

105TH CONGRESS  
1ST SESSION

# H. R. 3062

To require the provision of information sufficient for homebuyers and homeowners to insure themselves against loss from subsidence resulting from underground coal or clay mines.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 1997

Mr. KLINK (for himself, Mr. McHALE, Mr. ENGLISH of Pennsylvania, Mr. MASCARA, and Mr. DOYLE) introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the provision of information sufficient for homebuyers and homeowners to insure themselves against loss from subsidence resulting from underground coal or clay mines.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Mine Subsidence Right  
5 To Know Act”.

1 **SEC. 2. PROTECTION OF HOMEBUYERS.**

2 (a) NOTICE REQUIREMENT.—In the case of any fed-  
3 erally related mortgage loan (made after the expiration of  
4 the period under section 4(a)) for the purchase of a dwell-  
5 ing located in a mine subsidence hazard State, the person  
6 making the loan shall provide the borrower notice in ac-  
7 cordance with subsection (b) or (c). Such notice shall be  
8 provided orally and in writing, at or before the time of  
9 the signing of the purchase agreement for the property  
10 for which the federally related mortgage loan is made, and  
11 shall be evidenced by a statement signed by the borrower  
12 that such oral and written notice has been provided to the  
13 borrower.

14 (b) NOTICE OF POTENTIAL FOR HAZARDS.—Notice  
15 in accordance with this subsection is notice—

16 (1) that the dwelling is located in a mine sub-  
17 sidence hazard State and, therefore, may be subject  
18 to damage from mine subsidence;

19 (2) that the borrower can obtain a determina-  
20 tion of whether the dwelling is located in a mine  
21 subsidence hazard area from the Office and how to  
22 obtain such a determination; and

23 (3) that insurance coverage may be purchased  
24 to insure the borrower against loss caused by mine  
25 subsidence and where the borrower may obtain in-  
26 formation regarding purchasing such insurance.

1       (c) NOTICE OF DETERMINATION OF HAZARDS.—No-  
2       tice in accordance with this subsection is notice—

3               (1) that the dwelling is located in a mine sub-  
4       sidence hazard State and, therefore, may be subject  
5       to damage from mine subsidence;

6               (2) of the results of a determination by the Of-  
7       fice regarding whether the dwelling is located in a  
8       mine subsidence hazard area, which shall be made  
9       by the Office upon the request of the person making  
10      the loan;

11              (3) that such determination was made by the  
12      Office upon the request of the person making the  
13      loan; and

14              (4) that insurance coverage may be purchased  
15      to insure the borrower against loss caused by mine  
16      subsidence and where the borrower may obtain in-  
17      formation regarding purchasing such insurance.

18   Any person who makes a federally related mortgage loan  
19   and provides notice in accordance with this subsection  
20   shall not be civilly or criminally liable under any provision  
21   of law for any damages resulting from any mine subsid-  
22   ence affecting the dwelling for which the loan was made.

23       (d) ENFORCEMENT.—If a person making a federally  
24   related mortgage loan fails to provide notice required  
25   under this section, the Federal banking or financial regu-

latory agency having supervisory or regulatory authority with respect to such person may, to require compliance with this section, take such actions as are authorized by the laws and regulations providing such supervisory or regulatory authority.

**SEC. 3. PROTECTION OF HOMEOWNERS.**

(a) NOTICE.—In the case of the purchase or renewal (occurring after the expiration of the period under section 4(a)) of any homeowner’s insurance policy for any dwelling located in a mine subsidence hazard State, the insurer under such policy shall, before such purchase or renewal, notify the individual making the purchase or renewal—

(1) of the coverage of such policy of damage from mine subsidence;

(2) if such policy does not cover mine subsidence, of where such individual may purchase insurance which does cover losses caused by mine subsidence; and

(3) that the individual can obtain a determination of whether the insured property is located in a mine subsidence hazard area from the Office and how to obtain such a determination.

(b) PENALTY.—If an insurer fails to provide the notice required under subsection (a), the State insurance agency for the State in which the dwelling involved is lo-

1 cated may, under this subsection, impose on the insurer  
2 such penalties as the State insurance agency may impose  
3 on insurers who fail to comply with requirements applica-  
4 ble in such State to the offering of insurance.

