

2007, and each of the 3 years thereafter, the Transit Authority shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the implementation of this subsection.

“(5) DEFINITION.—In this subsection, the term ‘licensed wireless provider’ means any provider of wireless services who is operating pursuant to a Federal license to offer such services to the public for profit.”

(C) WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY INSPECTOR GENERAL.—

(1) ESTABLISHMENT OF OFFICE.—

(A) IN GENERAL.—The Washington Metropolitan Area Transit Authority (referred to in this subsection as the “Transit Authority”) shall establish in the Transit Authority the Office of the Inspector General (referred to in this subsection as the “Office”), headed by the Inspector General of the Transit Authority (referred to in this subsection as the “Inspector General”).

(B) DEFINITION.—In subparagraph (A), the “Washington Metropolitan Area Transit Authority” means the Authority established under Article III of the Washington Metropolitan Area Transit Authority Compact (Public Law 89-774).

(2) INSPECTOR GENERAL.—

(A) APPOINTMENT.—The Inspector General shall be appointed by the vote of a majority of the Board of Directors of the Transit Authority, and shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations, as well as familiarity or experience with the operation of transit systems.

(B) TERM OF SERVICE.—The Inspector General shall serve for a term of 5 years, and an individual serving as Inspector General may be reappointed for not more than 2 additional terms.

(C) REMOVAL.—The Inspector General may be removed from office prior to the expiration of his term only by the unanimous vote of all of the members of the Board of Directors of the Transit Authority, and the Board shall communicate the reasons for any such removal to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

(3) DUTIES.—

(A) APPLICABILITY OF DUTIES OF INSPECTOR GENERAL OF EXECUTIVE BRANCH ESTABLISHMENT.—The Inspector General shall carry out the same duties and responsibilities with respect to the Transit Authority as an Inspector General of an establishment carries out with respect to an establishment under section 4 of the Inspector General Act of 1978 (5 U.S.C. App. 4), under the same terms and conditions which apply under such section.

(B) CONDUCTING ANNUAL AUDIT OF FINANCIAL STATEMENTS.—The Inspector General shall be responsible for conducting the annual audit of the financial accounts of the Transit Authority, either directly or by contract with an independent external auditor selected by the Inspector General.

(C) REPORTS.—

(i) SEMIANNUAL REPORTS TO TRANSIT AUTHORITY.—The Inspector General shall prepare and submit semiannual reports summarizing the activities of the Office in the same manner, and in accordance with the same deadlines, terms, and conditions, as an Inspector General of an establishment under

section 5 of the Inspector General Act of 1978 (5 U.S.C. App. 5). For purposes of applying section 5 of such Act to the Inspector General, the Board of Directors of the Transit Authority shall be considered the head of the establishment, except that the Inspector General shall transmit to the General Manager of the Transit Authority a copy of any report submitted to the Board pursuant to this paragraph.

(ii) ANNUAL REPORTS TO LOCAL SIGNATORY GOVERNMENTS AND CONGRESS.—Not later than January 15 of each year, the Inspector General shall prepare and submit a report summarizing the activities of the Office during the previous year, and shall submit such reports to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

(D) INVESTIGATIONS OF COMPLAINTS OF EMPLOYEES AND MEMBERS.—

(i) AUTHORITY.—The Inspector General may receive and investigate complaints or information from an employee or member of the Transit Authority concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to the public health and safety.

(ii) NONDISCLOSURE.—The Inspector General shall not, after receipt of a complaint or information from an employee or member, disclose the identity of the employee or member without the consent of the employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

(iii) PROHIBITING RETALIATION.—An employee or member of the Transit Authority who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee or member as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

(E) INDEPENDENCE IN CARRYING OUT DUTIES.—Neither the Board of Directors of the Transit Authority, the General Manager of the Transit Authority, nor any other member or employee of the Transit Authority may prevent or prohibit the Inspector General from carrying out any of the duties or responsibilities assigned to the Inspector General under this subsection.

(4) POWERS.—

(A) IN GENERAL.—The Inspector General may exercise the same authorities with respect to the Transit Authority as an Inspector General of an establishment may exercise with respect to an establishment under section 6(a) of the Inspector General Act of 1978 (5 U.S.C. App. 6(a)), other than paragraphs (7), (8), and (9) of such section.

(B) STAFF.—

(i) ASSISTANT INSPECTOR GENERALS AND OTHER STAFF.—The Inspector General shall appoint and fix the pay of—

(I) an Assistant Inspector General for Audits, who shall be responsible for coordinating the activities of the Inspector General relating to audits;

(II) an Assistant Inspector General for Investigations, who shall be responsible for coordinating the activities of the Inspector General relating to investigations; and

(III) such other personnel as the Inspector General considers appropriate.

(ii) INDEPENDENCE IN APPOINTING STAFF.—No individual may carry out any of the duties or responsibilities of the Office unless the individual is appointed by the Inspector General, or provides services procured by the Inspector General, pursuant to this subparagraph. Nothing in this clause may be construed to prohibit the Inspector General from entering into a contract or other arrangement for the provision of services under this subsection.

(iii) APPLICABILITY OF TRANSIT SYSTEM PERSONNEL RULES.—None of the regulations governing the appointment and pay of employees of the Transit System shall apply with respect to the appointment and compensation of the personnel of the Office, except to the extent agreed to by the Inspector General. Nothing in the previous sentence may be construed to affect clauses (i) and (ii).

