

110TH CONGRESS  
1ST SESSION

# H. R. 1682

To restore the financial solvency of the national flood insurance program,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2007

Mr. FRANK of Massachusetts (for himself, Mrs. BIGGERT, Mr. BLUMENAUER, Ms. WATERS, Mr. TAYLOR, Ms. MATSUI, Mr. MAHONEY of Florida, Ms. WASSERMAN SCHULTZ, Mr. BAKER, Mr. GARY G. MILLER of California, Mrs. JO ANN DAVIS of Virginia, and Ms. GINNY BROWN-WAITE of Florida) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To restore the financial solvency of the national flood  
insurance program, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Flood Insurance Reform and Modernization Act of  
6 2007”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Study regarding status of pre-firm properties and mandatory purchase requirement for natural 100-year floodplain and non-federally related loans.
- Sec. 4. Phase-in of actuarial rates for nonresidential properties and non-primary residences.
- Sec. 5. Exception to waiting period for effective date of policies.
- Sec. 6. Enforcement.
- Sec. 7. Maximum coverage limits.
- Sec. 8. Coverage for additional living expenses, basement improvements, business interruption, and replacement cost of contents.
- Sec. 9. Notification to tenants of availability of contents insurance.
- Sec. 10. Increase in annual limitation on premium increases.
- Sec. 11. Increase in borrowing authority.
- Sec. 12. FEMA participation in State disaster claims mediation programs.
- Sec. 13. FEMA annual report on insurance program.
- Sec. 14. Flood insurance outreach grants.
- Sec. 15. Grants for direct funding of mitigation activities for individual repetitive claims properties.
- Sec. 16. Extension of pilot program for mitigation of severe repetitive loss properties.
- Sec. 17. Flood mitigation assistance program.
- Sec. 18. GAO study of methods to increase flood insurance program participation by low-income families.
- Sec. 19. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 20. Reiteration of FEMA responsibilities under 2004 Reform Act.
- Sec. 21. Ongoing modernization of flood maps and elevation standards.
- Sec. 22. Notification and appeal of map changes; notification of establishment of flood elevations.
- Sec. 23. Clarification of replacement cost provisions, forms, and policy language.
- Sec. 24. Authorization of additional FEMA staff.
- Sec. 25. Extension of deadline for filing proof of loss.

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

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

3 (1) flooding has been shown to occur in all 50  
 4 States, the District of Columbia, and in all terri-  
 5 tories and possessions of the United States;

6 (2) the national flood insurance program  
 7 (NFIP) is the only affordable and reliable source of  
 8 insurance to protect against flood losses;

1           (3) the aggregate amount of the flood insurance  
2           claims resulting from Hurricane Katrina, Hurricane  
3           Rita, and other events has exceeded the aggregate  
4           amount of all claims previously paid in the history  
5           of the national flood insurance program, requiring a  
6           significant increase in the program's borrowing au-  
7           thority;

8           (4) flood insurance policyholders have a legiti-  
9           mate expectation that they will receive fair and time-  
10          ly compensation for losses covered under their poli-  
11          cies;

12          (5) substantial flooding has occurred, and will  
13          likely occur again, outside the areas designated by  
14          the Federal Emergency Management Agency  
15          (FEMA) as high-risk flood hazard areas;

16          (6) properties located in low- to moderate-risk  
17          areas are eligible to purchase flood insurance policies  
18          with premiums as low as \$112 a year;

19          (7) about 450,000 vacation homes, second  
20          homes, and commercial properties are subsidized  
21          and are not paying actuarially sound rates for flood  
22          insurance;

23          (8) phasing out subsidies currently extended to  
24          vacation homes, second homes, and commercial  
25          properties would result in estimated average annual

1 savings to the taxpayers of the United States and  
2 the national flood insurance program of  
3 \$335,000,000;

4 (9) the maximum coverage limits for flood in-  
5 surance policies should be increased to reflect infla-  
6 tion and the increased cost of housing;

7 (10) significant reforms to the national flood in-  
8 surance program required in the Bunning-Bereuter-  
9 Blumenauer Flood Insurance Reform Act of 2004  
10 have yet to be implemented; and

11 (11) in addition to reforms required in the  
12 Bunning-Bereuter-Blumenauer Flood Insurance Re-  
13 form Act of 2004, the national flood insurance pro-  
14 gram requires a modernized and updated adminis-  
15 trative model to ensure that the program is solvent  
16 and the people of the United States have continued  
17 access to flood insurance.

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

19 (1) to protect the integrity of the national flood  
20 insurance program by fully funding existing legal ob-  
21 ligations expected by existing policyholders who have  
22 paid policy premiums in return for flood insurance  
23 coverage and to pay debt service on funds borrowed  
24 by the NFIP;

1           (2) to increase incentives for homeowners and  
2 communities to participate in the national flood in-  
3 surance program and to improve oversight to ensure  
4 better accountability of the NFIP and FEMA; and

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

8 **SEC. 3. STUDY REGARDING STATUS OF PRE-FIRM PROP-**  
9 **ERTIES AND MANDATORY PURCHASE RE-**  
10 **QUIREMENT FOR NATURAL 100-YEAR FLOOD-**  
11 **PLAIN AND NON-FEDERALLY RELATED**  
12 **LOANS.**

13       (a) IN GENERAL.—The Comptroller General shall  
14 conduct a study as follows:

15           (1) PRE-FIRM PROPERTIES.—The study shall  
16 determine the status of the national flood insurance  
17 program, as of the date of the enactment of this Act,  
18 with respect to the provision of flood insurance cov-  
19 erage for pre-FIRM properties (as such term is de-  
20 fined in section 578(b) of the National Flood Insur-  
21 ance Reform Act of 1994 (42 U.S.C. 4014 note)),  
22 which shall include determinations of—

23                   (A) the number of pre-FIRM properties  
24                   for which coverage is provided and the extent of  
25                   such coverage;

1 (B) the cost of providing coverage for such  
2 pre-FIRM properties to the national flood in-  
3 surance program;

4 (C) the anticipated rate at which such pre-  
5 FIRM properties will cease to be covered under  
6 the program; and

7 (D) the effects that implementation of the  
8 Bunning-Bereuter-Blumenauer Flood Insurance  
9 Reform Act of 2004 will have on the national  
10 flood insurance program generally and on cov-  
11 erage of pre-FIRM properties under the pro-  
12 gram.

