the funds provided by cost of compliance coverage under that section 1304(b) under a flood insurance policy, and recommendations to address those barriers; and

“(3) the steps that the Federal Emergency Management Agency has taken to ensure that funds paid for cost of compliance coverage under that section 1304(b) are being used to lessen the burdens on all homeowners and the Program.

“SEC. 207. MINIMUM TRAINING AND EDUCATION REQUIREMENTS.

“The Administrator of the Federal Emergency Management Agency shall, in cooperation with the insurance industry, State insurance regulators, and other interested parties—

“(1) establish minimum training and education requirements for all insurance agents who sell flood insurance policies; and

“(2) not later than 6 months after the date of enactment of this Act [June 30, 2004], publish these requirements in the Federal Register, and inform insurance companies and agents of the requirements.

“SEC. 208. GAO STUDY AND REPORT.

“(a) STUDY.—The Comptroller General of the United States shall conduct a study of—

“(1) the adequacy of the scope of coverage provided under flood insurance policies in meeting the intended goal of Congress that flood victims be restored to their pre-flood conditions, and any recommendations to ensure that goal is being met;

“(2) the adequacy of payments to flood victims under flood insurance policies; and

“(3) the practices of the Federal Emergency Management Agency and insurance adjusters in estimating losses incurred during a flood, and how such practices affect the adequacy of payments to flood victims.

“(b) REPORT.—Not later than 1 year after the date of enactment of this Act [June 30, 2004], the Comptroller General shall submit to Congress a report regarding the results of the study under subsection (a).

“SEC. 209. PROSPECTIVE PAYMENT OF FLOOD INSURANCE PREMIUMS.

[Amended section 4015 of this title.]

“SEC. 210. REPORT ON CHANGES TO FEE SCHEDULE OR FEE PAYMENT ARRANGEMENTS.

“Not later than 3 months after the date of enactment of this Act [June 30, 2004], the Director shall submit a report on any changes or modifications made to the fee schedule or fee payment arrangements between the Federal Emergency Management Agency and insurance adjusters who provide services with respect to flood insurance policies to—

“(1) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(2) the Committee on Financial Services of the House of Representatives.”

FLOOD INSURANCE INTERAGENCY TASK FORCE

Section 561 of Pub. L. 103-325 provided that:

“(a) ESTABLISHMENT.—There is hereby established an interagency task force to be known as the Flood Insurance Task Force (in this section referred to as the ‘Task Force’).

“(b) MEMBERSHIP.—

“(1) IN GENERAL.—The Task Force shall be composed of 10 members, who shall be the designees of—

“(A) the Federal Insurance Administrator;

“(B) the Federal Housing Commissioner;

“(C) the Secretary of Veterans Affairs;

“(D) the Administrator of the Farmers Home Administration;

“(E) the Administrator of the Small Business Administration;

“(F) the Chairman of the Board of Directors of the Farm Credit Administration;

“(G) a designee of the Financial Institutions Examination Council;

“(H) the Director of the Office of Federal Housing Enterprise Oversight;

“(I) the chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation; and

“(J) the chairman of the Board of Directors of the Federal National Mortgage Association.

“(2) QUALIFICATIONS.—Members of the Task Force shall be designated for membership on the Task Force by reason of demonstrated knowledge and competence regarding the national flood insurance program.

“(c) DUTIES.—The Task Force shall carry out the following duties:

“(1) RECOMMENDATIONS OF STANDARDIZED ENFORCEMENT PROCEDURES.—Make recommendations to the head of each Federal agency and enterprise referred to under subsection (b)(1) regarding establishment or adoption of standardized enforcement procedures among such agencies and corporations responsible for enforcing compliance with the requirements under the national flood insurance program to ensure fullest possible compliance with such requirements.

“(2) STUDY OF COMPLIANCE ASSISTANCE.—Conduct a study of the extent to which Federal agencies and the secondary mortgage market can provide assistance in ensuring compliance with the requirements under the national flood insurance program and submit to the Congress a report describing the study and any conclusions.

“(3) STUDY OF COMPLIANCE MODEL.—Conduct a study of the extent to which existing programs of Federal agencies and corporations for compliance with the requirements under the national flood insurance program can serve as a model for other Federal agencies responsible for enforcing compliance, and submit to the Congress a report describing the study and any conclusions.

“(4) RECOMMENDATIONS FOR ENFORCEMENT AND COMPLIANCE PROCEDURES.—Develop recommendations regarding enforcement and compliance procedures, based on the studies and findings of the Task Force, and publish such recommendations.

“(5) STUDY OF DETERMINATION FEES.—Conduct a study of—

“(A) the reasonableness of fees charged pursuant to 102(h) of the Flood Disaster Protection Act of 1973 [42 U.S.C. 4012a(h)] for costs of determining whether the property securing a loan is located in an area having special flood hazards; and

“(B) whether the fees charged pursuant to such section by lenders and servicers are greater than the amounts paid by such lenders and servicers to persons actually conducting such determinations and the extent to which the fees exceed such amounts.

“(d) NONCOMPENSATION.—Members of the Task Force shall receive no additional pay by reason of their service on the Task Force.

“(e) CHAIRPERSON.—The members of the Task Force shall elect one member as chairperson of the Task Force.

“(f) MEETINGS AND ACTION.—The Task Force shall meet at the call of the chairman or a majority of the members of the Task Force and may take action by a vote of the majority of the members. The Federal Insurance Administrator shall coordinate and call the initial meeting of the Task Force.

“(g) OFFICERS.—The chairperson of the Task Force may appoint any officers to carry out the duties of the Task Force under subsection (c).

“(h) STAFF OF FEDERAL AGENCIES.—Upon request of the chairperson of the Task Force, the head of any of the Federal agencies and entities referred to under subsection (b)(1) may detail, on a nonreimbursable basis,

any of the personnel of such agency to the Task Force to assist the Task Force in carrying out its duties under this section.

“(i) **POWERS.**—In carrying out this section, the Task Force may hold hearings, sit and act at times and places, take testimony, receive evidence and assistance, provide information, and conduct research as the Task Force considers appropriate.

“(j) **TERMINATION.**—The Task Force shall terminate upon the expiration of the 24-month period beginning upon the designation of the last member to be designated under subsection (b)(1).”

§ 4012. Scope of program and priorities

(a) Priority for insurance for certain residential and church properties and business concerns

In carrying out the flood insurance program the Director shall afford a priority to making flood insurance available to cover residential properties which are designed for the occupancy of from one to four families, church properties, and business properties which are owned or leased and operated by small business concerns.

(b) Availability of insurance for other properties

If on the basis of—

- (1) studies and investigations undertaken and carried out and information received or exchanged under section 4014 of this title, and
- (2) such other information as may be necessary,

the Director determines that it would be feasible to extend the flood insurance program to cover other properties, he may take such action under this chapter as from time to time may be necessary in order to make flood insurance available to cover, on such basis as may be feasible, any types and classes of—

- (A) other residential properties,
- (B) other business properties,
- (C) agricultural properties,
- (D) properties occupied by private nonprofit organizations, and
- (E) properties owned by State and local governments and agencies thereof,

and any such extensions of the program to any types and classes of these properties shall from time to time be prescribed in regulations.

(c) Availability of insurance in States or areas evidencing positive interest in securing insurance and assuring adoption of adequate land use and control measures

The Director shall make flood insurance available in only those States or areas (or subdivisions thereof) which he has determined have—

- (1) evidenced a positive interest in securing flood insurance coverage under the flood insurance program, and
- (2) given satisfactory assurance that by December 31, 1971, adequate land use and control measures will have been adopted for the State or area (or subdivision) which are consistent with the comprehensive criteria for land management and use developed under section 4102 of this title, and that the application and enforcement of such measures will commence as soon as technical information on floodways and on controlling flood elevations is available.

(Pub. L. 90-448, title XIII, §1305, Aug. 1, 1968, 82 Stat. 574; Pub. L. 91-152, title IV, §410(a), Dec. 24,

1969, 83 Stat. 397; Pub. L. 92-213, §2(c)(1), Dec. 22, 1971, 85 Stat. 775; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (b), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1983—Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1971—Subsec. (a). Pub. L. 92-213 inserted reference to church properties.

1969—Subsec. (c)(2). Pub. L. 91-152 substituted “December 31, 1971, adequate” for “June 30, 1970, permanent”.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4012a. Flood insurance purchase and compliance requirements and escrow accounts

(a) Amount and term of coverage

After the expiration of sixty days following December 31, 1973, no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes for use in any area that has been identified by the Director as an area having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968 [42 U.S.C. 4001 et seq.], unless the building or mobile home and any personal property to which such financial assistance relates is covered by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less: *Provided*, That if the financial assistance provided is in the form of a loan or an insurance or guaranty of a loan, the amount of flood insurance required need not exceed the outstanding principal balance of the loan and need not be required beyond the term of the loan. The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property.

(b) Requirement for mortgage loans

(1) Regulated lending institutions

Each Federal entity for lending regulation (after consultation and coordination with the

Financial Institutions Examination Council established under the Federal Financial Institutions Examination Council Act of 1974 [12 U.S.C. 3301 et seq.] shall by regulation direct regulated lending institutions not to make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 [42 U.S.C. 4001 et seq.], unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in an amount at least equal to the outstanding principal balance of the loan or the maximum limit of coverage made available under the Act with respect to the particular type of property, whichever is less.

(2) Federal agency lenders

A Federal agency lender may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1). Each Federal agency lender shall issue any regulations necessary to carry out this paragraph. Such regulations shall be consistent with and substantially identical to the regulations issued under paragraph (1).

(3) Government-sponsored enterprises for housing

The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall implement procedures reasonably designed to ensure that, for any loan that is—

- (A) secured by improved real estate or a mobile home located in an area that has been identified, at the time of the origination of the loan or at any time during the term of the loan, by the Director as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968, and
- (B) purchased by such entity,

the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

(4) Applicability

(A) Existing coverage

Except as provided in subparagraph (B), paragraph (1) shall apply on September 23, 1994.

(B) New coverage

Paragraphs (2) and (3) shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on September 23,

1994. Paragraph (1) shall apply with respect to any loan made, increased, extended, or renewed by any lender supervised by the Farm Credit Administration only after the expiration of the period under this subparagraph.

(C) Continued effect of regulations

Notwithstanding any other provision of this subsection, the regulations to carry out paragraph (1), as in effect immediately before September 23, 1994, shall continue to apply until the regulations issued to carry out paragraph (1) as amended by section 522(a) of Public Law 103-325 take effect.

(c) Exceptions to purchase requirements

(1) State-owned property

Notwithstanding the other provisions of this section, flood insurance shall not be required on any State-owned property that is covered under an adequate State policy of self-insurance satisfactory to the Director. The Director shall publish and periodically revise the list of States to which this subsection applies.

(2) Small loans

Notwithstanding any other provision of this section, subsections (a) and (b) of this section shall not apply to any loan having—

- (A) an original outstanding principal balance of \$5,000 or less; and
- (B) a repayment term of 1 year or less.

(d) Escrow of flood insurance payments

(1) Regulated lending institutions

Each Federal entity for lending regulation (after consultation and coordination with the Financial Institutions Examination Council) shall by regulation require that, if a regulated lending institution requires the escrowing of taxes, insurance premiums, fees, or any other charges for a loan secured by residential improved real estate or a mobile home, then all premiums and fees for flood insurance under the National Flood Insurance Act of 1968 [42 U.S.C. 4001 et seq.] for the real estate or mobile home shall be paid to the regulated lending institution or other servicer for the loan in a manner sufficient to make payments as due for the duration of the loan. Upon receipt of the premiums, the regulated lending institution or servicer of the loan shall deposit the premiums in an escrow account on behalf of the borrower. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums are due, the regulated lending institution or servicer shall pay from the escrow account to the provider of the insurance the amount of insurance premiums owed.