(C) EQUIPMENT AND SUPPLIES.—The General Manager of the Transit Authority shall provide the Office with appropriate and adequate office space, together with such equipment, supplies, and communications facilities and services as may be necessary for the operation of the Office, and shall provide necessary maintenance services for such office space and the equipment and facilities located therein.

(5) TRANSFER OF FUNCTIONS.—To the extent that any office or entity in the Transit Authority prior to the appointment of the first Inspector General under this subsection carried out any of the duties and responsibilities assigned to the Inspector General under this subsection, the functions of such office or entity shall be transferred to the Office upon the appointment of the first Inspector General under this subsection.

(d) STUDY AND REPORT BY COMPTROLLER GENERAL.—

(1) STUDY.—The Comptroller General shall conduct a study on the use of the funds provided under section 18 of the National Capital Transportation Act of 1969 (as added by this section).

(2) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on the study conducted under paragraph (1).

TEXT OF AMENDMENTS

SA 4700. Mr. DeMINT submitted an amendment intended to be proposed by him to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . . . CERTAIN PROVISION IS NULL AND VOID.

Section 831, and the amendments made by such section, are hereby null and void and shall have no effect.

SA 4701. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 2881, to amend title 49, United States Code, to authorize appropriations for the Federal Aviation Administration for fiscal years 2008 through 2011, to improve aviation safety and capacity, to provide stable funding for the national aviation system, and for other purposes; which was ordered to lie on the table; as follows:

On page 95, strike lines 7 through 21, and insert the following:

(b) FUNDING.—Subparagraph (E) of section 47124(b)(3) is amended—

(1) by striking “and” after “2006,”; and
 (2) by inserting “\$9,000,000 for fiscal year 2008, \$9,500,000 for fiscal year 2009, \$10,000,000 for fiscal year 2010, and \$10,500,000 for fiscal year 2011” after “2007,”; and

(3) by inserting after “paragraph.” the following: “If the Secretary finds that all or part of an amount made available under this subparagraph is not required during a fiscal year to carry out this paragraph, the Secretary may use during such fiscal year the amount not so required to carry out the program continued under paragraph (b)(1) of this section.”.

(c) LIMITATION ON LOCAL SHARE.—Section 47124(b)(3) is amended by adding at the end the following:

“(F) LIMITATION ON LOCAL SHARE FOR CERTAIN AIRPORTS.—Notwithstanding any other provision of this section, in the case of an airport that is certified under part 139 of title 14, Code of Federal Regulations, and that has more than 10,000 but fewer than 50,000 passenger enplanements per year, the local share of the costs of carrying out the Contract Tower Program shall not exceed 20 percent.”.

SA 4702. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

On page 72, after line 15, insert the following:

SEC. 33. MAXIMUM COVERAGE LIMITS.

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

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

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

(3) in paragraph (4)—

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

(B) by inserting before “; and” the following: “; except that, in the case of any nonresidential property that is a structure containing more than one dwelling unit that is made available for occupancy by rental (notwithstanding the provisions applicable to the determination of the risk premium rate for such property), additional flood insurance in excess of such limits shall be made available to every insured upon renewal and every applicant for insurance so as to enable any such insured or applicant to receive coverage up to a total amount that is equal to the product of the total number of

such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in paragraph (2); except that in the case of any such multi-unit, non-residential rental property that is a pre-FIRM structure (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014 note)), the risk premium rate for the first \$500,000 of coverage shall be determined in accordance with section 1307(a)(2) and the risk premium rate for any coverage in excess of such amount shall be determined in accordance with section 1307(a)(1)”.

SA 4703. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

On page 10, line 24, strike “Any increase” and all that follows through the second period on page 11, line 4, and insert the following: “Any increase in the risk premium rate charged for flood insurance on any property that is covered by a flood insurance policy on the date of completion of the updating or remapping described in paragraph (1) that is a result of such updating or remapping shall be phased in over a 5-year period at the rate of 20 percent per year.”.

SA 4704. Mr. WICKER (for himself, Mr. COCHRAN, Mr. VITTER, Ms. LANDRIEU, and Mr. MARTINEZ) submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

At the end, insert the following:

SEC. _____ MULTIPERIL COVERAGE FOR FLOOD AND WINDSTORM.

(a) IN GENERAL.—Section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

“(c) MULTIPERIL COVERAGE FOR DAMAGE FROM FLOOD OR WINDSTORM.—

“(1) IN GENERAL.—Subject to paragraph (8), the national flood insurance program established pursuant to subsection (a) shall enable the purchase of optional insurance against loss resulting from physical damage to or loss of real property or personal property related thereto located in the United States arising from any flood or windstorm, subject to the limitations in this subsection and section 1306(b).

“(2) COMMUNITY PARTICIPATION REQUIREMENT.—Multiperil coverage pursuant to this subsection may not be provided in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate mitigation measures (with effective enforcement provisions) which the Director finds are consistent with the criteria for construction described in the International Code Council building codes relating to wind mitigation.

“(3) PROHIBITION AGAINST DUPLICATIVE COVERAGE.—Multiperil coverage pursuant to this subsection may not be provided with respect to any structure (or the personal property related thereto) for any period during which such structure is covered, at any time, by flood insurance coverage made available under this title.