13 (2) MANDATORY PURCHASE REQUIREMENT FOR  
14 NATURAL 100-YEAR FLOODPLAIN.—The study shall  
15 assess the impact, effectiveness, and feasibility of  
16 amending the provisions of the Flood Disaster Pro-  
17 tection Act of 1973 regarding the properties that are  
18 subject to the mandatory flood insurance coverage  
19 purchase requirements under such Act to extend  
20 such requirements to properties located in any area  
21 that would be designated as an area having special  
22 flood hazards but for the existence of a structural  
23 flood protection system, and shall determine—

24 (A) the regulatory, financial and economic  
25 impacts of extending such mandatory purchase

1 requirements on the costs of homeownership,  
2 the actuarial soundness of the national flood in-  
3 surance program, the Federal Emergency Man-  
4 agement Agency, local communities, insurance  
5 companies, and local land use;

6 (B) the effectiveness of extending such  
7 mandatory purchase requirements in protecting  
8 homeowners from financial loss and in pro-  
9 tecting the financial soundness of the national  
10 flood insurance program; and

11 (C) any impact on lenders of complying  
12 with or enforcing such extended mandatory re-  
13 quirements.

14 (3) MANDATORY PURCHASE REQUIREMENT FOR  
15 NON-FEDERALLY RELATED LOANS.—The study shall  
16 assess the impact, effectiveness, and feasibility of,  
17 and basis under the Constitution of the United  
18 States for, amending the provisions of the Flood  
19 Disaster Protection Act of 1973 regarding the prop-  
20 erties that are subject to the mandatory flood insur-  
21 ance coverage purchase requirements under such Act  
22 to extend such requirements to any property that is  
23 located in any area having special flood hazards and  
24 which secures the repayment of a loan that is not  
25 described in paragraph (1), (2), or (3) of section

1 102(b) of such Act, and shall determine how best to  
2 administer and enforce such a requirement, taking  
3 into consideration other insurance purchase require-  
4 ments under Federal and State law.

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

10 **SEC. 4. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDEN-**  
11 **TIAL PROPERTIES AND NON-PRIMARY RESI-**  
12 **DENCES.**

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

16 (1) by redesignating paragraph (2) as para-  
17 graph (4); and

18 (2) by inserting after paragraph (1) the fol-  
19 lowing new paragraphs:

20 “(2) NONRESIDENTIAL PROPERTIES.—Any non-  
21 residential property.

22 “(3) NON-PRIMARY RESIDENCES.—Any residen-  
23 tial property that is not the primary residence of an  
24 individual.”.

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

4 (1) in subsection (c)—

5 (A) in the matter preceding paragraph (1),  
6 by striking “the limitations provided under  
7 paragraphs (1) and (2)” and inserting “sub-  
8 section (e)”; and

9 (B) in paragraph (1), by striking “, ex-  
10 cept” and all that follows through “subsection  
11 (e)”; and

12 (2) in subsection (e), by striking “paragraph  
13 (2) or (3)” and inserting “paragraph (4)”.

14 (c) EFFECTIVE DATE AND TRANSITION.—

15 (1) EFFECTIVE DATE.—The amendments made  
16 by subsections (a) and (b) shall apply beginning on  
17 January 1, 2011, except as provided in paragraph  
18 (2) of this subsection.

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

21 (A) INCREASE OF RATES OVER TIME.—In  
22 the case of any property described in paragraph  
23 (2) or (3) of section 1308(c) of the National  
24 Flood Insurance Act of 1968, as amended by  
25 subsection (a) of this section, that, as of the ef-

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

13                 (B) ANNUAL INCREASE.—Such increase  
14           shall be made by increasing the chargeable pre-  
15           mium rates for the property (after application  
16           of any increase in the premium rates otherwise  
17           applicable to such property) once during the 12-  
18           month period that begins upon the effective  
19           date under paragraph (1) of this subsection and  
20           once every 12 months thereafter until such in-  
21           crease is accomplished, by the following amount  
22           (or such lesser amount as may be necessary so  
23           that the chargeable rate does not exceed such  
24           applicable estimated risk premium rate):

1 (i) NONRESIDENTIAL PROPERTIES.—

2 In the case of any property described in  
3 such section 1308(c)(2), 20 percent.

4 (ii) NON-PRIMARY RESIDENCES.—In  
5 the case of any property described in such  
6 section 1308(c)(3), 25 percent.

7 (C) FULL ACTUARIAL RATES.— The provi-  
8 sions of paragraphs (2) and (3) of such section  
9 1308(c) shall apply to such a property upon the  
10 accomplishment of the increase under this para-  
11 graph and thereafter.

12 **SEC. 5. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE**  
13 **DATE OF POLICIES.**

14 Section 1306(e)(2)(A) of the National Flood Insur-  
15 ance Act of 1968 (42 U.S.C. 4013(e)(2)(A)) is amended  
16 by inserting before the semicolon the following: “or is in  
17 connection with the purchase or other transfer of the prop-  
18 erty for which the coverage is provided (regardless of  
19 whether a loan is involved in the purchase or transfer  
20 transaction), but only when such initial purchase of cov-  
21 erage is made not later 30 days after such making, in-  
22 creasing, extension, or renewal of the loan or not later  
23 than 30 days after such purchase or other transfer of the  
24 property, as applicable”.

1 **SEC. 6. ENFORCEMENT.**

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

4 (1) in paragraph (5)—

5 (A) in the first sentence, by striking  
6 “\$350” and inserting “\$2,000”; and

7 (B) in the last sentence, by striking  
8 “\$100,000” and inserting “\$1,000,000; except  
9 that such limitation shall not apply to a regu-  
10 lated lending institution or enterprise for a cal-  
11 endar year if, in any three (or more) of the five  
12 calendar years immediately preceding such cal-  
13 endar year, the total amount of penalties as-  
14 sessed under this subsection against such lend-  
15 ing institution or enterprise was \$1,000,000”;  
16 and

17 (2) in paragraph (6), by adding after the period  
18 at the end the following: “No penalty may be im-  
19 posed under this subsection on a regulated lending  
20 institution or enterprise that has made a good faith  
21 effort to comply with the requirements of the provi-  
22 sions referred to in paragraph (2) or for any non-  
23 material violation of such requirements.”.

