

118TH CONGRESS
1ST SESSION

H. R. 1540

To establish a means-tested assistance program for national flood insurance program policyholders, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2023

Mr. CARTWRIGHT introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish a means-tested assistance program for national flood insurance program policyholders, 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.**

4 This Act may be cited as the “National Flood Insur-
5 ance Program Affordability Act”.

6 **SEC. 2. MEANS-TESTED ASSISTANCE FOR NATIONAL FLOOD**
7 **INSURANCE PROGRAM POLICYHOLDERS.**

8 (a) IN GENERAL.—The Administrator of the Federal
9 Emergency Management Agency shall, not later than 1
10 year after the date of the enactment of this Act, establish

1 a means-tested program under which the Administrator
2 provides assistance to eligible policyholders in the form of
3 graduated discounts for insurance costs with respect to
4 covered properties.

5 (b) DISCOUNTS.—The Administrator shall use
6 amounts provided under this section to establish grad-
7 uated discounts available to eligible policyholders under
8 this section, with respect to covered properties, such that
9 the chargeable premium rate for an eligible policyholder
10 that applies for assistance under this section may not ex-
11 ceed 1 percent of the area median income for the area
12 in which the property to which the policy applies is lo-
13 cated.

14 (c) APPLICATION.—To receive assistance under this
15 Act, an eligible policyholder shall submit an application
16 to the Administrator at such time, in such manner, and
17 containing such information as the Administrator may
18 reasonably require and assistance will no longer be avail-
19 able when the amounts appropriated pursuant to sub-
20 section (f) have been expended for a fiscal year.

21 (d) RULEMAKING AND GUIDANCE.—Not later than 1
22 year after the date of the enactment of this Act, the Ad-
23 ministrator shall issue such regulations and guidance as
24 the Administrator determines necessary to carry out this
25 Act, including a hardship metric for small businesses and

1 not-for-profit entities to qualify for assistance under this
2 Act.

3 (e) REPORT.—Not later than 1 year after the date
4 of the enactment of this section, the Administrator shall
5 submit to the Congress, a report that—

6 (1) addresses the feasibility of making eligibility
7 for assistance under the program established under
8 this Act based on a consideration of an eligible pol-
9 icyholder’s principal, interest, taxes, and insurance
10 instead of household income as a percent of area
11 medium income; and

12 (2) outlines how the Administrator could use in-
13 come eligibility for other Federal programs to deter-
14 mine eligibility for participation in the program es-
15 tablished under this Act.

16 (f) APPROPRIATION.—

17 (1) IN GENERAL.—There is appropriated, annu-
18 ally, to the Administrator, out of any money in the
19 Treasury not otherwise appropriated, \$250,000,000,
20 to carry out the program established by the Admin-
21 istrator under subsection (a).

22 (2) EXPENDITURE REQUIREMENT.—The Ad-
23 ministrator shall, each fiscal year, expend not less
24 than 95 percent of the amount appropriated for such
25 fiscal year under paragraph (1).

1 **SEC. 3. MONTHLY INSTALLMENT PAYMENT FOR PREMIUMS.**

2 Not later than 180 days after the date of enactment
3 of this Act, the Administrator shall—

4 (1) implement the requirement for monthly in-
5 stallment payments of premiums provided under sec-
6 tion 1308(g) of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4015(g)); or

8 (2) submit to Congress an explanation of the
9 reasons why the Administrator cannot implement
10 the requirement described in paragraph (1) during
11 that 180-day period.

12 **SEC. 4. DEFINITIONS.**

13 In this Act:

14 (1) ADMINISTRATOR.—The term “Adminis-
15 trator” means the Administrator of the Federal
16 Emergency Management Agency.

17 (2) COVERED PROPERTY.—The term “covered
18 property” means—

19 (A) a primary residential dwelling; or

20 (B) personal property relating to a dwell-
21 ing described in subparagraph (A).

22 (3) ELIGIBLE POLICYHOLDER.—The term “eli-
23 gible policyholder” means—

24 (A) a person who—

1 (i) is a national flood insurance pro-
2 gram policyholder on or after the date of
3 the enactment of this Act; and

4 (ii) has a household income that is not
5 more than 120 percent of the area median
6 income for the area in which the property
7 to which the policy applies is located;

8 (B) a business with not more than 100
9 employees that—

10 (i) is a national flood insurance pro-
11 gram policyholder on or after the date of
12 the enactment of this Act; and

13 (ii) satisfies the hardship metric pub-
14 lished by the Administrator under section
15 2; or

16 (C) a not-for-profit organization that—

17 (i) is a national flood insurance pro-
18 gram policyholder on or after the date of
19 the enactment of this Act; and

20 (ii) satisfies the hardship metric pub-
21 lished by the Administrator under section
22 2.

23 (4) INSURANCE COSTS.—The term “insurance
24 costs” means, with respect to a covered property for
25 a year—

1 (A) risk premiums and fees estimated
2 under section 1307 of the National Flood In-
3 surance Act of 1968 (42 U.S.C. 4014) and
4 charged under section 1308 of such Act (42
5 U.S.C. 4015);

6 (B) surcharges assessed under sections
7 1304 and 1308A of such Act (42 U.S.C. 4011,
8 4015a); and

9 (C) any amount established under section
10 1310A(c) of such Act (42 U.S.C. 4017a).

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