5 **SEC. 4. IDENTIFICATION OF MINE SUBSIDENCE HAZARD**  
6 **AREAS.**

7 (a) IDENTIFICATION.—Not later than the expiration  
8 of the 12-month period beginning on the date of the enact-  
9 ment of this Act, the Director of the Office of Surface  
10 Mining Reclamation and Enforcement of the Department  
11 of the Interior shall—

12 (1) identify all areas in each State that, because  
13 of underground coal or clay mining, are subject to  
14 significant and identifiable risk of mine subsidence,  
15 based upon the most recent information available to  
16 the Director regarding such hazards (which shall in-  
17 clude any information of the United States Geologi-  
18 cal Survey);

19 (2) certify such areas as mine subsidence haz-  
20 ard areas; and

21 (3) cause to be published in the Federal Reg-  
22 ister information identifying each mine subsidence  
23 hazard area.

24 (b) REVIEW.—

1           (1) IN GENERAL.—At the times required under  
2       paragraph (2), the Director shall review the areas  
3       that at such time are certified as mine subsidence  
4       hazard areas and determine, based on the most re-  
5       cent information available to the Director regarding  
6       mine subsidence hazards (which shall include any in-  
7       formation of the United States Geological Survey of  
8       the Department of the Interior), whether the current  
9       certification of areas requires revision. The Director  
10      shall revise the certifications under subsection (a) as  
11      necessary pursuant to each such review and shall  
12      cause to be published in the Federal Register infor-  
13      mation identifying any changes to such certifi-  
14      cations.

15           (2) TIMING.—The Director shall undertake re-  
16      view and revision under paragraph (1)—

17           (A) with respect to all States, not less than  
18           once during every 2-year period (the first such  
19           period beginning upon the expiration of the pe-  
20           riod under subsection (a)); and

21           (B) with respect only to the area for which  
22           a request under this subparagraph is made,  
23           upon the request from any State or unit of gen-  
24           eral local government stating that specific mine  
25           subsidence hazards resulting from underground

1 coal or clay mining in such State or unit re-  
2 quire such revision, but only if the Director de-  
3 termines that the most recent technical infor-  
4 mation available to the Director justifies the re-  
5 quest.

6 **SEC. 5. DEFINITIONS.**

7 (1) DIRECTOR.—The term “Director” means  
8 the Director of the Office.

9 (2) FEDERALLY RELATED MORTGAGE LOAN.—  
10 The term “federally related mortgage loan” has the  
11 meaning given the term in section 3 of the Real Es-  
12 tate Settlement Procedures Act of 1974 (12 U.S.C.  
13 2604).

14 (3) HOMEOWNERS INSURANCE.—The term  
15 “homeowners insurance” means the homeowners in-  
16 surance and dwelling fire and allied lines of business  
17 of property and casualty insurance. Such term does  
18 not include any renters coverage or coverage for the  
19 personal property of a condominium owner.

20 (4) MINE SUBSIDENCE HAZARD AREA.—The  
21 term “mine subsidence hazard area” means any area  
22 for which a certification under section 4 by the Di-  
23 rector is in effect.

24 (5) MINE SUBSIDENCE HAZARD STATE.—The  
25 term “mine subsidence hazard State” means a State

1       that contains any portion of any mine subsidence  
2       hazard area.

3           (6) OFFICE.—The term “Office” means the Of-  
4       fice of Surface Mining Reclamation and Enforce-  
5       ment of the Department of the Interior.

6           (7) PROPERTY AND CASUALTY INSURANCE.—  
7       The term “property and casualty insurance” means  
8       insurance against loss of or damage to property, in-  
9       surance against loss of income or extra expense in-  
10      curred because of loss of or damage to property, and  
11      insurance against third party liability claims caused  
12      by negligence or imposed by statute or contract. Such  
13      term does not include workers’ compensation, profes-  
14      sional liability, or title insurance.

15          (8) STATE.—The term “State” means the  
16      States of the United States, the District of Colum-  
17      bia, the Commonwealth of Puerto Rico, the Com-  
18      monwealth of the Northern Mariana Islands, Guam,  
19      the Virgin Islands, American Samoa, and any other  
20      territory or possession of the United States.

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