24 **SEC. 7. MAXIMUM COVERAGE LIMITS.**

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

1 (1) in paragraph (2), by striking “\$250,000”  
2 and inserting “\$335,000”;

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

5 (3) in paragraph (4), by striking “\$500,000”  
6 each place such term appears and inserting  
7 “\$670,000”.

8 **SEC. 8. COVERAGE FOR ADDITIONAL LIVING EXPENSES,**  
9 **BASEMENT IMPROVEMENTS, BUSINESS**  
10 **INTERRUPTION, AND REPLACEMENT COST**  
11 **OF CONTENTS.**

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

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

16 (2) in paragraph (5)—

17 (A) by inserting “pursuant to paragraph  
18 (2), (3), or (4)” after “any flood insurance cov-  
19 erage”; and

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

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

24 “(6) in the case of any residential property,  
25 each renewal or new contract for flood insurance

1 coverage shall provide not less than \$1,000 aggregate liability per dwelling unit for any necessary increases in living expenses incurred by the insured when losses from a flood make the residence unfit to live in, which coverage shall be available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1);

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

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19 “(8) in the case of any residential property, optional coverage for losses, resulting from floods, to improvements and personal property located in basements, crawl spaces, and other enclosed areas under buildings that are not covered by primary flood insurance coverage under this title, shall be made available to every insured upon renewal and every

1 applicant, except that such coverage shall be made  
2 available only at chargeable rates that are not less  
3 than the estimated premium rates for such coverage  
4 determined in accordance with section 1307(a)(1);

5 “(9) in the case of any commercial property,  
6 optional coverage for losses resulting from any par-  
7 tial or total interruption of the insured’s business  
8 caused by damage to, or loss of, such property from  
9 a flood shall be made available to every insured upon  
10 renewal and every applicant, except that—

11 “(A) for purposes of such coverage, losses  
12 shall be determined based on the profits the  
13 covered business would have earned, based on  
14 previous financial records, had the flood not oc-  
15 curred; and

16 “(B) such coverage shall be made available  
17 only at chargeable rates that are not less than  
18 the estimated premium rates for such coverage  
19 determined in accordance with section  
20 1307(a)(1); and

21 “(10) in the case of any residential property  
22 and any commercial property, optional coverage for  
23 the full replacement costs of any contents related to  
24 the structure that exceed the limits of coverage oth-  
25 erwise provided in this subsection shall be made

1 available to every insured upon renewal and every  
2 applicant, except that such coverage shall be made  
3 available only at chargeable rates that are not less  
4 than the estimated premium rates for such coverage  
5 determined in accordance with section 1307(a)(1).”.

6 **SEC. 9. NOTIFICATION TO TENANTS OF AVAILABILITY OF**  
7 **CONTENTS INSURANCE.**

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

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

13 “(a) IN GENERAL.—The Director shall, upon enter-  
14 ing into a contract for flood insurance coverage under this  
15 title for any property located in an area having special  
16 flood hazards—

17 “(1) provide to the insured sufficient copies of  
18 the notice developed pursuant to subsection (b) to  
19 provide for distribution of a copy of such notice to  
20 each tenant of the property; and

21 “(2) strongly encourage the insured to provide  
22 a copy to each such tenant and to each new tenant  
23 upon commencement of such a tenancy.

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

4 “(1) that the property is located in an area hav-  
5 ing special flood hazards;

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

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

13 “(4) of where to obtain information regarding  
14 how to obtain such coverage, including a telephone  
15 number, mailing address, and location on the World  
16 Wide Web of the Director where such information is  
17 available.”.

18 **SEC. 10. INCREASE IN ANNUAL LIMITATION ON PREMIUM**  
19 **INCREASES.**

20 Section 1308(e) of the National Flood Insurance Act  
21 of 1968 (42 U.S.C. 4015(e)) is amended by striking “10  
22 percent” and inserting “15 percent”.

23 **SEC. 11. INCREASE IN BORROWING AUTHORITY.**

24 (a) BORROWING AUTHORITY.—The first sentence of  
25 subsection (a) of section 1309 of the National Flood In-

1 surance Act of 1968 (42 U.S.C. 4016(a)), as amended by  
2 the National Flood Insurance Program Further Enhanced  
3 Borrowing Authority Act of 2005 (Public Law 109–106;  
4 119 Stat. 2288), is amended by striking  
5 “\$20,775,000,000” and inserting “\$21,500,000,000”.

6 (b) FEMA REPORT.—Not later than the expiration  
7 of the 6-month period beginning on the date of the enact-  
8 ment of this Act, the Director of the Federal Emergency  
9 Management Agency shall submit a report to the Congress  
10 setting forth a plan for repaying any amounts borrowed  
11 pursuant to increase in borrowing authority authorized  
12 under the amendments made by subsection (a).

13 **SEC. 12. FEMA PARTICIPATION IN STATE DISASTER CLAIMS**  
14 **MEDIATION PROGRAMS.**

15 The National Flood Insurance Act of 1968 is amend-  
16 ed by inserting after section 1313 (42 U.S.C. 4020) the  
17 following new section:

18 **“SEC. 1314. FEMA PARTICIPATION IN STATE DISASTER**  
19 **CLAIMS MEDIATION PROGRAMS.**

20 “(a) REQUIREMENT TO PARTICIPATE.—In the case  
21 of the occurrence of a natural catastrophe that may have  
22 resulted in flood damage covered by insurance made avail-  
23 able under the national flood insurance program and a loss  
24 covered by personal lines residential property insurance  
25 policy, upon request made by the insurance commissioner

1 of a State (or such other official responsible for regulating  
2 the business of insurance in the State) for the participa-  
3 tion of representatives of the Director in a program spon-  
4 sored by such State for nonbinding mediation of insurance  
5 claims resulting from a natural catastrophe, the Director  
6 shall cause such representatives to participate in such  
7 State program, when claims under the national flood in-  
8 surance program are involved, to expedite settlement of  
9 flood damage claims resulting from such catastrophe.