(2) Federal agency lenders

Each Federal agency lender shall by regulation require and provide for escrow and payment of any flood insurance premiums and fees relating to residential improved real estate and mobile homes securing loans made by the Federal agency lender under the circumstances and in the manner provided under paragraph (1). Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1).

(3) Applicability of RESPA

Escrow accounts established pursuant to this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974 [12 U.S.C. 2609].

(4) "Residential improved real estate" defined

For purposes of this subsection, the term "residential improved real estate" means improved real estate for which the improvement is a residential building.

(5) Applicability

This subsection shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on September 23, 1994.

(e) Placement of flood insurance by lender**(1) Notification to borrower of lack of coverage**

If, at the time of origination or at any time during the term of a loan secured by improved real estate or by a mobile home located in an area that has been identified by the Director (at the time of the origination of the loan or at any time during the term of the loan) as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968 [42 U.S.C. 4001 et seq.], the lender or servicer for the loan determines that the building or mobile home and any personal property securing the loan is not covered by flood insurance or is covered by such insurance in an amount less than the amount required for the property pursuant to paragraph (1), (2), or (3) of subsection (b) of this section, the lender or servicer shall notify the borrower under the loan that the borrower should obtain, at the borrower's expense, an amount of flood insurance for the building or mobile home and such personal property that is not less than the amount under subsection (b)(1) of this section, for the term of the loan.

(2) Purchase of coverage on behalf of borrower

If the borrower fails to purchase such flood insurance within 45 days after notification under paragraph (1), the lender or servicer for the loan shall purchase the insurance on behalf of the borrower and may charge the borrower for the cost of premiums and fees incurred by the lender or servicer for the loan in purchasing the insurance.

(3) Review of determination regarding required purchase**(A) In general**

The borrower and lender for a loan secured by improved real estate or a mobile home may jointly request the Director to review a determination of whether the building or mobile home is located in an area having special flood hazards. Such request shall be supported by technical information relating to the improved real estate or mobile home. Not later than 45 days after the Director receives the request, the Director shall review the determination and provide to the borrower and the lender with a letter stating whether or not the building or mobile home is in an area having special flood hazards. The determination of the Director shall be final.

(B) Effect of determination

Any person to whom a borrower provides a letter issued by the Director pursuant to subparagraph (A), stating that the building or mobile home securing the loan of the borrower is not in an area having special flood hazards, shall have no obligation under this title¹ to require the purchase of flood insurance for such building or mobile home during the period determined by the Director, which shall be specified in the letter and shall begin on the date on which such letter is provided.

(C) Effect of failure to respond

If a request under subparagraph (A) is made in connection with the origination of a loan and the Director fails to provide a letter under subparagraph (A) before the later of (i) the expiration of the 45-day period under such subparagraph, or (ii) the closing of the loan, no person shall have an obligation under this title¹ to require the purchase of flood insurance for the building or mobile home securing the loan until such letter is provided.

(4) Applicability

This subsection shall apply to all loans outstanding on or after September 23, 1994.

(f) Civil monetary penalties for failure to require flood insurance or notify**(1) Civil monetary penalties against regulated lenders**

Any regulated lending institution that is found to have a pattern or practice of committing violations under paragraph (2) shall be assessed a civil penalty by the appropriate Federal entity for lending regulation in the amount provided under paragraph (5).

(2) Lender violations

The violations referred to in paragraph (1) shall include—

(A) making, increasing, extending, or renewing loans in violation of—

(i) the regulations issued pursuant to subsection (b) of this section;

(ii) the escrow requirements under subsection (d) of this section; or

(iii) the notice requirements under section 1364 of the National Flood Insurance Act of 1968 [42 U.S.C. 4104a]; or

(B) failure to provide notice or purchase flood insurance coverage in violation of subsection (e) of this section.

(3) Civil monetary penalties against GSE's**(A) In general**

If the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation is found by the Director of the Federal Housing Finance Agency to have a pattern or practice of purchasing loans in violation of the procedures established pursuant to subsection (b)(3) of this section, the Director of such Office² shall assess a civil

¹ See References in Text note below.

² So in original. Probably should be "Agency".

penalty against such enterprise in the amount provided under paragraph (5) of this subsection.

(B) “Enterprise” defined

For purposes of this subsection, the term “enterprise” means the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

(4) Notice and hearing

A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

(5) Amount

A civil monetary penalty under this subsection may not exceed \$350 for each violation under paragraph (2) or paragraph (3). The total amount of penalties assessed under this subsection against any single regulated lending institution or enterprise during any calendar year may not exceed \$100,000.

(6) Lender compliance

Notwithstanding any State or local law, for purposes of this subsection, any regulated lending institution that purchases flood insurance or renews a contract for flood insurance on behalf of or as an agent of a borrower of a loan for which flood insurance is required shall be considered to have complied with the regulations issued under subsection (b) of this section.

(7) Effect of transfer on liability

Any sale or other transfer of a loan by a regulated lending institution that has committed a violation under paragraph (1), that occurs subsequent to the violation, shall not affect the liability of the transferring lender with respect to any penalty under this subsection. A lender shall not be liable for any violations relating to a loan committed by another regulated lending institution that previously held the loan.

(8) Deposit of penalties

Any penalties collected under this subsection shall be paid into the National Flood Mitigation Fund under section 1367 of the National Flood Insurance Act of 1968 [42 U.S.C. 4104d].

(9) Additional penalties

Any penalty under this subsection shall be in addition to any civil remedy or criminal penalty otherwise available.

(10) Statute of limitations

No penalty may be imposed under this subsection after the expiration of the 4-year period beginning on the date of the occurrence of the violation for which the penalty is authorized under this subsection.

(g) Other actions to remedy pattern of non-compliance

(1) Authority of Federal entities for lending regulation

A Federal entity for lending regulation may require a regulated lending institution to take such remedial actions as are necessary to ensure that the regulated lending institution

complies with the requirements of the national flood insurance program if the Federal agency for lending regulation makes a determination under paragraph (2) regarding the regulated lending institution.

(2) Determination of violations

A determination under this paragraph shall be a finding that—

(A) the regulated lending institution has engaged in a pattern and practice of non-compliance in violation of the regulations issued pursuant to subsection (b), (d), or (e) of this section or the notice requirements under section 1364 of the National Flood Insurance Act of 1968 [42 U.S.C. 4104a]; and

(B) the regulated lending institution has not demonstrated measurable improvement in compliance despite the assessment of civil monetary penalties under subsection (f) of this section.

(h) Fee for determining location

Notwithstanding any other Federal or State law, any person who makes a loan secured by improved real estate or a mobile home or any servicer for such a loan may charge a reasonable fee for the costs of determining whether the building or mobile home securing the loan is located in an area having special flood hazards, but only in accordance with the following requirements:

(1) Borrower fee

The borrower under such a loan may be charged the fee, but only if the determination—

(A) is made pursuant to the making, increasing, extending, or renewing of the loan that is initiated by the borrower;

(B) is made pursuant to a revision or updating under section 1360(f)³ [42 U.S.C. 4101(f)] of the floodplain areas and flood-risk zones or publication of a notice or compendia under subsection (h) or (i) of section 1360³ [42 U.S.C. 4101(h), (i)] that affects the area in which the improved real estate or mobile home securing the loan is located or that, in the determination of the Director, may reasonably be considered to require a determination under this subsection; or

(C) results in the purchase of flood insurance coverage pursuant to the requirement under subsection (e)(2) of this section.

(2) Purchaser or transferee fee

The purchaser or transferee of such a loan may be charged the fee in the case of sale or transfer of the loan.

(Pub. L. 93-234, title I, §102, Dec. 31, 1973, 87 Stat. 978; Pub. L. 98-181, title IV, §451(e)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 103-325, title V, §§522-526, 531, 582(c), Sept. 23, 1994, 108 Stat. 2257-2262, 2267, 2287; Pub. L. 110-289, div. A, title I, §1161(e), July 30, 2008, 122 Stat. 2780.)

REFERENCES IN TEXT

The National Flood Insurance Act of 1968, referred to in subsecs. (a), (b), (d)(1), and (e)(1), and the Act, re-

³So in original. Probably should be followed by “of the National Flood Insurance Act of 1968”.

ferred to in subsec. (b), is title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, as amended, which is classified principally to this chapter (§ 4001 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

The Federal Financial Institutions Examination Council Act of 1974, referred to in subsec. (b)(1), probably means the Federal Financial Institutions Examination Council Act of 1978, Pub. L. 95-630, title X, Nov. 10, 1978, 92 Stat. 3694, as amended, which is classified principally to chapter 34 (§ 3301 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see Short Title note set out under section 3301 of Title 12 and Tables.

Section 522(a) of Public Law 103-325, referred to in subsec. (b)(4)(C), was in original "section 522(a) of such Act", which generally amended subsec. (b) of this section.

This title, referred to in subsec. (e)(3)(B), (C), means title I of Pub. L. 93-234, Dec. 31, 1973, 87 Stat. 977, which enacted this section and section 4104 of this title and amended sections 4001, 4013 to 4016, 4026, 4054, 4056, and 4121 of this title.

CODIFICATION

Section was enacted as part of Flood Disaster Protection Act of 1973, and not as part of National Flood Insurance Act of 1968 which comprises this chapter.

AMENDMENTS

2008—Subsec. (f)(3)(A). Pub. L. 110-289 substituted "Director of the Federal Housing Finance Agency" for "Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development".

1994—Pub. L. 103-325, § 531, substituted section catchline for former section catchline.

Subsec. (a). Pub. L. 103-325, § 582(c), struck out ", during the anticipated economic or useful life of the project," before "covered by flood insurance" and inserted at end "The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property."

Subsec. (b). Pub. L. 103-325, § 522(a), amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: "Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation direct such institutions not to make, increase, extend, or renew after the expiration of sixty days following December 31, 1973, any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in an amount at least equal to the outstanding principal balance of the loan or to the maximum limit of coverage made available with respect to the particular type of property under the Act, whichever is less."

Subsec. (c). Pub. L. 103-325, § 522(b), inserted heading, designated existing provisions as par. (1), inserted par. (1) heading, and added par. (2).

Subsecs. (d) to (h). Pub. L. 103-325, §§ 523-526, added subsecs. (d) to (h).

1983—Pub. L. 98-181 substituted "Director" for "Secretary" wherever appearing.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by section 582(c) of Pub. L. 103-325 applicable to disasters declared after Sept. 23, 1994, see section 5154a(e) of this title.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of

the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4013. Nature and limitation of insurance coverage

(a) Regulations respecting general terms and conditions of insurability

The Director shall from time to time, after consultation with the advisory committee authorized under section 4025 of this title, appropriate representatives of the pool formed or otherwise created under section 4051 of this title, and appropriate representatives of the insurance authorities of the respective States, provide by regulation for general terms and conditions of insurability which shall be applicable to properties eligible for flood insurance coverage under section 4012 of this title, including—

- (1) the types, classes, and locations of any such properties which shall be eligible for flood insurance;
- (2) the nature and limits of loss or damage in any areas (or subdivisions thereof) which may be covered by such insurance;
- (3) the classification, limitation, and rejection of any risks which may be advisable;
- (4) appropriate minimum premiums;
- (5) appropriate loss-deductibles; and
- (6) any other terms and conditions relating to insurance coverage or exclusion which may be necessary to carry out the purposes of this chapter.