“(4) NATURE OF COVERAGE.—Multiperil coverage pursuant to this subsection shall—

“(A) cover losses only from physical damage resulting from flooding or windstorm; and

“(B) provide for approval and payment of claims under such coverage upon proof that such loss must have resulted from either windstorm or flooding, but shall not require for approval and payment of a claim that the specific cause of the loss, whether windstorm or flooding, be distinguished or identified.

“(5) ACTUARIAL RATES.—Multiperil coverage pursuant to this subsection shall be made available for purchase for a property only at chargeable risk premium rates that, based on consideration of the risks involved and accepted actuarial principles, and including operating costs and allowance and administrative expenses, are required in order to make such coverage available on an actuarial basis for the type and class of properties covered.

“(6) TERMS OF COVERAGE.—The Director shall, after consultation with persons and entities referred to in section 1306(a), provide by regulation for the general terms and conditions of insurability which shall be applicable to properties eligible for multiperil coverage under this subsection, subject to the provisions of this subsection, including—

“(A) the types, classes, and locations of any such properties which shall be eligible for such coverage, which shall include residential and nonresidential properties;

“(B) subject to paragraph (7), the nature and limits of loss or damage in any areas (or subdivisions thereof) which may be covered by such coverage;

“(C) the classification, limitation, and rejection of any risks which may be advisable;

“(D) appropriate minimum premiums;

“(E) appropriate loss deductibles; and

“(F) any other terms and conditions relating to insurance coverage or exclusion that may be necessary to carry out this subsection.

“(7) LIMITATIONS ON AMOUNT OF COVERAGE.—The regulations issued pursuant to paragraph (6) shall provide that the aggregate liability under multiperil coverage made available under this subsection shall not exceed the lesser of the replacement cost for covered losses or the following amounts, as applicable:

“(A) RESIDENTIAL STRUCTURES.—In the case of residential properties, which shall include structures containing multiple dwelling units that are made available for occupancy by rental (notwithstanding any treatment or classification of such properties for purposes of section 1306(b))—

“(i) for any single-family dwelling, \$500,000;

“(ii) for any structure containing more than one dwelling unit, \$500,000 for each separate dwelling unit in the structure, which limit, in the case of such a structure containing multiple dwelling units that are made available for occupancy by rental, shall be applied so as to enable any insured or applicant for insurance to receive coverage for the structure up to a total amount that is equal to the product of the total

number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in this clause; and

“(iii) \$150,000 per dwelling unit for—

“(I) any contents related to such unit; and

“(II) any necessary increases in living expenses incurred by the insured when losses from flooding or windstorm make the residence unfit to live in.

“(B) NONRESIDENTIAL PROPERTIES.—In the case of nonresidential properties (including church properties)—

“(i) \$1,000,000 for any single structure; and

“(ii) \$750,000 for—

“(I) any contents related to such structure; and

“(II) in the case of any nonresidential property that is a business property, any losses resulting from any partial or total interruption of the insured’s business caused by damage to, or loss of, such property from flooding or windstorm, except that for purposes of such coverage, losses shall be determined based on the profits the covered business would have earned, based on previous financial records, had the flood or windstorm not occurred.

“(8) EFFECTIVE DATE.—This subsection shall take effect on, and shall apply beginning on, June 30, 2008.”

(b) PROHIBITION AGAINST DUPLICATIVE COVERAGE.—Chapter 1 of The National Flood Insurance Act of 1968 is amended by adding at the end the following:

“PROHIBITION AGAINST DUPLICATIVE COVERAGE

“SEC. 1325. Flood insurance under this title may not be provided with respect to any structure (or the personal property related thereto) for any period during which such structure is covered, at any time, by multiperil insurance coverage made available pursuant to section 1304(c).”

(c) COMPLIANCE WITH STATE AND LOCAL LAW.—Section 1316 of the National Flood Insurance Act of 1968 (42 U.S.C. 4023) is amended—

(1) by inserting “(a) FLOOD PROTECTION MEASURES.—” before “No new”; and

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

“(b) WINDSTORM PROTECTION MEASURES.—No new multiperil coverage shall be provided under section 1304(c) for any property that 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 reduce damage caused by windstorms.”

(d) CRITERIA FOR LAND MANAGEMENT AND USE.—Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

“(d) WINDSTORMS.—

“(1) STUDIES AND INVESTIGATIONS.—The Director shall carry out studies and investigations under this section to determine appropriate measures in wind events as to wind hazard prevention, and may enter into contracts, agreements, and other appropriate arrangements to carry out such activities. Such studies and investigations shall include laws, regulations, and ordinance relating to the orderly development and use of areas subject to damage from windstorm risks, and zoning building codes, building permits, and subdivision and other building restrictions for such areas.

“(2) CRITERIA.—On the basis of the studies and investigations pursuant to paragraph (1) and such other information as may be appropriate, the Director shall establish comprehensive criteria designed to encourage, where necessary, the adoption of adequate State and local measures which, to the maximum extent feasible, will assist in reducing dam-

age caused by windstorms, discourage density and intensity or range of use increases in locations subject to windstorm damage, and enforce restrictions on the alteration of wetlands coastal dunes and vegetation and other natural features that are known to prevent or reduce such damage.

“(3) COORDINATION WITH STATE AND LOCAL GOVERNMENTS.—The Director shall work closely with and provide any necessary technical assistance to State, interstate, and local governmental agencies, to encourage the application of criteria established under paragraph (2) and the adoption and enforcement of measures referred to in such paragraph.”