10 “(b) EXTENT OF PARTICIPATION.—Participation by  
11 representatives of the Director required under subsection  
12 (a) with respect to flood damage claims resulting from a  
13 natural catastrophe shall include—

14 “(1) providing adjusters certified for purposes  
15 of the national flood insurance program who are au-  
16 thorized to settle claims against such program re-  
17 sulting from such catastrophe in amounts up to the  
18 limits of policies under such program;

19 “(2) requiring such adjusters to attend State-  
20 sponsored mediation meetings regarding flood insur-  
21 ance claims resulting from such catastrophe at times  
22 and places as may be arranged by the State;

23 “(3) participating in good-faith negotiations to-  
24 ward the settlement of such claims with policy-

1 holders of coverage made available under the na-  
2 tional flood insurance program; and

3 “(4) finalizing the settlement of such claims on  
4 behalf of the national flood insurance program with  
5 such policyholders.

6 “(c) COORDINATION.—Representatives of the Direc-  
7 tor who participate pursuant to this section in a State-  
8 sponsored mediation program with respect to a natural ca-  
9 tastrophe shall at all times coordinate their activities with  
10 insurance officials of the State and representatives of in-  
11 surers for the purpose of consolidating and expediting the  
12 settlement of claims under the national flood insurance  
13 program resulting from such catastrophe at the earliest  
14 possible time.

15 “(d) MEDIATION PROCEEDINGS AND PRIVILEGED  
16 DOCUMENTS.—As a condition of the participation of Rep-  
17 resentatives of the Director pursuant to this section in  
18 State-sponsored mediation, all statements made and docu-  
19 ments produced pursuant to such mediation involving rep-  
20 resentatives of the Director shall be deemed privileged and  
21 confidential settlement negotiations made in anticipation  
22 of litigation.

23 “(e) EFFECT OF PARTICIPATION ON LIABILITY,  
24 RIGHT, AND OBLIGATIONS.—Participation of Representa-  
25 tives of the Director pursuant to this section in State-

1 sponsored mediation shall not affect or expand the liability  
2 of any party in contract or in tort, nor shall it affect the  
3 rights or obligations of the parties as provided in the  
4 Standard Flood Insurance Policy under the national flood  
5 insurance program, regulations of the Federal Emergency  
6 Management Agency, this Act, or Federal common law.

7 “(f) EXCLUSIVE FEDERAL JURISDICTION.—Partici-  
8 pation of Representatives of the Director pursuant to this  
9 section in State-sponsored mediation shall not alter,  
10 change or modify the original exclusive jurisdiction of  
11 United States courts as provided in this Act.

12 “(g) COST LIMITATION.—Nothing in this section  
13 shall be construed to require the Director or representa-  
14 tives of the Director to pay additional mediation fees relat-  
15 ing to flood claims associated with a State-sponsored me-  
16 diation program in which representatives of the Director  
17 participate.

18 “(h) EXCEPTION.—In the case of the occurrence of  
19 a natural catastrophe that results in flood damage claims  
20 under the national flood insurance program and does not  
21 result in any loss covered by a personal lines residential  
22 property insurance policy—

23 “(1) this section shall not apply; and

24 “(2) the provisions of the Standard Flood In-  
25 surance Policy under the national flood insurance

1 program and the appeals process established pursu-  
2 ant to section 205 of the Bunning-Bereueter-  
3 Blumenauer Flood Insurance Reform Act of 2004  
4 (Public Law 108–264; 118 Stat. 726) and regula-  
5 tions issued pursuant to such section shall apply ex-  
6 clusively.

7 “(i) REPRESENTATIVES OF DIRECTOR.—For pur-  
8 poses of this section, the term ‘representatives of the Di-  
9 rector’ means representatives of the national flood insur-  
10 ance program who participate in the appeals process es-  
11 tablished pursuant to section 205 of the Bunning-  
12 Bereueter-Blumenauer Flood Insurance Reform Act of  
13 2004 (Public Law 108–264; 118 Stat. 726) and regula-  
14 tions issued pursuant to such section.”.

15 **SEC. 13. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.**

16 Section 1320 of the National Flood Insurance Act of  
17 1968 (42 U.S.C. 4027) is amended—

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

21 (2) in subsection (a)—

22 (A) by striking “biennially”;

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

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

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

5 (4) by adding at the end the following new sub-  
6 section:

7 “(c) FINANCIAL STATUS OF PROGRAM.—The report  
8 under this section for each year shall include information  
9 regarding the financial status of the national flood insur-  
10 ance program under this title, including a description of  
11 the financial status of the National Flood Insurance Fund  
12 and current and projected levels of claims, premium re-  
13 cepts, expenses, and borrowing under the program.”.

14 **SEC. 14. FLOOD INSURANCE OUTREACH GRANTS.**

15 Chapter I of the National Flood Insurance Act of  
16 1968 (42 U.S.C. 4011 et seq.) is amended by adding at  
17 the end the following new section:

18 **“SEC. 1325. GRANTS FOR OUTREACH TO PROPERTY OWN-  
19 ERS AND RENTERS.**

20 “(a) IN GENERAL.—The Director may, to the extent  
21 amounts are made available pursuant to subsection (h),  
22 make grants to local governmental agencies responsible for  
23 floodplain management activities (including such agencies  
24 of Indians tribes, as such term is defined in section 4 of  
25 the Native American Housing Assistance and Self-Deter-

1 mination Act of 1996 (25 U.S.C. 4103)) in communities  
2 that participate in the national flood insurance program  
3 under this title, for use by such agencies to carry out out-  
4 reach activities to encourage and facilitate the purchase  
5 of flood insurance protection under this Act by owners and  
6 renters of properties in such communities and to promote  
7 educational activities that increase awareness of flood risk  
8 reduction.

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

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

16 “(2) notify such owners and renters when their  
17 properties become included in, or when they are ex-  
18 cluded from, an area having special flood hazards  
19 and the effect of such inclusion or exclusion on the  
20 applicability of the mandatory flood insurance pur-  
21 chase requirement under section 102 of the Flood  
22 Disaster Protection Act of 1973 (42 U.S.C. 4012a)  
23 to such properties;

24 “(3) educate such owners and renters regarding  
25 the flood risk and reduction of this risk in their

1 community, including the continued flood risks to  
2 areas that are no longer subject to the flood insur-  
3 ance mandatory purchase requirement;

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

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

11 “(c) COST SHARING REQUIREMENT.—

12 “(1) IN GENERAL.—In any fiscal year, the Di-  
13 rector may not provide a grant under this section to  
14 a local governmental agency in an amount exceeding  
15 3 times the amount that the agency certifies, as the  
16 Director shall require, that the agency will con-  
17 tribute from non-Federal funds to be used with  
18 grant amounts only for carrying out activities de-  
19 scribed in subsection (b).