(b) Regulations respecting amount of coverage

In addition to any other terms and conditions under subsection (a) of this section, such regulations shall provide that—

- (1) any flood insurance coverage based on chargeable premium rates under section 4015 of this title which are less than the estimated premium rates under section 4014(a)(1) of this title shall not exceed—
 - (A) in the case of residential properties—
 - (i) \$35,000 aggregate liability for any single-family dwelling, and \$100,000 for any residential structure containing more than one dwelling unit,
 - (ii) \$10,000 aggregate liability per dwelling unit for any contents related to such unit, and
 - (iii) in the States of Alaska and Hawaii, and in the Virgin Islands and Guam; the limits provided in clause (i) of this sentence shall be: \$50,000 aggregate liability for any single-family dwelling, and \$150,000 for any residential structure containing more than one dwelling unit;
 - (B) in the case of business properties which are owned or leased and operated by small

business concerns, an aggregate liability with respect to any single structure, including any contents thereof related to premises of small business occupants (as that term is defined by the Director), which shall be equal to (i) \$100,000 plus (ii) \$100,000 multiplied by the number of such occupants and shall be allocated among such occupants (or among the occupant or occupants and the owner) under regulations prescribed by the Director; except that the aggregate liability for the structure itself may in no case exceed \$100,000; and

(C) in the case of church properties and any other properties which may become eligible for flood insurance under section 4012 of this title—

(i) \$100,000 aggregate liability for any single structure, and

(ii) \$100,000 aggregate liability per unit for any contents related to such unit; and

(2) in the case of any residential property for which the risk premium rate is determined in accordance with the provisions of section 4014(a)(1) of this title, additional flood insurance in excess of the limits specified in clause (i) of subparagraph (A) of paragraph (1) shall be made available to every insured upon renewal and every applicant for insurance so as to enable such insured or applicant to receive coverage up to a total amount (including such limits specified in paragraph (1)(A)(i)) of \$250,000;

(3) in the case of any residential property for which the risk premium rate is determined in accordance with the provisions of section 4014(a)(1) of this title, additional flood insurance in excess of the limits specified in clause (ii) of subparagraph (A) of paragraph (1) 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 (including such limits specified in paragraph (1)(A)(ii)) of \$100,000;

(4) in the case of any nonresidential property, including churches, for which the risk premium rate is determined in accordance with the provisions of section 4014(a)(1) of this title, additional flood insurance in excess of the limits specified in subparagraphs (B) and (C) of paragraph (1) shall be made available to every insured upon renewal and every applicant for insurance, in respect to any single structure, up to a total amount (including such limit specified in subparagraph (B) or (C) of paragraph (1), as applicable) of \$500,000 for each structure and \$500,000 for any contents related to each structure; and

(5) any flood insurance coverage which may be made available in excess of the limits specified in subparagraph (A), (B), or (C) of paragraph (1), shall be based only on chargeable premium rates under section 4015 of this title, which are not less than the estimated premium rates under section 4014(a)(1) of this title, and the amount of such excess coverage shall not in any case exceed an amount equal to the applicable limit so specified (or allocated) under paragraph (1)(C), (2), (3), or (4), as applicable.

(c) Effective date of policies

(1) Waiting period

Except as provided in paragraph (2), coverage under a new contract for flood insurance coverage under this chapter entered into after September 23, 1994, and any modification to coverage under an existing flood insurance contract made after September 23, 1994, shall become effective upon the expiration of the 30-day period beginning on the date that all obligations for such coverage (including completion of the application and payment of any initial premiums owed) are satisfactorily completed.

(2) Exception

The provisions of paragraph (1) shall not apply to—

(A) the initial purchase of flood insurance coverage under this chapter when the purchase of insurance is in connection with the making, increasing, extension, or renewal of a loan; or

(B) the initial purchase of flood insurance coverage pursuant to a revision or updating of floodplain areas or flood-risk zones under section 4101(f) of this title, if such purchase occurs during the 1-year period beginning upon publication of notice of the revision or updating under section 4101(h) of this title.

(Pub. L. 90-448, title XIII, §1306, Aug. 1, 1968, 82 Stat. 575; Pub. L. 92-213, §2(c)(2), Dec. 22, 1971, 85 Stat. 775; Pub. L. 93-234, title I, §101, Dec. 31, 1973, 87 Stat. 977; Pub. L. 95-128, title VII, §704(a), Oct. 12, 1977, 91 Stat. 1145; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 100-242, title V, §544(a), Feb. 5, 1988, 101 Stat. 1940; Pub. L. 100-628, title X, §1086(a), Nov. 7, 1988, 102 Stat. 3278; Pub. L. 100-707, title I, §109(o), Nov. 23, 1988, 102 Stat. 4709; Pub. L. 101-137, §1(c), Nov. 3, 1989, 103 Stat. 824; Pub. L. 101-508, title II, §2302(d), Nov. 5, 1990, 104 Stat. 1388-23; Pub. L. 103-325, title V, §§552(a), 573, 579(a), Sept. 23, 1994, 108 Stat. 2269, 2278, 2284.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a)(6) and (c)(1), (2)(A), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1994—Subsec. (b)(2). Pub. L. 103-325, §573(a)(1), substituted “a total amount (including such limits specified in paragraph (1)(A)(i)) of \$250,000” for “an amount of \$150,000 under the provisions of this clause”.

Subsec. (b)(3). Pub. L. 103-325, §573(a)(2), substituted “a total amount (including such limits specified in paragraph (1)(A)(ii)) of \$100,000” for “an amount of \$50,000 under the provisions of this clause”.

Subsec. (b)(4). Pub. L. 103-325, §573(a)(3), added par. (4) and struck out former par. (4) which read as follows: “in the case of business property owned, leased, or operated by small business concerns for which the risk premium rate is determined in accordance with the provisions of section 4014(a)(1) of this title, additional flood insurance in excess of the limits specified in subparagraph (B) of paragraph (1) shall be made available to every such owner, lessee, or operator in respect to

any single structure, including any contents thereof, related to premises of small business occupants (as that term is defined by the Director), up to an amount equal to (i) \$250,000 plus (ii) \$200,000 multiplied by the number of such occupants which coverage shall be allocated among such occupants (or among the occupant or occupants and the owner) in accordance with the regulations prescribed by the Director pursuant to such subparagraph (B), except that the aggregate liability for the structure itself may in no case exceed \$250,000;”.

Subsec. (b)(5). Pub. L. 103-325, §573(b)(1), substituted a period for “; and” at end.

Subsec. (b)(6). Pub. L. 103-325, §573(b)(2), struck out par. (6) which read as follows: “the flood insurance purchase requirements of section 4012a of this title do not apply to the additional flood insurance limits made available in excess of twice the limits made available under paragraph (1).”

Subsec. (c). Pub. L. 103-325, §579(a), added subsec. (c).

Pub. L. 103-325, §552(a), struck out subsec. (c) which related to schedule for payment of flood insurance for structures on land subject to imminent collapse or subsidence.

1990—Subsec. (c)(7). Pub. L. 101-508 substituted “September 30, 1995” for “September 30, 1991”.

1989—Subsec. (c)(7). Pub. L. 101-137 substituted “September 30, 1991” for “September 30, 1989”.

1988—Subsec. (c). Pub. L. 100-242 added subsec. (c).

Subsec. (c)(1)(A). Pub. L. 100-628 substituted “following” for “Following” in cls. (i) and (ii).

Subsec. (c)(5). Pub. L. 100-707 substituted “Disaster Relief and Emergency Assistance Act” for “Disaster Relief Act of 1974”.

1983—Subsecs. (a), (b)(1)(B), (4). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1977—Subsec. (b)(2). Pub. L. 95-128 added par. (2) and redesignated former par. (2) as (5).

Subsec. (b)(3), (4). Pub. L. 95-128 added pars. (3) and (4).

Subsec. (b)(5). Pub. L. 95-128 redesignated former par. (2) as (5), struck out “(or allocated to any person under subparagraph (B) of such paragraph)” after “paragraph (1)”, and inserted “under paragraph (1)(C), (2), (3), or (4), as applicable” after “(or allocated)”.

Subsec. (b)(6). Pub. L. 95-128 added par. (6).

1973—Subsec. (b)(1)(A). Pub. L. 93-234, §101(a), in increasing limits of coverage, struck out following introductory text “residential properties” the clause “which are designed for the occupancy of from one to four families”; substituted provisions in cl. (i) “\$35,000 aggregate liability for any single-family dwelling, and \$100,000 for any residential structure containing more than one dwelling unit” for “\$17,500 aggregate liability for any dwelling unit, and \$30,000 for any single dwelling structure containing more than one dwelling unit”; increased cl. (ii) limits to \$10,000 from \$5,000 and added cl. (iii).

Subsec. (b)(1)(B). Pub. L. 93-234, §101(b), substituted “\$100,000” for “\$30,000” in cl. (i), for “\$5,000” in cl. (ii), and for “\$30,000” in exception provision.

Subsec. (b)(1)(C). Pub. L. 93-234, §101(c), increased cl. (i) limits to \$100,000 from \$30,000 and substituted cl. (ii) “\$100,000 aggregate liability per unit for any contents related to such unit” for “\$5,000 aggregate liability per dwelling unit for any contents related to such unit in the case of residential properties, or per occupant (as that term is defined by the Secretary) for any contents related to the premises occupied in the case of any other properties”.

1971—Subsec. (b)(1)(C). Pub. L. 92-213 inserted “church properties, and” before “any other properties which may become”.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 544(b) of Pub. L. 100-242 provided that: “The amendment made by this section [amending this section] shall become effective on the date of the enactment of this Act [Feb. 5, 1988].”

SAVINGS PROVISION

Pub. L. 103-325, title V, §552(c), Sept. 23, 1994, 108 Stat. 2269, required the Director of the Federal Emergency Management Agency to make payments under flood insurance contracts based on commitments made before the expiration of the 1-year period beginning on Sept. 23, 1994, pursuant to the authority under subsec. (c) of this section or section 552(b) of Pub. L. 103-325, formerly set out below.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

TRANSITION PHASE

Pub. L. 103-325, title V, §552(b), Sept. 23, 1994, 108 Stat. 2269, permitted the Director of the Federal Emergency Management Agency to pay amounts under flood insurance contracts for demolition or relocation of structures as provided in subsec. (c) of this section (as in effect immediately before the enactment of Pub. L. 103-325), during the 1-year period beginning on Sept. 23, 1994.

§ 4014. Estimates of premium rates

(a) Studies and investigations

The Director is authorized to undertake and carry out such studies and investigations and receive or exchange such information as may be necessary to estimate, and shall from time to time estimate, on an area, subdivision, or other appropriate basis—

(1) the risk premium rates for flood insurance which—

(A) based on consideration of the risk involved and accepted actuarial principles, and
(B) including—

(i) the applicable operating costs and allowances set forth in the schedules prescribed under section 4018 of this title and reflected in such rates,

(ii) any administrative expenses (or portion of such expenses) of carrying out the flood insurance program which, in his discretion, should properly be reflected in such rates, and

(iii) any remaining administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title) not included under clause (ii), which shall be recovered by a fee charged to policyholders and such fee shall not be subject to any agents' commissions, company expense allowances, or State or local premium taxes,

would be required in order to make such insurance available on an actuarial basis for any

types and classes of properties for which insurance coverage is available under section 4012(a) of this title (or is recommended to the Congress under section 4012(b) of this title);

(2) the rates, if less than the rates estimated under paragraph (1), which would be reasonable, would encourage prospective insureds to purchase flood insurance, and would be consistent with the purposes of this chapter, and which, together with a fee charged to policyholders that shall not be not subject to any agents' commission, company expenses allowances, or State or local premium taxes, shall include any administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title); and

(3) the extent, if any, to which federally assisted or other flood protection measures initiated after August 1, 1968, affect such rates.

(b) Utilization of services of other Departments and agencies

In carrying out subsection (a) of this section, the Director shall, to the maximum extent feasible and on a reimbursement basis, utilize the services of the Department of the Army, the Department of the Interior, the Department of Agriculture, the Department of Commerce, and the Tennessee Valley Authority, and, as appropriate, other Federal departments or agencies, and for such purposes may enter into agreements or other appropriate arrangements with any persons.