(e) DEFINITIONS.—Section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121) is amended—

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

(2) in paragraph (15) by striking the period at the end and inserting “; and”; and

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

“(16) the term ‘windstorm’ means any hurricane, tornado, cyclone, typhoon, or other wind event.”

SA 4705. Ms. LANDRIEU (for herself, Mr. PRYOR, and Mrs. LINCOLN) submitted an amendment intended to be proposed by her to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

On page 9, strike line 20 and all that follows through page 10, line 9, and insert the following:

(c) STUDY ON MANDATORY PURCHASE REQUIREMENTS.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Comptroller General shall conduct and submit to Congress a study assessing the impact, effectiveness, and feasibility of amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to properties located in any area that would be designated as an area having special flood hazards but for the existence of a structural flood protection system.

(2) CONTENT OF REPORT.—In carrying out the study required under paragraph (1), the Comptroller General shall determine—

(A) the regulatory, financial and economic impacts of extending the mandatory purchase requirements described under paragraph (1) on the costs of homeownership, the actuarial soundness of the National Flood Insurance Program, the Federal Emergency Management Agency, local communities, insurance companies, and local land use;

(B) the effectiveness of extending such mandatory purchase requirements in protecting homeowners from financial loss and in protecting the financial soundness of the National Flood Insurance Program; and

(C) any impact on lenders of complying with or enforcing such extended mandatory requirements.

SA 4706. Ms. LANDRIEU (for herself and Mr. NELSON of Florida) submitted an amendment intended to be proposed by her to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 31 and insert the following:
SEC. 31. FLOOD INSURANCE ADVOCATE.

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

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

“(a) ESTABLISHMENT OF POSITION.—

“(1) IN GENERAL.—There shall be in the Federal Emergency Management Agency an Office of the Flood Insurance Advocate which shall be headed by the National Flood Insurance Advocate. The National Flood Insurance Advocate shall—

“(A) to the extent amounts are provided pursuant to subsection (n), be compensated at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Director so determines, at a rate fixed under section 9503 of such title;

“(B) be appointed by the Director without regard to political affiliation;

“(C) report to and be under the general supervision of the Director, but shall not report to, or be subject to supervision by, any other officer of the Federal Emergency Management Agency; and

“(D) consult with the Assistant Administrator for Mitigation or any successor thereto, but shall not report to, or be subject to the general supervision by, the Assistant Administrator for Mitigation or any successor thereto.

“(2) QUALIFICATIONS.—An individual appointed under paragraph (1)(B) shall have a background in customer service, accounting, auditing, financial analysis, law, management analysis, public administration, investigations, or insurance.

“(3) RESTRICTION ON EMPLOYMENT.—An individual may be appointed as the National Flood Insurance Advocate only if such individual was not an officer or employee of the Federal Emergency Management Agency with duties relating to the national flood insurance program during the 2-year period ending with such appointment and such individual agrees not to accept any employment with the Federal Emergency Management Agency for at least 2 years after ceasing to be the National Flood Insurance Advocate. Service as an employee of the National Flood Insurance Advocate shall not be taken into account in applying this paragraph.

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

“(5) INDEPENDENCE.—The Director shall not prevent or prohibit the National Flood Insurance Advocate from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena or summons during the course of any audit or investigation.

“(6) REMOVAL.—The President and the Director shall have the power to remove, discharge, or dismiss the National Flood Insurance Advocate. Not later than 15 days after the removal, discharge, or dismissal of the Advocate, the President or the Director shall report to the Committee on Banking of the Senate and the Committee on Financial Services of the House of Representatives on the basis for such removal, discharge, or dismissal.

“(b) FUNCTIONS OF OFFICE.—It shall be the function of the Office of the Flood Insurance Advocate to—

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

“(2) identify areas in which such insureds have problems in dealings with the Federal

Emergency Management Agency relating to such program;

“(3) propose changes in the administrative practices of the Federal Emergency Management Agency to mitigate problems identified under paragraph (2);

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

“(5) conduct, supervise, and coordinate—
“(A) systematic and random audits and investigations of insurance companies and associated entities that sell or offer for sale insurance policies 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, to determine whether such insurance companies or associated entities are allocating only flood losses under such insurance policies to the National Flood Insurance Program;

“(B) audits and investigations to determine if an insurance company or associated entity described under subparagraph (A) is negotiating on behalf of the National Flood Insurance Program with third parties in good faith;

“(C) examinations to ensure that insurance companies and associated entities are properly compiling and preserving documentation for independent biennial financial statement audits as required under section 62.23(1) of title 44, Code of Federal Regulations; and

“(D) any other audit, examination, or investigation that the National Flood Insurance Advocate determines necessary to ensure the effective and efficient operation of the national flood insurance program;

“(6) conduct, supervise, and coordinate investigations into the operations of the national flood insurance program for the purpose of—

“(A) promoting economy and efficiency in the administration of such program;

“(B) preventing and detecting fraud and abuse in the program; and

“(C) identifying, and referring to the Attorney General for prosecution, any participant in such fraud or abuse;

“(7) identify and investigate conflicts of interest that undermine the economy and efficiency of the national flood insurance program; and

“(8) investigate allegations of consumer fraud.