20 “(2) NON-FEDERAL FUNDS.—For purposes of  
21 this subsection, the term ‘non-Federal funds’ in-  
22 cludes State or local government agency amounts,  
23 in-kind contributions, any salary paid to staff to  
24 carry out the eligible activities of the grant recipient,  
25 the value of the time and services contributed by vol-

1       unteers to carry out such services (at a rate deter-  
2       mined by the Director), and the value of any do-  
3       nated material or building and the value of any lease  
4       on a building.

5       “(d) ADMINISTRATIVE COST LIMITATION.—Notwith-  
6       standing subsection (b), the Director may use not more  
7       than 5 percent of amounts made available under sub-  
8       section (g) to cover salaries, expenses, and other adminis-  
9       trative costs incurred by the Director in making grants  
10      and provide assistance under this section.

11      “(e) APPLICATION AND SELECTION.—

12              “(1) IN GENERAL.—The Director shall provide  
13      for local governmental agencies described in sub-  
14      section (a) to submit applications for grants under  
15      this section and for competitive selection, based on  
16      criteria established by the Director, of agencies sub-  
17      mitting such applications to receive such grants.

18              “(2) SELECTION CONSIDERATIONS.—In select-  
19      ing applications of local government agencies to re-  
20      ceive grants under paragraph (1), the Director shall  
21      consider—

22                      “(A) the existence of a cooperative tech-  
23      nical partner agreement between the local gov-  
24      ernmental agency and the Federal Emergency  
25      Management Agency;

1           “(B) the history of flood losses in the rel-  
2           evant area that have occurred to properties,  
3           both inside and outside the special flood haz-  
4           ards zones, which are not covered by flood in-  
5           surance coverage;

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

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

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

15          “(f) DIRECT OUTREACH BY FEMA.—In each fiscal  
16          year that amounts for grants are made available pursuant  
17          to subsection (h), the Director may use not more than 50  
18          percent of such amounts to carry out, and to enter into  
19          contracts with other entities to carry out, activities de-  
20          scribed in subsection (b) in areas that the Director deter-  
21          mines have the most immediate need for such activities.

22          “(g) REPORTING.—Each local government agency  
23          that receives a grant under this section, and each entity  
24          that receives amounts pursuant to subsection (f), shall  
25          submit a report to the Director, not later than 12 months

1 after such amounts are first received, which shall include  
 2 such information as the Director considers appropriate to  
 3 describe the activities conducted using such amounts and  
 4 the effect of such activities on the retention or acquisition  
 5 of flood insurance coverage.

6 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
 7 is authorized to be appropriated for grants under this sec-  
 8 tion \$50,000,000 for each of fiscal years 2008 through  
 9 2012.”.

10 **SEC. 15. GRANTS FOR DIRECT FUNDING OF MITIGATION**  
 11 **ACTIVITIES FOR INDIVIDUAL REPETITIVE**  
 12 **CLAIMS PROPERTIES.**

13 (a) DIRECT GRANTS TO OWNERS.—Section 1323 of  
 14 the National Flood Insurance Act of 1968 (42 U.S.C.  
 15 4030) is amended—

16 (1) in the section heading, by inserting “**DI-**  
 17 **RECT**” before “**GRANTS**”; and

18 (2) in the matter in subsection (a) that pre-  
 19 cedes paragraph (1)—

20 (A) by inserting “, to owners of such prop-  
 21 erties,” before “for mitigation actions”; and

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

23 (b) AVAILABILITY OF FUNDS.—Paragraph (9) of sec-  
 24 tion 1310(a) of the National Flood Insurance Act of 1968

1 (42 U.S.C. 4017(a)) is amended by inserting “which shall  
2 remain available until expended,” after “and fiscal year,”.

3 **SEC. 16. EXTENSION OF PILOT PROGRAM FOR MITIGATION**  
4 **OF SEVERE REPETITIVE LOSS PROPERTIES.**

5 Section 1361A of the National Flood Insurance Act  
6 of 1968 (42 U.S.C. 4102a) is amended—

7 (1) in subsection (k)(1), by striking “2005,  
8 2006, 2007, 2008, and 2009” and inserting “2008,  
9 2009, 2010, 2011, and 2012”; and

10 (2) by striking subsection (l).

11 **SEC. 17. FLOOD MITIGATION ASSISTANCE PROGRAM.**

12 (a) **ELIGIBILITY OF PROPERTY DEMOLITION AND**  
13 **REBUILDING.**—Section 1366(e)(5)(B) of the National  
14 Flood Insurance Act of 1968 (42 U.S.C. 4104e(e)(5)(B))  
15 is amended by striking “or floodproofing” and inserting  
16 “floodproofing, or demolition and rebuilding”.

17 (b) **ELIMINATION OF LIMITATIONS ON AGGREGATE**  
18 **AMOUNT OF ASSISTANCE.**—Section 1366 of the National  
19 Flood Insurance Act of 1968 is amended by striking sub-  
20 section (f).

21 (c) **SOURCE OF FUNDS.**—Subsection (a) of section  
22 1367 of the National Flood Insurance Act of 1968 (42  
23 U.S.C. 4104d(a)) is amended by adding at the end the  
24 following new sentence: “Notwithstanding any other provi-  
25 sion of this title, amounts made available pursuant to this

1 subsection shall not be subject to offsetting collections  
2 through premium rates for flood insurance coverage under  
3 this title.”.

4 (d) TECHNICAL AMENDMENTS.—Section 1366 of the  
5 National Flood Insurance Act of 1968 is amended—

6 (1) by striking “subsection (g)” each place such  
7 term appears in subsections (h) and (i)(2) and in-  
8 serting “subsection (f)”; and

9 (2) by redesignating subsections (g) through (k)  
10 as subsections (f) through (j), respectively.