(c) Priority to studies and investigations in States or areas evidencing positive interest in securing insurance under program

The Director shall give priority to conducting studies and investigations and making estimates under this section in those States or areas (or subdivisions thereof) which he has determined have evidenced a positive interest in securing flood insurance coverage under the flood insurance program.

(d) Parishes of Louisiana; premium rates

Notwithstanding any other provision of law, any structure existing on December 31, 1973, and located within Avoyelles, Evangeline, Rapides, or Saint Landry Parish in the State of Louisiana, which the Secretary determines is subject to additional flood hazards as a result of the construction or operation of the Atchafalaya Basin Levee System, shall be eligible for flood insurance under this chapter (if and to the extent it is eligible for such insurance under the other provisions of this chapter) at premium rates that shall not exceed those which would be applicable if such additional hazards did not exist.

(e) Eligibility of community making adequate progress on construction of flood protection system for rates not exceeding those applicable to completed flood protection system; determination of adequate progress

Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Director, on the construction of a flood protection system which

will afford flood protection for the one-hundred year frequency flood as determined by the Director, shall be eligible for flood insurance under this chapter (if and to the extent it is eligible for such insurance under the other provisions of this chapter) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed. The Director shall find that adequate progress on the construction of a flood protection system as required herein has been only if (1) 100 percent of the project cost of the system has been authorized, (2) at least 60 percent of the project cost of the system has been appropriated, (3) at least 50 percent of the project cost of the system has been expended, and (4) the system is at least 50 percent completed.

(f) Availability of flood insurance in communities restoring discredited flood protection systems; criteria; rates

Notwithstanding any other provision of law, this subsection shall only apply in a community which has been determined by the Administrator of the Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so. Except as provided in this subsection, in such a community, flood insurance shall be made available to those properties impacted by the discreditation of the flood protection system at premium rates that do not exceed those which would be applicable to any property located in an area of special flood hazard, the construction of which was started prior to the effective date of the initial Flood Insurance Rate Map published by the Director for the community in which such property is located. A revised Flood Insurance Rate Map shall be prepared for the community to delineate as Zone AR the areas of special flood hazard that result from the discreditation of the flood protection system. A community will be considered to be in the process of restoration if—

(1) the flood protection system has been deemed restorable by a Federal agency in consultation with the local project sponsor;

(2) a minimum level of flood protection is still provided to the community by the discredited system; and

(3) restoration of the flood protection system is scheduled to occur within a designated time period and in accordance with a progress plan negotiated between the community and the Federal Emergency Management Agency.

Communities that the Administrator of the Federal Emergency Management Agency determines to meet the criteria set forth in paragraphs (1) and (2) as of January 1, 1992, shall not be subject to revised Flood Insurance Rate Maps that contravene the intent of this subsection. Such communities shall remain eligible for C zone rates for properties located in zone AR for any policy written prior to promulgation of final regulations for this section. Floodplain management criteria for such communities shall not require the elevation of improvements to ex-

isting structures and shall not exceed 3 feet above existing grade for new construction, provided the base flood elevation based on the discredited flood control system does not exceed five feet above existing grade, or the remaining new construction in such communities is limited to infill sites, rehabilitation of existing structures, or redevelopment of previously developed areas.

The Administrator of the Federal Emergency Management Agency shall develop and promulgate regulations to implement this subsection, including minimum floodplain management criteria, within 24 months after October 28, 1992.

(Pub. L. 90-448, title XIII, §1307, Aug. 1, 1968, 82 Stat. 576; Pub. L. 93-234, title I, §109, Dec. 31, 1973, 87 Stat. 980; Pub. L. 93-383, title VIII, §816(b), Aug. 22, 1974, 88 Stat. 739; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 101-508, title II, §2302(e)(1), Nov. 5, 1990, 104 Stat. 1388-24; Pub. L. 102-550, title IX, §928, Oct. 28, 1992, 106 Stat. 3886; Pub. L. 109-295, title VI, §612(c), Oct. 4, 2006, 120 Stat. 1410.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a)(2), (d), and (e), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1992—Subsec. (f). Pub. L. 102-550 added subsec. (f).
1990—Subsec. (a)(1)(B)(iii). Pub. L. 101-508, §2302(e)(1)(A)-(C), added cl. (iii).

Subsec. (a)(2). Pub. L. 101-508, §2302(e)(1)(D), inserted before semicolon “, and which, together with a fee charged to policyholders that shall not be not subject to any agents’ commission, company expenses allowances, or State or local premium taxes, shall include any administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title)”.

1983—Subsecs. (a) to (c), (e). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1974—Subsec. (e). Pub. L. 93-383 added subsec. (e).

1973—Subsec. (d). Pub. L. 93-234 added subsec. (d).

CHANGE OF NAME

“Administrator of the Federal Emergency Management Agency” substituted for “Director of the Federal Emergency Management Agency” in subsec. (f) on authority of section 612(c) of Pub. L. 109-295, set out as a note under section 313 of Title 6, Domestic Security. Any reference to the Administrator of the Federal Emergency Management Agency in title VI of Pub. L. 109-295 or an amendment by title VI to be considered to refer and apply to the Director of the Federal Emergency Management Agency until Mar. 31, 2007, see section 612(f)(2) of Pub. L. 109-295, set out as a note under section 313 of Title 6.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agen-

cy, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

FEEES

Pub. L. 108-7, div. K, title III, Feb. 20, 2003, 117 Stat. 517, provided in part: “That beginning in fiscal year 2003 and thereafter, fees authorized in 42 U.S.C. 4014(a)(1)(B)(iii) shall be collected only if provided in advance in appropriations acts.”

STUDY OF ECONOMIC EFFECTS OF CHARGING ACTUARIALLY BASED PREMIUM RATES FOR PRE-FIRM STRUCTURES

Pub. L. 103-325, title V, §578, Sept. 23, 1994, 108 Stat. 2284, required the Director of the Federal Emergency Management Agency to conduct a study of the economic effects that would result from increasing premium rates for flood insurance coverage for pre-FIRM structures and submit a report to Congress no later than 12 months after Sept. 23, 1994.

SEA LEVEL RISE STUDY

Pub. L. 101-137, §5, Nov. 3, 1989, 103 Stat. 825, directed Director of Federal Emergency Management Agency to conduct a study to determine the impact of relative sea level rise on the flood insurance rate maps, such study also to project the economic losses associated with estimated sea level rise and aggregate such data for the United States as a whole and by region, with Director to report results of study to Congress not later than one year after Nov. 3, 1989.

§ 4015. Chargeable premium rates

(a) Establishment; terms and conditions

On the basis of estimates made under section 4014 of this title, and such other information as may be necessary, the Director shall from time to time, after consultation with the advisory committee authorized under section 4025 of this title, appropriate representatives of the pool formed or otherwise created under section 4051 of this title, and appropriate representatives of the insurance authorities of the respective States, prescribe by regulation—

(1) chargeable premium rates for any types and classes of properties for which insurance coverage shall be available under section 4012 of this title (at less than the estimated risk premium rates under section 4014(a)(1) of this title, where necessary), and

(2) the terms and conditions under which, and the areas (including subdivisions thereof) within which, such rates shall apply.

(b) Considerations for rates

Such rates shall, insofar as practicable, be—

(1) based on a consideration of the respective risks involved, including differences in risks due to land use measures, flood-proofing, flood forecasting, and similar measures.

(2) adequate, on the basis of accepted actuarial principles, to provide reserves for anticipated losses, or, if less than such amount, consistent with the objective of making flood insurance available where necessary at reasonable rates so as to encourage prospective insureds to purchase such insurance and with the purposes of this chapter,

(3) adequate, together with the fee under paragraph (1)(B)(iii) or (2) of section 4014(a) of this title, to provide for any administrative expenses of the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title), and

(4) stated so as to reflect the basis for such rates, including the differences (if any) between the estimated risk premium rates under section 4014(a)(1) of this title and the estimated rates under section 4014(a)(2) of this title.

(c) Actuarial rate properties

Subject only to the limitations provided under paragraphs (1) and (2), the chargeable rate shall not be less than the applicable estimated risk premium rate for such area (or subdivision thereof) under section 4014(a)(1) of this title with respect to the following properties:

(1) Post-firm properties

Any property the construction or substantial improvement of which the Director determines has been started after December 31, 1974, or started after the effective date of the initial rate map published by the Director under paragraph (2) of section 4101 of this title for the area in which such property is located, whichever is later, except that the chargeable rate for properties under this paragraph shall be subject to the limitation under subsection (e) of this section.

(2) Certain leased coastal and river properties

Any property leased from the Federal Government (including residential and nonresidential properties) that the Director determines is located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.

(d) Payment of certain sums to Director; deposits in Fund

With respect to any chargeable premium rate prescribed under this section, a sum equal to the portion of the rate that covers any administrative expenses of carrying out the flood insurance and floodplain management programs which have been estimated under paragraphs (1)(B)(ii) and (1)(B)(iii) of section 4014(a) of this title or paragraph (2) of such section (including the fees under such paragraphs), shall be paid to the Director. The Director shall deposit the sum in the National Flood Insurance Fund established under section 4017 of this title.

(e) Annual limitation on premium increases

Except with respect to properties described under paragraph (2) or (3)¹ of subsection (c) of this section, and notwithstanding any other provision of this chapter, the chargeable risk premium rates for flood insurance under this chapter for any properties within any single risk classification may not be increased by an amount that would result in the average of such rate increases for properties within the risk classification during any 12-month period ex-

ceeding 10 percent of the average of the risk premium rates for properties within the risk classification upon the commencement of such 12-month period.

(f) Adjustment of premium

Notwithstanding any other provision of law, if the Director determines that the holder of a flood insurance policy issued under this chapter is paying a lower premium than is required under this section due to an error in the flood plain determination, the Director may only prospectively charge the higher premium rate.

(Pub. L. 90-448, title XIII, §1308, Aug. 1, 1968, 82 Stat. 576; Pub. L. 93-234, title I, §103, Dec. 31, 1973, 87 Stat. 978; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 101-508, title II, §2302(e)(2), Nov. 5, 1990, 104 Stat. 1388-24; Pub. L. 103-325, title V, §572(a), Sept. 23, 1994, 108 Stat. 2277; Pub. L. 108-264, title I, §106, title II, §209, June 30, 2004, 118 Stat. 724, 727.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (b)(2) and (e), was in the original a reference to "this title" meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

This chapter, referred to in subsec. (f), was in the original "this Act", and was translated as reading "this title", meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, as amended, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter, to reflect the probable intent of Congress. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

2004—Subsec. (c). Pub. L. 108-264, §106(a), added subsec. (c) and struck out former subsec. (c) which read as follows "Subject only to the limitation under subsection (e) of this section, the chargeable rate with respect to any property, the construction or substantial improvements of which the Director determines has been started after December 31, 1974, or the effective date of the initial rate map published by the Director under paragraph (2) of section 4101 of this title for the area in which such property is located, whichever is later, shall not be less than the applicable estimated risk premium rate for such area (or subdivision thereof) under section 4014(a)(1) of this title."

Subsec. (e). Pub. L. 108-264, §106(b), substituted "Except with respect to properties described under paragraph (2) or (3) of subsection (c) of this section, and notwithstanding" for "Notwithstanding".

Subsec. (f). Pub. L. 108-264, §209, added subsec. (f).
1994—Subsec. (c). Pub. L. 103-325, §572(a)(1), substituted "Subject only to the limitation under subsection (e) of this section" for "Notwithstanding any other provision of this chapter".

Subsec. (e). Pub. L. 103-325, §572(a)(2), added subsec. (e).