“(C) AUTHORITY OF THE NATIONAL FLOOD INSURANCE ADVOCATE.—The National Flood Insurance Advocate may—

“(1) have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Director which relate to administration or operation of the national flood insurance program with respect to which the National Flood Insurance Advocate has responsibilities under this section;

“(2) undertake such investigations and reports relating to the administration or operation of the national flood insurance program as are, in the judgment of the National Flood Insurance Advocate, necessary or desirable;

“(3) request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

“(4) require by subpoena the production of all information, documents, reports, answers, records (including phone records), accounts, papers, emails, hard drives, backup tapes, software, audio or visual aides, and any other data and documentary evidence necessary in the performance of the functions assigned to the National Flood Insurance Advocate by this section, which subpoena, in the case of contumacy or refusal to

obey, shall be enforceable by order of any appropriate United States district court, provided, that procedures other than subpoenas shall be used by the National Flood Insurance Advocate to obtain documents and information from any Federal agency;

“(5) issue a summons to compel the testimony of any person in the employ of any insurance company or associated entity, described under subsection (b)(5)(A), or any successor to such company or entity, including any member of the board of such company or entity, any trustee of such company or entity, any partner in such company or entity, or any agent or representative of such company or entity;

“(6) administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by this section, which oath, affirmation, or affidavit when administered or taken by or before an employee of the Office designated by the National Flood Insurance Advocate shall have the same force and effect as if administered or taken by or before an officer having a seal;

“(7) have direct and prompt access to the Director when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

“(8) select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

“(9) obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for the rate of basic pay for a position at level IV of the Executive Schedule; and

“(10) to the extent and in such amounts as may be provided in advance by appropriations Acts, enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

“(d) ADDITIONAL DUTIES OF THE NFIA.—The National Flood Insurance Advocate shall—

“(1) monitor the coverage and geographic allocation of regional offices of flood insurance advocates;

“(2) develop guidance to be distributed to all Federal Emergency Management Agency officers and employees having duties with respect to the national flood insurance program, outlining the criteria for referral of inquiries by insureds under such program to regional offices of flood insurance advocates;

“(3) ensure that the local telephone number for each regional office of the flood insurance advocate is published and available to such insureds served by the office; and

“(4) establish temporary State or local offices where necessary to meet the needs of qualified insureds following a flood event.

“(e) OTHER RESPONSIBILITIES.—

“(1) ADDITIONAL REQUIREMENTS RELATING TO CERTAIN AUDITS.—Prior to conducting any audit or investigation relating to the allocation of flood losses under subsection (b)(5)(A), the National Flood Insurance Advocate shall—

“(A) consult with appropriate subject-matter experts to identify the data necessary to determine whether flood claims paid by insurance companies or associated entities on behalf of the national flood insurance program reflect damages caused by flooding;

“(B) collect or compile the data identified in subparagraph (A), utilizing existing data

sources to the maximum extent practicable; and

“(C) establish policies, procedures, and guidelines for application of such data in all audits and investigations authorized under this section.

“(2) ANNUAL REPORTS.—

“(A) ACTIVITIES.—Not later than December 31 of each calendar year, the National Flood Insurance Advocate shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the activities of the Office of the Flood Insurance Advocate during the fiscal year ending during such calendar year. Any such report shall contain a full and substantive analysis of such activities, in addition to statistical information, and shall—

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

“(ii) describe the nature of recommendations made to the Director under subsection (i);

“(iii) contain a summary of the most serious problems encountered by such insureds, including a description of the nature of such problems;

“(iv) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action has been taken and the result of such action;

“(v) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action remains to be completed and the period during which each item has remained on such inventory;

“(vi) contain an inventory of any items described in clauses (i), (ii), and (iii) for which no action has been taken, the period during which each item has remained on such inventory and the reasons for the inaction;

“(vii) identify any Flood Insurance Assistance Recommendation which was not responded to by the Director in a timely manner or was not followed, as specified under subsection (i);

“(viii) contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by such insureds;

“(ix) identify areas of the law or regulations relating to the national flood insurance program that impose significant compliance burdens on such insureds or the Federal Emergency Management Agency, including specific recommendations for remedying these problems;

“(x) identify the most litigated issues for each category of such insureds, including recommendations for mitigating such disputes;

“(xi) identify ways to promote the economy, efficiency, and effectiveness in the administration of the national flood insurance program;

“(xii) identify fraud and abuse in the national flood insurance program; and

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

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

“(3) INFORMATION AND ASSISTANCE FROM OTHER AGENCIES.—

“(A) IN GENERAL.—Upon request of the National Flood Insurance Advocate for information or assistance under this section, the head of any Federal agency shall, insofar as is practicable and not in contravention of any statutory restriction or regulation of the Federal agency from which the information is requested, furnish to the National Flood Insurance Advocate, or to an authorized designee of the National Flood Insurance Advocate, such information or assistance.

“(B) REFUSAL TO COMPLY.—Whenever information or assistance requested under this subsection is, in the judgment of the National Flood Insurance Advocate, unreasonably refused or not provided, the National Flood Insurance Advocate shall report the circumstances to the Director without delay.

“(f) COMPLIANCE WITH GAO STANDARDS.—In carrying out the responsibilities established under this section, the National Flood Insurance Advocate shall—

“(1) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

“(2) establish guidelines for determining when it shall be appropriate to use non-Federal auditors;

“(3) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in paragraph (1); and

“(4) take the necessary steps to minimize the publication of proprietary and trade secrets information.