11 **SEC. 18. GAO STUDY OF METHODS TO INCREASE FLOOD IN-**  
12 **SURANCE PROGRAM PARTICIPATION BY LOW-**  
13 **INCOME FAMILIES.**

14 (a) IN GENERAL.—The Comptroller General of the  
15 United States shall conduct a study to identify and ana-  
16 lyze potential methods, practices, and incentives that  
17 would increase the extent to which low-income families (as  
18 such term is defined in section 3(b) of the United States  
19 Housing Act of 1937 (42 U.S.C. 1437a(b))) that own resi-  
20 dential properties located within areas having special flood  
21 hazards purchase flood insurance coverage for such prop-  
22 erties under the national flood insurance program. In con-  
23 ducting the study, the Comptroller General shall analyze  
24 the effectiveness and costs of the various methods, prac-

1 tices, and incentives identified, including their effects on  
2 the national flood insurance program.

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

7 **SEC. 19. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**  
8 **AND ESCROW IN RESPA GOOD FAITH ESTI-**  
9 **MATE.**

10 Subsection (c) of section 5 of the Real Estate Settle-  
11 ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is  
12 amended by adding at the end the following new sentence:  
13 “Each such good faith estimate shall include the following  
14 conspicuous statements and information: (1) that flood in-  
15 surance coverage for residential real estate is generally  
16 available under the national flood insurance program  
17 whether or not the real estate is located in an area having  
18 special flood hazards and that, to obtain such coverage,  
19 a home owner or purchaser should contact the national  
20 flood insurance program; (2) a telephone number and a  
21 location on the World Wide Web by which a home owner  
22 or purchaser can contact the national flood insurance pro-  
23 gram; and (3) that the escrowing of flood insurance pay-  
24 ments is required for many loans under section 102(d) of  
25 the Flood Disaster Protection Act of 1973, and may be

1 a convenient and available option with respect to other  
2 loans.”.

3 **SEC. 20. REITERATION OF FEMA RESPONSIBILITIES UNDER**  
4 **2004 REFORM ACT.**

5 (a) APPEALS PROCESS.—As directed in section 205  
6 of the Bunning-Bereuter-Blumenauer Flood Insurance  
7 Reform Act of 2004 (42 U.S.C. 4011 note), the Director  
8 of the Federal Emergency Management Agency is again  
9 directed to, not later than 90 days after the date of the  
10 enactment of this Act, establish an appeals process  
11 through which holders of a flood insurance policy may ap-  
12 peal the decisions, with respect to claims, proofs of loss,  
13 and loss estimates relating to such flood insurance policy  
14 as required by such section.

15 (b) MINIMUM TRAINING AND EDUCATION REQUIRE-  
16 MENTS.—The Director of the Federal Emergency Man-  
17 agement Agency is directed to continue to work with the  
18 insurance industry, State insurance regulators, and other  
19 interested parties to implement the minimum training and  
20 education standards for all insurance agents who sell flood  
21 insurance policies that were established by the Director  
22 under the notice published September 1, 2005 (70 Fed.  
23 Reg. 52117) pursuant to section 207 of the Bunning-Be-  
24 reuter-Blumenauer Flood Insurance Reform Act of 2004  
25 (42 U.S.C. 4011 note).

1 (c) REPORT.—Not later than the expiration of the 6-  
2 month period beginning on the date of the enactment of  
3 this Act, the Director of the Federal Emergency Manage-  
4 ment Agency shall submit a report to the Congress de-  
5 scribing the implementation of each provision of the  
6 Bunning-Bereuter-Blumenauer Flood Insurance Reform  
7 Act of 2004 (Public Law 108–264) and identifying each  
8 regulation, order, notice, and other material issued by the  
9 Director in implementing each such provision.

10 **SEC. 21. ONGOING MODERNIZATION OF FLOOD MAPS AND**  
11 **ELEVATION STANDARDS.**

12 (a) ONGOING FLOOD MAPPING PROGRAM.—Section  
13 1360 of the National Flood Insurance Act of 1968 (42  
14 U.S.C. 4101) is amended by adding at the end the fol-  
15 lowing new subsection:

16 “(k) ONGOING PROGRAM TO REVIEW, UPDATE, AND  
17 MAINTAIN FLOOD INSURANCE PROGRAM MAPS.—

18 “(1) IN GENERAL.—The Director, in coordina-  
19 tion with the Technical Mapping Advisory Council  
20 established pursuant to section 576 of the National  
21 Flood Insurance Reform Act of 1994 (42 U.S.C.  
22 4101 note) and section 21(b) of the Flood Insurance  
23 Reform and Modernization Act of 2007, shall estab-  
24 lish an ongoing program under which the Director  
25 shall review, update, and maintain national flood in-

1       surance program rate maps in accordance with this  
2       subsection.

3               “(2) INCLUSIONS.—

4                       “(A) COVERED AREAS.—Each map up-  
5                       dated under this subsection shall include a de-  
6                       piction of—

7                               “(i) the 500-year floodplain;

8                               “(ii) areas that could be inundated as  
9                               a result of the failure of a levee, as deter-  
10                              mined by the Director; and

11                             “(iii) areas that could be inundated as  
12                             a result of the failure of a dam, as identi-  
13                             fied under the National Dam Safety Pro-  
14                             gram Act (33 U.S.C. 467 et seq.).

15                       “(B) OTHER INCLUSIONS.—In updating  
16                       maps under this subsection, the Director may  
17                       include—

18                               “(i) any relevant information on  
19                               coastal inundation from—

20                                       “(I) an applicable inundation  
21                                       map of the Corps of Engineers; and

22                                       “(II) data of the National Oce-  
23                                       anic and Atmospheric Administration  
24                                       relating to storm surge modeling;

1           “(ii) any relevant information of the  
2           Geographical Service on stream flows, wa-  
3           tershed characteristics, and topography  
4           that is useful in the identification of flood  
5           hazard areas, as determined by the Direc-  
6           tor; and

7           “(iii) a description of any hazard that  
8           might impact flooding, including, as deter-  
9           mined by the Director—

10                   “(I) land subsidence and coastal  
11                   erosion areas;

12                   “(II) sediment flow areas;

13                   “(III) mud flow areas;

14                   “(IV) ice jam areas; and

15                   “(V) areas on coasts and inland  
16                   that are subject to the failure of  
17                   structural protective works, such as  
18                   levees, dams, and floodwalls.