1990—Subsec. (b)(3), (4). Pub. L. 101-508, §2302(e)(2)(A), added par. (3) and redesignated former par. (3) as (4).

Subsec. (d). Pub. L. 101-508, §2302(e)(2)(B), added subsec. (d) and struck out former subsec. (d) which read as follows: "In the event any chargeable premium rate prescribed under this section—

"(1) is a rate which is not less than the applicable estimated risk premium rate under section 4014(a)(1) of this title, and

"(2) includes any amount for administrative expenses of carrying out the flood insurance program which have been estimated under clause (ii) of section 4014(a)(1)(B) of this title,

¹ So in original. Subsec. (c) of this section does not contain a par. (3).

a sum equal to such amount shall be paid to the Director, and he shall deposit such sum in the National Flood Insurance Fund established under section 4017 of this title.”

1983—Subsecs. (a), (c), (d). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1973—Subsec. (c). Pub. L. 93-234 substituted “started after December 31, 1974, or the effective date of the initial rate map published by the Secretary under paragraph (2) of section 4101 of this title for the area in which such property is located, whichever is later” for “started after the identification of the area in which such property is located has been published under paragraph (1) of section 4101 of this title”.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

LIMITATION ON PREMIUMS

Section 2302(e)(5) of Pub. L. 101-508 provided that, notwithstanding section 541(d) of Pub. L. 100-242, formerly set out below, premium rates charged for flood insurance under any program established pursuant to this chapter could be increased by more than 10 percent during fiscal year 1991, with certain exceptions.

Pub. L. 100-242, title V, §541(d), Feb. 5, 1988, 101 Stat. 1939, as amended by Pub. L. 101-137, §1(d), Nov. 3, 1989, 103 Stat. 824; Pub. L. 101-508, title II, §2302(c), Nov. 5, 1990, 104 Stat. 1388-23, limited increases in premium rates charged for flood insurance under programs established pursuant to this chapter during period beginning Feb. 5, 1988, and ending Sept. 30, 1995, to prorated annual rate of 10 percent, prior to repeal by Pub. L. 103-325, title V, §572(b), Sept. 23, 1994, 108 Stat. 2278.

Section 451(g)(1) of Pub. L. 98-181 provided that premium rates charged for flood insurance under any program established pursuant to this chapter could not be increased during the period beginning Nov. 30, 1983, and ending Sept. 30, 1984.

TERMINATION OF ADVISORY COMMITTEES

Advisory committees in existence on Jan. 5, 1973, to terminate not later than the expiration of the 2-year period following Jan. 5, 1973, unless, in the case of a committee established by the President or an officer of the Federal Government, such committee is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a committee established by the Congress, its duration is otherwise provided by law. Advisory committees established after Jan. 5, 1973, to terminate not later than the expiration of the 2-year period beginning on the date of their establishment, unless, in the case of a committee established by the President or an officer of the Federal Government, such committee is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a committee established by the Congress, its duration is otherwise provided by law. See section 14 of Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 776, set out in the Appendix to Title 5, Government Organization and Employees.

§ 4016. Financing provisions; issuance of notes or other obligations; limitation; report to Congressional committees; deposits in Fund

(a) All authority which was vested in the Director by virtue of section 2414(e) of this title (pertaining to the issue of notes or other obligations to the Secretary of the Treasury), as amended by subsections (a) and (b) of section 1303 of this Act, shall be available to the Director for the purpose of carrying out the flood insurance program under this chapter; except that the total amount of notes and obligations which may be issued by the Director pursuant to such authority (1) without the approval of the President, may not exceed \$500,000,000, and (2) with the approval of the President, may not exceed \$1,500,000,000 through the date specified in section 4026 of this title, and \$1,000,000,000 thereafter; except that, through the earlier of the date of the enactment into law of an Act that specifically amends the date specified in this section or May 31, 2012, clause (2) of this sentence shall be applied by substituting “\$20,725,000,000” for “\$1,500,000,000”. The Director shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate at any time when he requests the approval of the President in accordance with the preceding sentence.

(b) Any funds borrowed by the Director under this authority shall, from time to time, be deposited in the National Flood Insurance Fund established under section 4017 of this title.

(Pub. L. 90-448, title XIII, §1309, Aug. 1, 1968, 82 Stat. 577; Pub. L. 89-174, §5(a), Sept. 9, 1965, 79 Stat. 669; Pub. L. 93-234, title I, §104, Dec. 31, 1973, 87 Stat. 979; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 98-479, title II, §204(g), Oct. 17, 1984, 98 Stat. 2233; Pub. L. 104-208, div. A, title V, Sept. 30, 1996, 110 Stat. 3009-521; Pub. L. 105-65, title III, Oct. 27, 1997, 111 Stat. 1377; Pub. L. 105-276, title III, Oct. 21, 1998, 112 Stat. 2502; Pub. L. 106-74, title III, Oct. 20, 1999, 113 Stat. 1088; Pub. L. 106-377, §1(a)(1) [title III], Oct. 27, 2000, 114 Stat. 1441, 1441A-47; Pub. L. 107-73, title III, Nov. 26, 2001, 115 Stat. 689; Pub. L. 108-3, §2(a)(1), Jan. 13, 2003, 117 Stat. 7; Pub. L. 108-171, §2(a)(2), Dec. 6, 2003, 117 Stat. 2064; Pub. L. 108-199, div. H, §136(a)(2), Jan. 23, 2004, 118 Stat. 442; Pub. L. 108-264, title I, §101(a), June 30, 2004, 118 Stat. 714; Pub. L. 109-65, §2, Sept. 20, 2005, 119 Stat. 1998; Pub. L. 109-106, §2, Nov. 21, 2005, 119 Stat. 2288; Pub. L. 109-208, §2, Mar. 23, 2006, 120 Stat. 317; Pub. L. 111-196, §2(b), July 2, 2010, 124 Stat. 1352; Pub. L. 111-250, §2(b), Sept. 30, 2010, 124 Stat. 2630; Pub. L. 112-74, div. D, title V, §573, Dec. 23, 2011, 125 Stat. 985.)

REFERENCES IN TEXT

Section 1303 of this Act, referred to in subsec. (a), means section 1303 of Pub. L. 90-448, which amended section 2414(e) of this title.

This chapter, referred to in subsec. (a), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

2011—Subsec. (a). Pub. L. 112-74 substituted “the earlier of the date of the enactment into law of an Act that specifically amends the date specified in this section or May 31, 2012” for “September 30, 2011”.

2010—Subsec. (a). Pub. L. 111-250 substituted “September 30, 2011” for “September 30, 2010”.

Pub. L. 111-196 substituted “September 30, 2010” for “September 30, 2008” and “\$20,725,000,000” for “\$20,775,000,000”.

2006—Subsec. (a). Pub. L. 109-208 substituted “\$20,775,000,000” for “\$18,500,000,000” in first sentence.

2005—Subsec. (a). Pub. L. 109-106 substituted “\$18,500,000,000” for “\$3,500,000,000” in first sentence.

Pub. L. 109-65 inserted “; except that, through September 30, 2008, clause (2) of this sentence shall be applied by substituting ‘\$3,500,000,000’ for ‘\$1,500,000,000’ before period at end of first sentence.

2004—Subsec. (a). Pub. L. 108-264, §101(a), which directed amendment of first sentence of subsec. (a) by substituting “through the date specified in section 4026 of this title, and” for “‘through December’ and all that follows through ‘, and’”, could not be executed because the language to be struck out did not appear subsequent to amendment by Pub. L. 108-171. See 2003 Amendment note below.

Pub. L. 108-199 made amendment identical to that made by Pub. L. 108-171. See 2003 Amendment note below.

2003—Subsec. (a)(2). Pub. L. 108-171 substituted “the date specified in section 4026 of this title” for “December 31, 2003”.

Pub. L. 108-3 substituted “December 31, 2003” for “December 31, 2002”.

2001—Subsec. (a)(2). Pub. L. 107-73 substituted “2002” for “2001”.

2000—Subsec. (a)(2). Pub. L. 106-377 substituted “December 31, 2001” for “September 30, 2000”.

1999—Subsec. (a)(2). Pub. L. 106-74, which directed substitution of “2000” for “1999” in section “1309(a)(2) of the National Flood Insurance Act”, was executed to subsec. (a)(2) of this section, which is section 1309 of the National Flood Insurance Act of 1968, to reflect the probable intent of Congress.

1998—Subsec. (a)(2). Pub. L. 105-276, which directed substitution of “1999” for “1998” in section “1309(a)(2) of the National Flood Insurance Act”, was executed by making the substitution in subsec. (a)(2) of this section, which is section 1309 of the National Flood Insurance Act of 1968, to reflect the probable intent of Congress.

1997—Subsec. (a)(2). Pub. L. 105-65, which directed substitution of “1998” for “1997” in section “1309(a)(2) of the National Flood Insurance Act”, was executed by making the substitution in subsec. (a)(2) of this section, which is section 1309 of the National Flood Insurance Act of 1968, to reflect the probable intent of Congress.

1996—Subsec. (a)(2). Pub. L. 104-208 substituted “\$1,500,000,000 through September 30, 1997, and \$1,000,000,000 thereafter” for “\$1,000,000,000”.

1984—Subsec. (a). Pub. L. 98-479 substituted “, Finance and Urban Affairs” for “and Currency” and inserted a comma after “Housing” in last sentence.

1983—Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1973—Subsec. (a). Pub. L. 93-234 substituted provisions respecting issuance of notes and obligation for \$500,000,000 without approval of President and for \$1,000,000,000 with approval of President, for former provision prescribing a \$250,000,000 limitation, struck out provision rescinding authority of Secretary to issue notes and obligations under section 2414(e) of this title, and provided for report to Congressional Committees when the approval of the President is requested.

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Com-

mittee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-196, §2(c), July 2, 2010, 124 Stat. 1352, provided that: “The amendments made by subsections (a) and (b) [amending this section and section 4026 of this title] shall be considered to have taken effect on May 31, 2010.”

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-199, div. H, §136(b), Jan. 23, 2004, 118 Stat. 442, provided that: “The amendments made by this section [amending this section and sections 4026, 4056, and 4127 of this title] shall be considered to have taken effect on December 31, 2003.”

EFFECTIVE DATE OF 2003 AMENDMENTS

Pub. L. 108-171, §2(b), Dec. 6, 2003, 117 Stat. 2064, provided that: “The amendments made by this section [amending this section and sections 4026, 4056, and 4127 of this title] shall be considered to have taken effect on December 31, 2003.”

Pub. L. 108-3, §2(b), Jan. 13, 2003, 117 Stat. 7, provided that: “The amendments made by this section [amending this section and sections 4026, 4056, and 4127 of this title] shall be considered to have taken effect on December 31, 2002.”

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

Functions of Housing and Home Finance Agency and head thereof transferred to Secretary of Housing and Urban Development by Pub. L. 89-174, §5(a), Sept. 9, 1965, 79 Stat. 669, which is classified to section 3534(a) of this title. Section 9(c) of such act, set out as a note under section 3531 of this title, provides that references to Housing and Home Finance Agency or to any agency or officer therein are to be deemed to mean Secretary of Housing and Urban Development and that Housing and Home Finance Agency has lapsed.

EXTENSION OF LIMITATION ON FINANCING PROVISIONS

Subsec. (a) of this section to be applied by substituting “September 30, 2009” for “September 30, 2008”, see section 145 of Pub. L. 110-329, set out as a note under section 4026 of this title.