“(g) PERSONNEL ACTIONS.—

“(1) IN GENERAL.—The National Flood Insurance Advocate shall have the responsibility and authority to—

“(A) appoint regional flood insurance advocates in a manner that will provide appropriate coverage based upon regional flood insurance program participation; and

“(B) hire, evaluate, and take personnel actions (including dismissal) with respect to any employee of any regional office of a flood insurance advocate described in subsection (A).

“(2) CONSULTATION.—The National Flood Insurance Advocate may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency in carrying out the National Flood Insurance Advocate’s responsibilities under this subsection.

“(h) OPERATION OF REGIONAL OFFICES.—

“(1) IN GENERAL.—Each regional flood insurance advocate appointed pursuant to subsection (d)—

“(A) shall report to the National Flood Insurance Advocate or delegate thereof;

“(B) may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency regarding the daily operation of the regional office of the flood insurance advocate;

“(C) shall, at the initial meeting with any insured under the national flood insurance program seeking the assistance of a regional office of the flood insurance advocate, notify such insured that the flood insurance advocate offices operate independently of any other Federal Emergency Management Agency office and report directly to Congress through the National Flood Insurance Advocate; and

“(D) may, at the flood insurance advocate’s discretion, not disclose to the Director contact with, or information provided by, such insured.

“(2) MAINTENANCE OF INDEPENDENT COMMUNICATIONS.—Each regional office of the flood insurance advocate shall maintain a separate phone, facsimile, and other electronic communication access.

“(i) FLOOD INSURANCE ASSISTANCE RECOMMENDATIONS.—

“(1) AUTHORITY TO ISSUE.—Upon application filed by a qualified insured with the Office of the Flood Insurance Advocate (in such form, manner, and at such time as the Director shall by regulation prescribe), the National Flood Insurance Advocate may issue a Flood Insurance Assistance Recommendation, if the Advocate finds that the qualified insured is suffering a significant hardship, such as a significant delay in resolving claims where the insured is incurring significant costs as a result of such delay, or where the insured is at risk of adverse action, including the loss of property, as a result of the manner in which the flood insurance laws are being administered by the Director.

“(2) TERMS OF A FLOOD INSURANCE ASSISTANCE RECOMMENDATION.—The terms of a Flood Insurance Assistance Recommendation may recommend to the Director that the Director, within a specified time period, cease any action, take any action as permitted by law, or refrain from taking any action, including the payment of claims, with respect to the qualified insured under any other provision of law which is specifically described by the National Flood Insurance Advocate in such recommendation.

“(3) DIRECTOR RESPONSE.—Not later than 15 days after the receipt of any Flood Insurance Assistance Recommendation under this subsection, the Director shall respond in writing as to—

“(A) whether such recommendation was followed;

“(B) why such recommendation was or was not followed; and

“(C) what, if any, additional actions were taken by the Director to prevent the hardship indicated in such recommendation.

“(4) RESPONSIBILITIES OF DIRECTOR.—The Director shall establish procedures requiring a formal response consistent with the requirements of paragraph (3) to all recommendations submitted to the Director by the National Flood Insurance Advocate under this subsection.

“(j) REPORTING OF POTENTIAL CRIMINAL VIOLATIONS.—In carrying out the duties and responsibilities established under this section, the National Flood Insurance Advocate shall report expeditiously to the Attorney General whenever the National Flood Insurance Advocate has reasonable grounds to believe there has been a violation of Federal criminal law.

“(k) COORDINATION.—

“(1) WITH OTHER FEDERAL AGENCIES.—In carrying out the duties and responsibilities established under this section, the National Flood Insurance Advocate—

“(A) shall give particular regard to the activities of the Inspector General of the Department of Homeland Security with a view toward avoiding duplication and insuring effective coordination and cooperation; and

“(B) may participate, upon request of the Inspector General of the Department of Homeland Security, in any audit or investigation conducted by the Inspector General.

“(2) WITH STATE REGULATORS.—In carrying out any investigation or audit under this section, the National Flood Insurance Advocate shall coordinate its activities and efforts with any State insurance authority that is concurrently undertaking a similar or related investigation or audit.

“(3) AVOIDANCE OF REDUNDANCIES IN THE RESOLUTION OF PROBLEMS.—In providing any assistance to a policyholder pursuant to paragraphs (1) and (2) of subsection (b), the National Flood Insurance Advocate shall consult with the Director to eliminate, avoid, or reduce any redundancies in actions that may arise as a result of the actions of the National Flood Insurance Advocate and

the claims appeals process described under section 62.20 of title 44, Code of Federal Regulations.

“(1) AUTHORITY OF THE DIRECTOR TO LEVY PENALTIES.—In addition to any other action that may be taken by the Attorney General, upon a finding in any investigation or audit conducted by the Office of the National Flood Insurance Advocate under this section, that any insurance company or associated entity has willfully misappropriated funds under the national flood insurance program, the Director may levy a civil fine against such company or entity in an amount not to exceed 3 times the total amount of funds shown to be misappropriated.

“(m) DEFINITIONS.—For purposes of this subsection:

“(1) ASSOCIATED ENTITY.—The term ‘associated entity’ means any person, corporation, or other legal entity that contracts with the Director or an insurance company to provide adjustment services, benefits calculation services, claims services, processing services, or record keeping services in connection with standard flood insurance policies made available under the national flood insurance program.

“(2) INSURANCE COMPANY.—The term ‘insurance company’ refers to any property and casualty insurance company that is authorized by the Director to participate in the Write Your Own program under the national flood insurance program.