19           “(3) STANDARDS.—In updating and maintain-  
20           ing maps under this subsection, the Director shall  
21           establish standards to—

22                   “(A) ensure that maps are adequate for—

23                   “(i) flood risk determinations; and

1                   “(ii) use by State and local govern-  
2                   ments in managing development to reduce  
3                   the risk of flooding;

4                   “(B) facilitate the Director, in conjunction  
5                   with State and local governments, to identify  
6                   and use consistent methods of data collection  
7                   and analysis in developing maps for commu-  
8                   nities with similar flood risks, as determined by  
9                   the Director; and

10                   “(C) ensure that emerging weather fore-  
11                   casting technology is used, where practicable, in  
12                   flood map evaluations and the identification of  
13                   potential risk areas.

14                   “(4) HURRICANES KATRINA AND RITA MAPPING  
15                   PRIORITY.—In updating and maintaining maps  
16                   under this subsection, the Director shall—

17                   “(A) give priority to the updating and  
18                   maintenance of maps of coastal areas affected  
19                   by Hurricane Katrina or Hurricane Rita to pro-  
20                   vide guidance with respect to hurricane recovery  
21                   efforts; and

22                   “(B) use the process of updating and  
23                   maintaining maps under subparagraph (A) as a  
24                   model for updating and maintaining other  
25                   maps.

1           “(5) EDUCATION PROGRAM.—The Director  
2 shall, after each update to a flood insurance pro-  
3 gram rate map, in consultation with the chief execu-  
4 tive officer of each community affected by the up-  
5 date, conduct a program to educate each such com-  
6 munity about the update to the flood insurance pro-  
7 gram rate map and the effects of the update.

8           “(6) ANNUAL REPORT.—Not later than June  
9 30 of each year, the Director shall submit a report  
10 to the Congress describing, for the preceding 12-  
11 month period, the activities of the Director under  
12 the program under this section and the reviews and  
13 updates of flood insurance program rate maps con-  
14 ducted under the program. Each such annual report  
15 shall contain the most recent report of the Technical  
16 Mapping Advisory Council pursuant to section  
17 576(c)(3) of the National Flood Insurance Reform  
18 Act of 1994 (42 U.S.C. 4101 note).

19           “(7) AUTHORIZATION OF APPROPRIATIONS.—  
20 There is authorized to be appropriated to the Direc-  
21 tor to carry out this subsection \$400,000,000 for  
22 each of fiscal years 2008 through 2013.”.

23           (b) REESTABLISHMENT OF TECHNICAL MAPPING  
24 ADVISORY COUNCIL FOR ONGOING MAPPING PROGRAM.—

1           (1) REESTABLISHMENT.—There is reestab-  
2           lished the Technical Mapping Advisory Council, in  
3           accordance with this subsection and section 576 of  
4           the National Flood Insurance Reform Act of 1994  
5           (42 U.S.C. 4101 note).

6           (2) MEMBERSHIP.—Paragraph (1) of section  
7           576(b) of the National Flood Insurance Reform Act  
8           of 1994 (42 U.S.C. 4101 note) is amended—

9                   (A) in the matter preceding subparagraph  
10                  (A), by striking “10” and inserting “14”;

11                  (B) by redesignating subparagraphs (E),  
12                  (F), (G), (H), (I), and (J) as subparagraphs  
13                  (F), (G), (H), (K), (M), and (N), respectively;

14                  (C) by inserting after subparagraph (D)  
15                  the following new subparagraph:

16                   “(E) a representative of the Corps of Engi-  
17                   neers of the United States Army;”;

18                  (D) by inserting after subparagraph (H)  
19                  (as so redesignated by subparagraph (B) of this  
20                  paragraph) the following new subparagraphs:

21                   “(I) a representative of local or regional  
22                   flood and stormwater agencies;

23                   “(J) a representative of State geographic  
24                   information coordinators;” and

1           (E) by inserting after subparagraph (K)  
2           (as so redesignated by subparagraph (A) of this  
3           paragraph) the following new subparagraph:

4           “(L) a representative of flood insurance  
5           servicing companies;”.

6           (3) TERMS OF MEMBERS AND APPOINTMENT.—  
7           Section 576(b) of the National Flood Insurance Re-  
8           form Act of 1994 (42 U.S.C. 4101 note) is amended  
9           by adding at the end the following new paragraph:

10          “(3) TERMS OF MEMBERS.—

11           “(A) IN GENERAL.—Each member of the  
12           Council pursuant to any of subparagraphs (B)  
13           through (N) of paragraph (1) shall be ap-  
14           pointed for a term of 5 years, except as pro-  
15           vided in subparagraphs (B) and (C).

16           “(B) TERMS OF INITIAL APPOINTEES.—As  
17           designated by the Director (or the designee of  
18           the Director) at the time of appointment, of the  
19           members of the Council first appointed pursu-  
20           ant to subparagraph (D)—

21           “(i) 4 shall be appointed for a term of  
22           1 year;

23           “(ii) 4 shall be appointed for a term  
24           of 3 years; and

1                   “(iii) 5 shall be appointed for a term  
2                   of 5 years.

3                   “(C) VACANCIES.—Any member of the  
4                   Council appointed to fill a vacancy occurring  
5                   before the expiration of the term for which the  
6                   member’s predecessor was appointed shall be  
7                   appointed only for the remainder of that term.  
8                   A member may serve after the expiration of  
9                   that member’s term until a successor has taken  
10                  office. A vacancy in the Council shall be filled  
11                  in the manner in which the original appoint-  
12                  ment was made.

13                  “(D) INITIAL APPOINTMENT.—The Direc-  
14                  tor, or the Director’s designee, shall take action  
15                  as soon as possible after the date of the enact-  
16                  ment of the Flood Insurance Reform and Mod-  
17                  ernization Act of 2007 to appoint the members  
18                  of the Council pursuant to this subsection.”.

19                  (4) DUTIES.—Subsection (c) of section 576 of  
20                  the National Flood Insurance Reform Act of 1994  
21                  (42 U.S.C. 4101 note) is amended to read as fol-  
22                  lows:

23                  “(c) DUTIES.—The Council shall—

24                         “(1) make recommendations to the Director for  
25                         improvements to the flood map modernization pro-

1       gram under section 1360(k) of the National Flood  
2       Insurance Act of 1968 (42 U.S.C. 41010(k));

3               “(2) make recommendations to the Director for  
4       maintaining a modernized inventory of flood hazard  
5       maps and information; and

6               “(3) submit an annual report to the Director  
7       that contains a description of the activities and rec-  
8       ommendations of the Council.”.