§ 4017. National Flood Insurance Fund

(a) Establishment; availability

To carry out the flood insurance program authorized by this chapter, the Director shall es-

establish in the Treasury of the United States a National Flood Insurance Fund (hereinafter referred to as the “fund”) which shall be an account separate from any other accounts or funds available to the Director and shall be available as described in subsection (f) of this section, without fiscal year limitation (except as otherwise provided in this section)—

(1) for making such payments as may, from time to time, be required under section 4054 of this title;

(2) to pay reinsurance claims under the excess loss reinsurance coverage provided under section 4055 of this title;

(3) to repay to the Secretary of the Treasury such sums as may be borrowed from him (together with interest) in accordance with the authority provided in section 4016 of this title; and

(4) to the extent approved in appropriations Acts, to pay any administrative expenses of the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title);

(5) for the purposes specified in subsection (d) of this section under the conditions provided therein;

(6) for carrying out the program under section 4022(b) of this title;

(7) for transfers to the National Flood Mitigation Fund, but only to the extent provided in section 4104d(b)(1) of this title;

(8) for financial assistance under section 4102a of this title to States and communities for taking actions under such section with respect to severe repetitive loss properties, but only to the extent provided in section 4102a(i) of this title; and

(9) for funding, not to exceed \$10,000,000 in any fiscal year, for mitigation actions under section 4030 of this title, except that, notwithstanding any other provision of this chapter, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this chapter.

(b) Credits to Fund

The fund shall be credited with—

(1) such funds borrowed in accordance with the authority provided in section 4016 of this title as may from time to time be deposited in the fund;

(2) premiums, fees, or other charges which may be paid or collected in connection with the excess loss reinsurance coverage provided under section 4055 of this title;

(3) such amounts as may be advanced to the fund from appropriations in order to maintain the fund in an operative condition adequate to meet its liabilities;

(4) interest which may be earned on investments of the fund pursuant to subsection (c) of this section;

(5) such sums as are required to be paid to the Director under section 4015(d) of this title; and

(6) receipts from any other operations under this chapter (including premiums under the conditions specified in subsection (d) of this section, and salvage proceeds, if any, resulting from reinsurance coverage).

(c) Investment of moneys in obligations issued or guaranteed by United States

If, after—

(1) all outstanding obligations of the fund have been liquidated, and

(2) any outstanding amounts which may have been advanced to the fund from appropriations authorized under section 4127(a)(2)(B) of this title have been credited to the appropriation from which advanced, with interest accrued at the rate prescribed under section 2414(e) of this title, as in effect immediately prior to August 1, 1968,

the Director determines that the moneys of the fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

(d) Availability of Fund if operation of program is carried out through facilities of Federal Government

In the event the Director makes a determination in accordance with the provisions of section 4071 of this title that operation of the flood insurance program, in whole or in part, should be carried out through the facilities of the Federal Government, the fund shall be available for all purposes incident thereto, including—

(1) cost incurred in the adjustment and payment of any claims for losses, and

(2) payment of applicable operating costs set forth in the schedules prescribed under section 4018 of this title,

for so long as the program is so carried out, and in such event any premiums paid shall be deposited by the Director to the credit of the fund.

(e) Annual budget

An annual business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by sections 9103 and 9104 of title 31 for wholly-owned Government corporations.

(f) Availability of funds dependent on future appropriations acts

The fund shall be available, with respect to any fiscal year beginning on or after October 1, 1981, only to the extent approved in appropriation Acts; except that the fund shall be available for the purpose described in subsection (d)(1) of this section without such approval.

(Pub. L. 90-448, title XIII, §1310, Aug. 1, 1968, 82 Stat. 577; Pub. L. 97-35, title III, §341(c), Aug. 13, 1981, 95 Stat. 419; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 98-479, title II, §203(j)(1), Oct. 17, 1984, 98 Stat. 2231; Pub. L. 100-242, title V, §545(d), Feb. 5, 1988, 101 Stat. 1942; Pub. L. 101-508, title II, §2302(e)(3), Nov. 5, 1990, 104 Stat. 1388-24; Pub. L. 103-325, title V, §§542, 554(b), 577(h), Sept. 23, 1994, 108 Stat. 2269, 2274, 2283; Pub. L. 108-264, title I, §§102(b), 104(b), June 30, 2004, 118 Stat. 721, 723.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a) and (b)(6), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is

classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

2004—Subsec. (a)(7), (8). Pub. L. 108-264, §102(b), struck out “and” at end of par. (7), added par. (8), and struck out former par. (8) which read as follows: “for costs of preparing the report under section 577 of the Riegle Community Development and Regulatory Improvement Act of 1994, except that the fund shall be available for the purpose under this paragraph in an amount not to exceed an aggregate of \$5,000,000 over the 2-year period beginning on September 23, 1994.”

Subsec. (a)(9). Pub. L. 108-264, §104(b), added par. (9).

1994—Subsec. (a). Pub. L. 103-325, §§554(b)(1), 577(h)(1), in introductory provisions, substituted “shall” for “is authorized to” after “Director”, inserted “an account separate from any other accounts or funds available to the Director and shall be” after “which shall be”, and inserted “(except as otherwise provided in this section)” after “without fiscal year limitation”.

Subsec. (a)(6) to (8). Pub. L. 103-325, §§542, 554(b)(2), 577(h)(2), added pars. (6) to (8), respectively.

1990—Subsec. (a)(4). Pub. L. 101-508 amended par. (4) generally. Prior to amendment, par. (4) read as follows: “to pay such administrative expenses (or portion of such expenses) of carrying out the flood insurance program as he may deem necessary; and”.

1988—Subsec. (e). Pub. L. 100-242 substituted “title 31, United States Code,” for “title 31, United States Code”, which for purposes of codification was translated as “title 31”, requiring no change in text.

1984—Subsec. (e). Pub. L. 98-479 substituted “sections 9103 and 9104 of title 31” for “law (sections 102, 103, and 104 of the Government Corporations Control Act (31 U.S.C. 847-849))”.

1983—Subsecs. (a), (b)(5), (c), (d). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

1981—Subsec. (a). Pub. L. 97-35, §341(c)(1), inserted reference to subsec. (f) of this section.

Subsec. (f). Pub. L. 97-35, §341(c)(2), added subsec. (f).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4018. Operating costs and allowances; definitions

(a) The Director shall from time to time negotiate with appropriate representatives of the insurance industry for the purpose of establishing—

(1) a current schedule of operating costs applicable both to risk-sharing insurance companies and other insurers and to insurance com-

panies and other insurers, insurance agents and brokers, and insurance adjustment organizations participating on other than a risk-sharing basis, and

(2) a current schedule of operating allowances applicable to risk-sharing insurance companies and other insurers,

which may be payable in accordance with the provisions of subchapter II of this chapter, and such schedules shall from time to time be prescribed in regulations.

(b) For purposes of subsection (a) of this section—

(1) the term “operating costs” shall (without limiting such term) include—

(A) expense reimbursements covering the direct, actual, and necessary expenses incurred in connection with selling and servicing flood insurance coverage;

(B) reasonable compensation payable for selling and servicing flood insurance coverage, or commissions or service fees paid to producers;

(C) loss adjustment expenses; and

(D) other direct, actual, and necessary expenses which the Director finds are incurred in connection with selling or servicing flood insurance coverage; and

(2) the term “operating allowances” shall (without limiting such term) include amounts for profit and contingencies which the Director finds reasonable and necessary to carry out the purposes of this chapter.

(Pub. L. 90-448, title XIII, §1311, Aug. 1, 1968, 82 Stat. 579; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (b)(2), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1983—Subsecs. (a), (b)(1)(D), (2). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4019. Payment of claims

The Director is authorized to prescribe regulations establishing the general method or meth-

ods by which proved and approved claims for losses may be adjusted and paid for any damage to or loss of property which is covered by flood insurance made available under the provisions of this chapter.

(Pub. L. 90-448, title XIII, §1312, Aug. 1, 1968, 82 Stat. 579; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original a reference to "this title" meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1983—Pub. L. 98-181 substituted "Director" for "Secretary".

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4020. Dissemination of flood insurance information

The Director shall from time to time take such action as may be necessary in order to make information and data available to the public, and to any State or local agency or official, with regard to—

- (1) the flood insurance program, its coverage and objectives, and
- (2) estimated and chargeable flood insurance premium rates, including the basis for and differences between such rates in accordance with the provisions of section 4015 of this title.

(Pub. L. 90-448, title XIII, §1313, Aug. 1, 1968, 82 Stat. 579; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

AMENDMENTS

1983—Pub. L. 98-181 substituted "Director" for "Secretary" in provisions preceding par. (1).

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto,

to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4021. Repealed. Pub. L. 93-234, title II, § 203, Dec. 31, 1973, 87 Stat. 982

Section, Pub. L. 90-448, title XIII, §1314, Aug. 1, 1968, 82 Stat. 579, denied Federal disaster assistance after Dec. 31, 1973, to persons who for a period of a year or more could have purchased flood insurance but did not do so, and defined "Federal disaster assistance" and "financial assistance".

LOSS, DESTRUCTION, OR DAMAGE OCCURRING ON OR BEFORE DECEMBER 31, 1973

Pub. L. 92-213, §2(b), Dec. 22, 1971, 85 Stat. 775, made the provisions of subsec. (a)(2) of section 4021 inapplicable with respect to any loss, destruction, or damage of real or personal property that occurred on or before Dec. 31, 1973.

§ 4022. State and local land use controls

(a) Requirement for participation in flood insurance program

(1) In general

After December 31, 1971, no new flood insurance coverage shall be provided under this chapter in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate land use and control measures (with effective enforcement provisions) which the Director finds are consistent with the comprehensive criteria for land management and use under section 4102 of this title.

(2) Agricultural structures

(A) Activity restrictions

Notwithstanding any other provision of law, the adequate land use and control measures required to be adopted in an area (or subdivision thereof) pursuant to paragraph (1) may provide, at the discretion of the appropriate State or local authority, for the repair and restoration to predamaged conditions of an agricultural structure that—

- (i) is a repetitive loss structure; or
- (ii) has incurred flood-related damage to the extent that the cost of restoring the structure to its predamaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

(B) Premium rates and coverage

To the extent applicable, an agricultural structure repaired or restored pursuant to subparagraph (A) shall pay chargeable premium rates established under section 4015 of this title at the estimated risk premium rates under section 4014(a)(1) of this title. If resources are available, the Director shall provide technical assistance and counseling, upon request of the owner of the structure, regarding wet flood-proofing and other flood damage reduction measures for agricultural structures. The Director shall not be required to make flood insurance coverage available for such an agricultural structure unless the structure is wet flood-proofed

through permanent or contingent measures applied to the structure or its contents that prevent or provide resistance to damage from flooding by allowing flood waters to pass through the structure, as determined by the Director.

(C) Prohibition on disaster relief

Notwithstanding any other provision of law, any agricultural structure repaired or restored pursuant to subparagraph (A) shall not be eligible for disaster relief assistance under any program administered by the Director or any other Federal agency.

(D) Definitions

For purposes of this paragraph—

(i) the term “agricultural structure” means any structure used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities; and

(ii) the term “agricultural commodities” means agricultural commodities and livestock.

(b) Community rating system and incentives for community floodplain management

(1) Authority and goals

The Director shall carry out a community rating system program, under which communities participate voluntarily—

(A) to provide incentives for measures that reduce the risk of flood or erosion damage that exceed the criteria set forth in section 4102 of this title and evaluate such measures;

(B) to encourage adoption of more effective measures that protect natural and beneficial floodplain functions;

(C) to encourage floodplain and erosion management; and

(D) to promote the reduction of Federal flood insurance losses.

(2) Incentives

The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Director determines have adopted and enforced measures that reduce the risk of flood and erosion damage that exceed the criteria set forth in section 4102 of this title. In providing incentives under this paragraph, the Director may provide for credits to flood insurance premium rates in communities that the Director determines have implemented measures that protect natural and beneficial floodplain functions.