“(3) NATIONAL FLOOD INSURANCE ADVOCATE.—The term ‘National Flood Insurance Advocate’ includes any designee of the National Flood Insurance Advocate.

“(4) QUALIFIED INSURED.—The term ‘qualified insured’ means an insured under coverage provided under the national flood insurance program under this title.

“(n) FUNDING.—Pursuant to section 1310(a)(8), the Director may use amounts from the National Flood Insurance Fund to fund the activities of the Office of the Flood Advocate in each of fiscal years 2009 through 2014, except that the amount so used in each such fiscal year may not exceed \$5,000,000 and shall remain available until expended. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.”

SA 4707. Mr. DODD (for himself and Mr. SHELBY) submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—FLOOD INSURANCE REFORM AND MODERNIZATION

Sec. 101. Short title.

Sec. 102. Findings.

Sec. 103. Definitions.

Sec. 104. Extension of National Flood Insurance Program.

Sec. 105. Availability of insurance for multi-family properties.

Sec. 106. Reform of premium rate structure.

Sec. 107. Mandatory coverage areas.

Sec. 108. Premium adjustment.

Sec. 109. State chartered financial institutions.

- Sec. 110. Enforcement.
 Sec. 111. Escrow of flood insurance payments.
 Sec. 112. Borrowing authority debt forgiveness.
 Sec. 113. Minimum deductibles for claims under the National Flood Insurance Program.
 Sec. 114. Considerations in determining chargeable premium rates.
 Sec. 115. Reserve fund.
 Sec. 116. Repayment plan for borrowing authority.
 Sec. 117. Payment of condominium claims.
 Sec. 118. Technical Mapping Advisory Council.
 Sec. 119. National Flood Mapping Program.
 Sec. 120. Removal of limitation on State contributions for updating flood maps.
 Sec. 121. Coordination.
 Sec. 122. Interagency coordination study.
 Sec. 123. Nonmandatory participation.
 Sec. 124. Notice of flood insurance availability under RESPA.
 Sec. 125. Testing of new floodproofing technologies.
 Sec. 126. Participation in State disaster claims mediation programs.
 Sec. 127. Reiteration of FEMA responsibilities under the 2004 Reform Act.
 Sec. 128. Additional authority of FEMA to collect information on claims payments.
 Sec. 129. Expense reimbursements of insurance companies.
 Sec. 130. Extension of pilot program for mitigation of severe repetitive loss properties.
 Sec. 131. Flood insurance advocate.
 Sec. 132. Studies and Reports.
- TITLE II—COMMISSION ON NATURAL CATASTROPHE RISK MANAGEMENT AND INSURANCE**
- Sec. 201. Short title.
 Sec. 202. Findings.
 Sec. 203. Establishment.
 Sec. 204. Membership.
 Sec. 205. Duties of the Commission.
 Sec. 206. Report.
 Sec. 207. Powers of the Commission.
 Sec. 208. Commission personnel matters.
 Sec. 209. Termination.
 Sec. 210. Authorization of appropriations.

TITLE I—FLOOD INSURANCE REFORM AND MODERNIZATION

SEC. 101. SHORT TITLE.

This title may be cited as the “Flood Insurance Reform and Modernization Act of 2008”.

SEC. 102. FINDINGS.

Congress finds that—

- (1) the flood insurance claims resulting from the hurricane season of 2005 will likely exceed all previous claims paid by the National Flood Insurance Program;
- (2) in order to pay the legitimate claims of policyholders from the hurricane season of 2005, the Federal Emergency Management Agency has borrowed over \$20,000,000,000 from the Treasury;
- (3) the interest alone on this debt, is almost \$1,000,000,000 annually, and that the Federal Emergency Management Agency has indicated that it will be unable to pay back this debt;
- (4) the flood insurance program must be strengthened to ensure it can pay future claims;
- (5) while flood insurance is mandatory in the 100-year floodplain, substantial flooding occurs outside of existing special flood hazard areas;
- (6) recent events throughout the country involving areas behind man-made structures, known as “residual risk” areas, have produced catastrophic losses;

(7) although such man-made structures produce an added element of safety and therefore lessen the probability that a disaster will occur, they are nevertheless susceptible to catastrophic loss, even though such areas at one time were not included within the 100-year floodplain; and

(8) voluntary participation in the National Flood Insurance Program has been minimal and many families residing outside the 100-year floodplain remain unaware of the potential risk to their lives and property.

SEC. 103. DEFINITIONS.

(a) **IN GENERAL.**—In this title, the following definitions shall apply:

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

(2) **NATIONAL FLOOD INSURANCE PROGRAM.**—The term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.).

(3) **100-YEAR FLOODPLAIN.**—The term “100-year floodplain” means that area which is subject to inundation from a flood having a 1 percent chance of being equaled or exceeded in any given year.

(4) **500-YEAR FLOODPLAIN.**—The term “500-year floodplain” means that area which is subject to inundation from a flood having a 0.2 percent chance of being equaled or exceeded in any given year.

(5) **WRITE YOUR OWN.**—The term “Write Your Own” means the cooperative undertaking between the insurance industry and the Flood Insurance Administration which allows participating property and casualty insurance companies to write and service standard flood insurance policies.

(b) **COMMON TERMINOLOGY.**—Except as otherwise provided in this title, any terms used in this title shall have the meaning given to such terms under section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121).