9               (5) ELIMINATION OF TERMINATION.—Section  
10       576 of the National Flood Insurance Reform Act of  
11       1994 (42 U.S.C. 4101 note) is amended by striking  
12       subsection (k) and inserting the following new sub-  
13       section:

14              “(k) CONTINUED EXISTENCE.—Section 14(a)(2)(B)  
15       of the Federal Advisory Committee Act (5 U.S.C. App.;  
16       relating to termination of advisory committees) shall not  
17       apply to the Council.”.

18              (c) POST-DISASTER FLOOD ELEVATION DETERMINA-  
19       TIONS.—Section 1361 of the National Flood Insurance  
20       Act of 1968 (42 U.S.C. 4101), as amended by the pre-  
21       ceding provisions of this Act, is further amended by add-  
22       ing at the end the following new subsection:

23              “(l) INTERIM POST-DISASTER FLOOD ELE-  
24       VATIONS.—

1           “(1) **AUTHORITY.**—Notwithstanding any other  
2           provision of this section or section 1363, the Direc-  
3           tor may, after any flood-related disaster, establish by  
4           order interim flood elevation requirements for pur-  
5           poses of the national flood insurance program for  
6           any areas affected by such flood-related disaster.

7           “(2) **EFFECTIVENESS.**—Such interim elevation  
8           requirements for such an area shall take effect im-  
9           mediately upon issuance and may remain in effect  
10          until the Director establishes new flood elevations  
11          for such area in accordance with section 1363 or the  
12          Director provides otherwise.”.

13 **SEC. 22. NOTIFICATION AND APPEAL OF MAP CHANGES;**  
14                           **NOTIFICATION OF ESTABLISHMENT OF**  
15                           **FLOOD ELEVATIONS.**

16          Section 1363 of the National Flood Insurance Act of  
17          1968 (42 U.S.C. 4104) is amended by striking the section  
18          designation and all that follows through the end of sub-  
19          section (a) and inserting the following:

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

24                       “(1) by providing the chief executive officer of  
25          each community affected by the proposed elevations,

1 by certified mail, with a return receipt requested,  
2 notice of the elevations, including a copy of the maps  
3 for the elevations for such community and a state-  
4 ment explaining the process under this section to ap-  
5 peal for changes in such elevations;

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

14 “(3) by publishing in a prominent local news-  
15 paper the elevations, a description of the appeals  
16 process for flood determinations, and the mailing ad-  
17 dress and telephone number of a person the owner  
18 may contact for more information or to initiate an  
19 appeal.”.

20 **SEC. 23. CLARIFICATION OF REPLACEMENT COST PROVI-**  
21 **SIONS, FORMS, AND POLICY LANGUAGE.**

22 Not later than the expiration of the 3-month period  
23 beginning on the date of the enactment of this Act, the  
24 Director of the Federal Emergency Management Agency  
25 shall—

1           (1) in plain language using easy to understand  
2 terms and concepts, issue regulations, and revise any  
3 materials made available by such Agency, to clarify  
4 the applicability of replacement cost coverage under  
5 the national flood insurance program;

6           (2) in plain language using easy to understand  
7 terms and concepts, revise any regulations, forms,  
8 notices, guidance, and publications relating to the  
9 full cost of repair or replacement under the replace-  
10 ment cost coverage to more clearly describe such  
11 coverage to flood insurance policyholders and infor-  
12 mation to be provided by such policyholders relating  
13 to such coverage, and to avoid providing misleading  
14 information to such policyholders;

15           (3) revise the language in standard flood insur-  
16 ance policies under such program regarding rating  
17 and coverage descriptions in a manner that is con-  
18 sistent with language used widely in other home-  
19 owners and property and casualty insurance policies,  
20 including such language regarding classification of  
21 buildings, basements, crawl spaces, detached ga-  
22 rages, enclosures below elevated buildings, and re-  
23 placement costs; and

24           (4) include in each standard flood insurance  
25 policy a one-page description of the policy using

1 plain language and easy to understand terms and  
2 concepts.

3 **SEC. 24. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

4 Notwithstanding any other provision of law, the Di-  
5 rector of the Federal Emergency Management Agency  
6 may employ such additional staff as may be necessary to  
7 carry out all of the responsibilities of the Director pursu-  
8 ant to this Act and the amendments made by this Act.  
9 There are authorized to be appropriated to Director such  
10 sums as may be necessary for costs of employing such ad-  
11 ditional staff.

12 **SEC. 25. EXTENSION OF DEADLINE FOR FILING PROOF OF**  
13 **LOSS.**

14 (a) IN GENERAL.—Section 1312 of the National  
15 Flood Insurance Act of 1968 (42 U.S.C. 4019) is amend-  
16 ed—

17 (1) by inserting “(a) PAYMENT.—” before “The  
18 Director”; and

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

21 “(b) FILING DEADLINE FOR PROOF OF LOSS.—

22 “(1) IN GENERAL.—In establishing any require-  
23 ments regarding notification, proof, or approval of  
24 claims for damage to or loss of property which is  
25 covered by flood insurance made available under this

1 title, the Director may not require an insured to no-  
2 tify the Director of such damage or loss, submit a  
3 claim for such damage or loss, or certify to or sub-  
4 mit proof of such damage or loss, before the expira-  
5 tion of the 180-day period that begins on the date  
6 that such damage or loss occurred.

7 “(2) EXCEPTIONS.—Notwithstanding any dead-  
8 line established in accordance with paragraph (1),  
9 the Director may not deny a claim for damage or  
10 loss described in such paragraph solely for failure to  
11 meet such deadline if the insured demonstrates any  
12 good cause for such failure.”.

13 (b) APPLICABILITY.—Subsection (b) of section 1312  
14 of the National Flood Insurance Act of 1968, as added  
15 by subsection (a)(2) of this section, shall apply with re-  
16 spect to any claim under which the damage to or loss of  
17 property occurred on or after the date of the enactment  
18 of this Act.

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