(3) Credits

The credits on premium rates for flood insurance coverage shall be based on the estimated reduction in flood and erosion damage risks resulting from the measures adopted by the community under this program. If a community has received mitigation assistance under section 4104c of this title, the credits shall be phased in a manner, determined by the Director, to recover the amount of such assistance provided for the community.

(4) Reports

Not later than 2 years after September 23, 1994, and not less than every 2 years there-

after, the Director shall submit a report to the Congress regarding the program under this subsection. Each report shall include an analysis of the cost-effectiveness of the program, any other accomplishments or shortcomings of the program, and any recommendations of the Director for legislation regarding the program.

(c) Replacement of mobile homes on original sites

(1) Community participation

The placement of any mobile home on any site shall not affect the eligibility of any community to participate in the flood insurance program under this chapter and the Flood Disaster Protection Act of 1973 (notwithstanding that such placement may fail to comply with any elevation or flood damage mitigation requirements), if—

(A) such mobile home was previously located on such site;

(B) such mobile home was relocated from such site because of flooding that threatened or affected such site; and

(C) such replacement is conducted not later than the expiration of the 180-day period that begins upon the subsidence (in the area of such site) of the body of water that flooded to a level considered lower than flood levels.

(2) Definition

For purposes of this subsection, the term “mobile home” has the meaning given such term in the law of the State in which the mobile home is located.

(Pub. L. 90-448, title XIII, §1315, Aug. 1, 1968, 82 Stat. 580; Pub. L. 91-152, title IV, §410(b), Dec. 24, 1969, 83 Stat. 397; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 103-325, title V, §§541, 580, Sept. 23, 1994, 108 Stat. 2268, 2285; Pub. L. 108-264, title I, §108, June 30, 2004, 118 Stat. 724.)

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a)(1) and (c)(1), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

The Flood Disaster Protection Act of 1973, referred to in subsec. (c)(1), is Pub. L. 93-234, Dec. 31, 1973, 87 Stat. 975, as amended. For complete classification of this Act to the Code, see Short Title of 1973 Amendment note set out under section 4001 of this title and Tables.

AMENDMENTS

2004—Subsec. (c). Pub. L. 108-264 added subsec. (c).

1994—Subsec. (a)(1). Pub. L. 103-325, §541(1), designated existing provisions as subsec. (a)(1) and inserted headings.

Subsec. (a)(2). Pub. L. 103-325, §580, added par. (2).

Subsec. (b). Pub. L. 103-325, §541(2), added subsec. (b). 1983—Pub. L. 98-181 substituted “Director” for “Secretary”.

1969—Pub. L. 91-152 substituted provisions prohibiting new flood insurance coverage after Dec. 31, 1971, unless adequate land use measures have been adopted, for provisions prohibiting such coverage after June 30, 1970, unless permanent land use measures have been adopted.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4023. Properties in violation of State and local law

No new flood insurance coverage shall be provided under this chapter for any property which the Director finds has been declared by a duly constituted State or local zoning authority, or other authorized public body, to be in violation of State or local laws, regulations, or ordinances which are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas.

(Pub. L. 90-448, title XIII, §1316, Aug. 1, 1968, 82 Stat. 580; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1983—Pub. L. 98-181 substituted “Director” for “Secretary”.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4024. Coordination with other programs

In carrying out this chapter, the Director shall consult with other departments and agencies of the Federal Government, and with interstate, State, and local agencies having responsibilities for flood control, flood forecasting, or flood damage prevention, in order to assure that the programs of such agencies and the flood in-

surance program authorized under this chapter are mutually consistent.

(Pub. L. 90-448, title XIII, §1317, Aug. 1, 1968, 82 Stat. 581; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1983—Pub. L. 98-181 substituted “Director” for “Secretary”.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4025. Flood insurance advisory committee

(a) Appointment; duties

The Director shall appoint a flood insurance advisory committee without regard to the provisions of title 5 governing appointments in the competitive service, and such committee shall advise the Director in the preparation of any regulations prescribed in accordance with this chapter and with respect to policy matters arising in the administration of this chapter, and shall perform such other responsibilities as the Director may, from time to time, assign to such committee.

(b) Membership

Such committee shall consist of not more than fifteen persons and such persons shall be selected from among representatives of—

- (1) the insurance industry,
- (2) State and local governments,
- (3) lending institutions,
- (4) the homebuilding industry, and
- (5) the general public.

(c) Compensation and travel expenses

Members of the committee shall, while attending conferences or meetings thereof, be entitled to receive compensation at a rate fixed by the Director but not exceeding \$100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5 for persons in the Government service employed intermittently.

(Pub. L. 90-448, title XIII, §1318, Aug. 1, 1968, 82 Stat. 581; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1983—Subsecs. (a), (c). Pub. L. 98-181 substituted “Director” for “Secretary” wherever appearing.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

TERMINATION OF ADVISORY COMMITTEES

Advisory committees in existence on Jan. 5, 1973, to terminate not later than the expiration of the 2-year period following Jan. 5, 1973, unless, in the case of a committee established by the President or an officer of the Federal Government, such committee is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a committee established by the Congress, its duration is otherwise provided by law. Advisory committees established after Jan. 5, 1973, to terminate not later than the expiration of the 2-year period beginning on the date of their establishment, unless, in the case of a committee established by the President or an officer of the Federal Government, such committee is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a committee established by the Congress, its duration is otherwise provided by law. See section 14 of Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 776, set out in the Appendix to Title 5, Government Organization and Employees.

§ 4026. Expiration of program

No new contract for flood insurance under this chapter shall be entered into after the earlier of the date of the enactment into law of an Act that specifically amends the date specified in this section or May 31, 2012.

(Pub. L. 90-448, title XIII, §1319, Aug. 1, 1968, 82 Stat. 581; Pub. L. 93-4, Feb. 2, 1973, 87 Stat. 4; Pub. L. 93-38, June 5, 1973, 87 Stat. 73; Pub. L. 93-234, title I, §105, Dec. 31, 1973, 87 Stat. 979; Pub. L. 95-60, §3, June 30, 1977, 91 Stat. 257; Pub. L. 95-80, §3, July 31, 1977, 91 Stat. 339; Pub. L. 95-128, title VII, §701(a), Oct. 12, 1977, 91 Stat. 1144; Pub. L. 95-406, §6(a), Sept. 30, 1978, 92 Stat. 880; Pub. L. 95-557, title III, §308(a), Oct. 31, 1978, 92 Stat. 2098; Pub. L. 96-153, title VI, §602(a), Dec. 21, 1979, 93 Stat. 1137; Pub. L. 97-35, title III, §341(b)(1), Aug. 13, 1981, 95 Stat. 418; Pub. L.

97-289, §4(a), Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98-35, §4(a), May 26, 1983, 97 Stat. 198; Pub. L. 98-109, §5(a), Oct. 1, 1983, 97 Stat. 746; Pub. L. 98-181, title IV, §451(a), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 99-120, §4(a)(1), Oct. 8, 1985, 99 Stat. 503; Pub. L. 99-156, §4(a)(1), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99-219, §4(a)(1), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99-267, §4(a)(1), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99-272, title III, §3010(a)(1), Apr. 7, 1986, 100 Stat. 106; Pub. L. 99-289, §1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99-345, §1, June 24, 1986, 100 Stat. 673; Pub. L. 99-430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100-122, §1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100-154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100-170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100-179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100-200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100-242, title V, §541(a), Feb. 5, 1988, 101 Stat. 1939; Pub. L. 101-137, §1(a), Nov. 3, 1989, 103 Stat. 824; Pub. L. 101-508, title II, §2302(a), Nov. 5, 1990, 104 Stat. 1388-23; Pub. L. 103-325, title V, §571(a), Sept. 23, 1994, 108 Stat. 2277; Pub. L. 104-204, title III, Sept. 26, 1996, 110 Stat. 2915; Pub. L. 105-46, §118, Sept. 30, 1997, 111 Stat. 1157; Pub. L. 105-65, title III, Oct. 27, 1997, 111 Stat. 1377; Pub. L. 105-276, title III, title V, §599D(a), Oct. 21, 1998, 112 Stat. 2502, 2663; Pub. L. 107-73, title III, Nov. 26, 2001, 115 Stat. 689; Pub. L. 108-3, §2(a)(2), Jan. 13, 2003, 117 Stat. 7; Pub. L. 108-171, §2(a)(1), Dec. 6, 2003, 117 Stat. 2064; Pub. L. 108-199, div. H, §136(a)(1), Jan. 23, 2004, 118 Stat. 442; Pub. L. 108-264, title I, §101(b), June 30, 2004, 118 Stat. 714; Pub. L. 111-196, §2(a), July 2, 2010, 124 Stat. 1352; Pub. L. 111-250, §2(a), Sept. 30, 2010, 124 Stat. 2630; Pub. L. 112-74, div. D, title V, §573, Dec. 23, 2011, 125 Stat. 985.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

2011—Pub. L. 112-74 substituted “the earlier of the date of the enactment into law of an Act that specifically amends the date specified in this section or May 31, 2012” for “September 30, 2011”.

2010—Pub. L. 111-250 substituted “September 30, 2011” for “September 30, 2010”.

Pub. L. 111-196 substituted “September 30, 2010” for “September 30, 2008”.

2004—Pub. L. 108-264 substituted “after September 30, 2008” for “after March 31, 2004”.

Pub. L. 108-199, which directed the substitution of “June 30, 2004,” for “December 31, 2003”, could not be executed because of the amendment by Pub. L. 108-171. See 2003 Amendment note below.

2003—Pub. L. 108-171 substituted “March 31, 2004” for “December 31, 2003”.

Pub. L. 108-3 substituted “after December 31, 2003” for “after December 31, 2002”.

2001—Pub. L. 107-73 substituted “December 31, 2002” for “September 30, 2001”.

1998—Pub. L. 105-276, §599D(a), which directed the substitution of “2001” for “1998”, was executed by substituting “2001” for “1999” to reflect the probable intent of Congress and the amendment by Pub. L. 105-276, title III, see below.

Pub. L. 105-276, title III, substituted “1999” for “1998”. 1997—Pub. L. 105-65 substituted “September 30, 1998” for “October 23, 1997”.

Pub. L. 105-46 substituted "October 23, 1997" for "September 30, 1997".

1996—Pub. L. 104-204 substituted "September 30, 1997" for "September 30, 1996".

1994—Pub. L. 103-325 substituted "September 30, 1996" for "September 30, 1995".

1990—Pub. L. 101-508 substituted "September 30, 1995" for "September 30, 1991".

1989—Pub. L. 101-137 substituted "September 30, 1991" for "September 30, 1989".

1988—Pub. L. 100-242 substituted "September 30, 1989" for "March 15, 1988".

1987—Pub. L. 100-200 substituted "March 15, 1988" for "December 16, 1987".

Pub. L. 100-179 substituted "December 16, 1987" for "December 2, 1987".

Pub. L. 100-170 substituted "December 2, 1987" for "November 15, 1987".

Pub. L. 100-154 substituted "November 15, 1987" for "October 31, 1987".

Pub. L. 100-122 substituted "October 31, 1987" for "September 30, 1987".

1986—Pub. L. 99-430 substituted "September 30, 1987" for "September 30, 1986".

Pub. L. 99-345 substituted "September 30, 1986" for "June 6, 1986".

Pub. L. 99-289 substituted "June 6, 1986" for "April 30, 1986".

Pub. L. 99-272 directed amendment identical to Pub. L. 99-219 substituting "March 17, 1986" for "December 15, 1985".

Pub. L. 99-267 substituted "April 30, 1986" for "March 17, 1986".

1985—Pub. L. 99-219 substituted "March 17, 1986" for "December 15, 1985".

Pub. L. 99-156 substituted "December 15, 1985" for "November 14, 1985".

Pub. L. 99-120 substituted "November 14, 1985" for "September 30, 1985".

1983—Pub. L. 98-181 substituted "September 30, 1985" for "November 30, 1983".

Pub. L. 98-109 substituted "November 30, 1983" for "September 30, 1983".

Pub. L. 98-35 substituted "September 30, 1983" for "May 20, 1983".

1982—Pub. L. 97-289 substituted "May 20, 1983" for "September 30, 1982".

1981—Pub. L. 97-35 substituted "1982" for "1981".

1979—Pub. L. 96-153 substituted "September 30, 1981" for "September 30, 1980".

1978—Pub. L. 95-557 substituted "September 30, 1980" for "October 31, 1978".

Pub. L. 95-406 substituted "October 31, 1978" for "September 30, 1978".

1977—Pub. L. 95-128 substituted "September 30, 1978" for "September 30, 1977".

Pub. L. 95-80 substituted "September 30, 1977" for "July 31, 1977".

Pub. L. 95-60 substituted "July 31, 1977" for "June 30, 1977".

1973—Pub. L. 93-234 substituted expiration of program provisions for \$6,000,000,000 limitation on flood insurance coverage outstanding.

Pub. L. 93-38 substituted "\$6,000,000,000" for "\$4,000,000,000".

Pub. L. 93-4 substituted "\$4,000,000,000" for "\$2,500,000,000".

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-196 considered effective on May 31, 2010, see section 2(c) of Pub. L. 111-196, set out as a note under section 4016 of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-199 considered to have taken effect on Dec. 31, 2003, see section 136(b) of div. H of Pub. L. 108-199, set out as a note under section 4016 of this title.

EFFECTIVE DATE OF 2003 AMENDMENTS

Amendment by Pub. L. 108-171 effective Dec. 31, 2003, see section 2(b) of Pub. L. 108-171, set out as a note under section 4016 of this title.

Amendment by Pub. L. 108-3 effective Dec. 31, 2002, see section 2(b) of Pub. L. 108-3, set out as a note under section 4016 of this title.

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-276, title V, §599D(c), Oct. 21, 1998, 112 Stat. 2663, provided that: "The amendments made by this section [amending this section and section 4056 of this title] are made on, and shall apply beginning upon, the date of the enactment of this Act [Oct. 21, 1998]."

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EXTENSION OF PROGRAM

Pub. L. 110-329, div. A, §145, Sept. 30, 2008, 122 Stat. 3581, as amended by Pub. L. 111-8, div. J, §101, Mar. 11, 2009, 123 Stat. 988, provided that: "Sections 1309(a) and 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a) and 4026) shall each be applied by substituting "[September 30, 2009]" for "September 30, 2008"."

CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1998

The expiration date of Oct. 23, 1997 (see 1997 Amendment note above) was temporarily extended to Nov. 7, 1997, by Pub. L. 105-64, Oct. 23, 1997, 111 Stat. 1343.

§ 4027. Biennial report to President

(a) In general

The Director shall biennially submit a report of operations under this chapter to the President for submission to the Congress.

(b) Effects of flood insurance program

The Director shall include, as part of the biennial report submitted under subsection (a) of this section, a chapter reporting on the effects on the flood insurance program observed through implementation of requirements under the Riegle Community Development and Regulatory Improvement Act of 1994.

(Pub. L. 90-448, title XIII, §1320, Aug. 1, 1968, 82 Stat. 581; Pub. L. 96-470, title II, §205(b), Oct. 19, 1980, 94 Stat. 2244; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229; Pub. L. 103-325, title V, §581, Sept. 23, 1994, 108 Stat. 2286.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original a reference to "this title" meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

The Riegle Community Development and Regulatory Improvement Act of 1994, referred to in subsec. (b), is Pub. L. 103-325, Sept. 23, 1994, 108 Stat. 2160. For complete classification of this Act to the Code, see Short Title note set out under section 4701 of Title 12, Banks and Banking, and Tables.

AMENDMENTS

1994—Pub. L. 103-325 designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

1983—Pub. L. 98-181 substituted "Director" for "Secretary".

1980—Pub. L. 96-470 substituted "biennially submit" for "include" and struck out "in the annual report" after "under this chapter" and "required by section 3536 of this title" after "the Congress".

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4028. John H. Chafee Coastal Barrier Resources System

(a) No new flood insurance coverage may be provided under this chapter on or after October 1, 1983, for any new construction or substantial improvements of structures located on any coastal barrier within the John H. Chafee Coastal Barrier Resources System established by section 3503 of title 16. A federally insured financial institution may make loans secured by structures which are not eligible for flood insurance by reason of this section.

(b) No new flood insurance coverage may be provided under this chapter after the expiration of the 1-year period beginning on November 16, 1990, for any new construction or substantial improvements of structures located in any area identified and depicted on the maps referred to in section 3503(a) of title 16 as an area that is (1) not within the John H. Chafee Coastal Barrier Resources System and (2) is in an otherwise protected area. Notwithstanding the preceding sentence, new flood insurance coverage may be provided for structures in such protected areas that are used in a manner consistent with the purpose for which the area is protected.

(Pub. L. 90-448, title XIII, §1321, as added Pub. L. 97-35, title III, §341(d)(1), Aug. 13, 1981, 95 Stat. 419; amended Pub. L. 97-348, §11(a), Oct. 18, 1982, 96 Stat. 1658; Pub. L. 101-591, §9, Nov. 16, 1990, 104 Stat. 2938; Pub. L. 106-167, §3(c)(7), Dec. 9, 1999, 113 Stat. 1804.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1999—Pub. L. 106-167 amended section catchline and substituted “John H. Chafee Coastal Barrier Resources System” for “Coastal Barrier Resources System” in subsecs. (a) and (b).

1990—Pub. L. 101-591 designated existing provisions as subsec. (a) and added subsec. (b).

1982—Subsecs. (a) to (c). Pub. L. 97-348 struck out subsec. designations in subsecs. (a) and (c), in provisions of former subsec. (a) substituted “on any coastal barrier within the Coastal Barrier Resources System established by section 3503 of title 16” for “on undeveloped coastal barriers which shall be designated by the Sec-

retary of the Interior”, and struck out subsec. (b) which provided definitions for purposes of this section.

EFFECTIVE DATE

Section effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as a note under section 3701 of Title 12, Banks and Banking.

STUDY FOR DESIGNATION OF UNDEVELOPED COASTAL BARRIERS; REPORT AND RECOMMENDATIONS TO CONGRESS

Section 341(d)(2) of Pub. L. 97-35, relating to a study by the Secretary of the Interior for the purpose of designating the undeveloped coastal barriers affected by this section, and transmittal to Congress of a report on such study, was repealed by Pub. L. 97-348, §11(b), Oct. 18, 1982, 96 Stat. 1659.

§ 4029. Colorado River Floodway

(a) Renewal and transfer of policies; acquisition of policies after filing of maps

Owners of existing National Flood Insurance Act policies with respect to structures located within the Floodway established under section 1600c of title 43 shall have the right to renew and transfer such policies. Owners of existing structures located within said Floodway on October 8, 1986, who have not acquired National Flood Insurance Act policies shall have the right to acquire policies with respect to such structures for six months after the Secretary of the Interior files the Floodway maps required by section 1600c(b)(2)¹ of title 43 and to renew and transfer such policies.

(b) New coverage for new construction or substantial improvements

No new flood insurance coverage may be provided under this chapter on or after a date six months after October 8, 1986, for any new construction or substantial improvements of structures located within the Colorado River Floodway established by section 1600c of title 43. New construction includes all structures that are not insurable prior to that date.

(c) Establishment of temporary boundaries

The Secretary of the Interior may by rule after notice and comment pursuant to section 553 of title 5 establish temporary Floodway boundaries to be in effect until the maps required by section 1600c(b)(2)¹ of title 43 are filed, for the purpose of enforcing subsections (b) and (d) of this section.

(d) Loans by federally supervised, approved, regulated, or insured financial institutions

A regulated lending institution or Federal agency lender may make loans secured by structures which are not eligible for flood insurance by reason of this section: *Provided*, That prior to making such a loan, such institution determines that the loans or structures securing the loan are within the Floodway.

(Pub. L. 90-448, title XIII, §1322, as added Pub. L. 99-450, §12, Oct. 8, 1986, 100 Stat. 1135; amended Pub. L. 100-242, title V, §545(e), Feb. 5, 1988, 101 Stat. 1942; Pub. L. 103-325, title V, §512(b), Sept. 23, 1994, 108 Stat. 2257.)

REFERENCES IN TEXT

The National Flood Insurance Act, referred to in subsec. (a), probably means the National Flood Insurance

¹ See References in Text note below.

Act of 1968, title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, as amended, which is classified principally to this chapter (§4001 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

Section 1600c(b)(2) of title 43, referred to in subsecs. (a) and (c), was struck out and former subsec. (b)(1)(ii) redesignated (b)(2) of section 1600c by Pub. L. 105-362, title IX, §901(d)(1), Nov. 10, 1998, 112 Stat. 3289. As amended, section 1600c(b)(2) no longer relates to maps required to be prepared and filed by the Secretary.

This chapter, referred to in subsec. (b), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

AMENDMENTS

1994—Subsec. (d). Pub. L. 103-325 substituted “regulated lending institution or Federal agency lender” for “federally supervised, approved, regulated or insured financial institution”.

1988—Pub. L. 100-242 inserted section catchline.

§ 4030. Grants for repetitive insurance claims properties

(a) In general

The Director may provide funding for mitigation actions that reduce flood damages to individual properties for which 1 or more claim payments for losses have been made under flood insurance coverage under this chapter, but only if the Director determines that—

(1) such activities are in the best interest of the National Flood Insurance Fund; and

(2) such activities cannot be funded under the program under section 4104c of this title because—

(A) the requirements of section 4104c(g) of this title are not being met by the State or community in which the property is located; or

(B) the State or community does not have the capacity to manage such activities.

(b) Priority for worst-case properties

In determining the properties for which funding is to be provided under this section, the Director shall consult with the States in which such properties are located and provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.

(Pub. L. 90-448, title XIII, §1323, as added Pub. L. 108-264, title I, §104(a), June 30, 2004, 118 Stat. 722.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

§ 4031. Treatment of certain payments

Assistance provided under a program under this chapter for flood mitigation activities (including any assistance provided under the miti-

gation pilot program under section 4102a of this title, any assistance provided under the mitigation assistance program under section 4104c of this title, and any funding provided under section 4030 of this title) with respect to a property shall not be considered income or a resource of the owner of the property when determining eligibility for or benefit levels under any income assistance or resource-tested program that is funded in whole or in part by an agency of the United States or by appropriated funds of the United States.

(Pub. L. 90-448, title XIII, §1324, as added Pub. L. 109-64, §1, Sept. 20, 2005, 119 Stat. 1997.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original a reference to “this title” meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

SUBCHAPTER II—ORGANIZATION AND ADMINISTRATION OF FLOOD INSURANCE PROGRAM

§ 4041. Implementation of program

Following such consultation with representatives of the insurance industry as may be necessary, the Director shall implement the flood insurance program authorized under subchapter I of this chapter in accordance with the provisions of part A of this subchapter and, if a determination is made by him under section 4071 of this title, under part B of this subchapter.

(Pub. L. 90-448, title XIII, §1330, Aug. 1, 1968, 82 Stat. 581; Pub. L. 98-181, title IV, §451(d)(1), Nov. 30, 1983, 97 Stat. 1229.)

AMENDMENTS

1983—Pub. L. 98-181 substituted “Director” for “Secretary”.

TRANSFER OF FUNCTIONS

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

PART A—INDUSTRY PROGRAM WITH FEDERAL FINANCIAL ASSISTANCE

§ 4051. Industry flood insurance pool; requirements for participation

(a) The Director is authorized to encourage and otherwise assist any insurance companies and other insurers which meet the requirements prescribed under subsection (b) of this section to