SEC. 104. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026), is amended by striking “2008” and inserting “2013.”

SEC. 105. AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.

Section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012) is amended by adding at the end the following:

“(d) **AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.**—

“(1) **IN GENERAL.**—The Director shall make flood insurance available to cover residential properties of more than 4 units. Notwithstanding any other provision of law, the maximum coverage amount that the Director may make available under this subsection to such residential properties shall be equal to the coverage amount made available to commercial properties.

“(2) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to limit the ability of individuals residing in residential properties of more than 4 units to obtain insurance for the contents and personal articles located in such residences.”

SEC. 106. REFORM OF PREMIUM RATE STRUCTURE.

(a) **TO EXCLUDE CERTAIN PROPERTIES FROM RECEIVING SUBSIDIZED PREMIUM RATES.**—

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

(A) in subsection (a)—

(i) in paragraph (2), by striking “; and” and inserting a semicolon;

(ii) in paragraph (3), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following:

“(4) the exclusion of prospective insureds from purchasing flood insurance at rates less

than those estimated under paragraph (1), as required by paragraph (2), for certain properties, including for—

“(A) any property which is not the primary residence of an individual;

“(B) any severe repetitive loss property, as defined in section 1361A(b);

“(C) any property that has incurred flood-related damage in which the cumulative amounts of payments under this title equaled or exceeded the fair market value of such property;

“(D) any business property; and

“(E) any property which on or after the date of enactment of the Flood Insurance Reform and Modernization Act of 2008 has experienced or sustained—

“(i) substantial damage exceeding 50 percent of the fair market value of such property; or

“(ii) substantial improvement exceeding 30 percent of the fair market value of such property.”; and

(B) by adding at the end the following:

“(g) **NO EXTENSION OF SUBSIDY TO NEW POLICIES OR LAPSED POLICIES.**—The Director shall not provide flood insurance to prospective insureds at rates less than those estimated under subsection (a)(1), as required by paragraph (2) of that subsection, for—

“(1) any property not insured by the flood insurance program as of the date of enactment of the Flood Insurance Reform and Modernization Act of 2008; and

“(2) any policy under the flood insurance program that has lapsed in coverage, as a result of the deliberate choice of the holder of such policy.”

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall become effective 90 days after the date of the enactment of this title.

(b) **INCREASE IN ANNUAL LIMITATION ON PREMIUM INCREASES.**—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended—

(1) by striking “under this title for any properties within any single” and inserting the following: “under this title for any properties—

“(1) within any single”; and

(2) by striking “10 percent” and inserting “15 percent”; and

(3) by striking the period at the end and inserting the following: “; and

“(2) described in section 1307(a)(4) shall be increased by 25 percent each year, until the average risk premium rate for such properties is equal to the average of the risk premium rates for properties described under paragraph (1).”

SEC. 107. MANDATORY COVERAGE AREAS.

(a) **SPECIAL FLOOD HAZARD AREAS.**—Not later than 90 days after the date of enactment of this title, the Director shall issue final regulations establishing a revised definition of areas of special flood hazards for purposes of the National Flood Insurance Program.

(b) **RESIDUAL RISK AREAS.**—The regulations required by subsection (a) shall—

(1) include any area previously identified by the Director as an area having special flood hazards under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a); and

(2) require the expansion of areas of special flood hazards to include areas of residual risk, including areas that are located behind levees, dams, and other man-made structures.

(c) **MANDATORY PARTICIPATION IN NATIONAL FLOOD INSURANCE PROGRAM.**—

(1) **IN GENERAL.**—Any area described in subsection (b) shall be subject to the mandatory purchase requirements of sections 102 and 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a, 4106).

(2) LIMITATION.—The mandatory purchase requirement under paragraph (1) shall have no force or effect until the mapping of all residual risk areas in the United States that the Director determines essential in order to administer the National Flood Insurance Program, as required under section 119, are in the maintenance phase.

SEC. 108. PREMIUM ADJUSTMENT.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:

“(g) PREMIUM ADJUSTMENT TO REFLECT CURRENT RISK OF FLOOD.—Notwithstanding subsection (f), and upon completion of the updating of any flood insurance rate map under this Act, the Flood Disaster Protection Act of 1973, or the Flood Insurance Reform and Modernization Act of 2008, any property located in an area that is participating in the national flood insurance program shall have the risk premium rate charged for flood insurance on such property adjusted to accurately reflect the current risk of flood to such property, subject to any other provision of this Act. Any increase in the risk premium rate charged for flood insurance on any property that is covered by a flood insurance policy on the date of completion of such updating or remapping that is a result of such updating or remapping shall be phased in over a 2-year period at the rate of 50 percent per year.”

SEC. 109. STATE CHARTERED FINANCIAL INSTITUTIONS.

Section 1305(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4012(c)) is amended—

(1) in paragraph (1), by striking “; and” and inserting a semicolon;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) given satisfactory assurance that by December 31, 2008, lending institutions chartered by a State, and not insured by the Federal Deposit Insurance Corporation, shall be subject to regulations by that State that are consistent with the requirements of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).”

SEC. 110. ENFORCEMENT.

Section 102(f)(5) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)) is amended—

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

(2) by striking the second sentence.

SEC. 111. ESCROW OF FLOOD INSURANCE PAYMENTS.

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

(1) by amending paragraph (1) to read as follows:

“(1) REGULATED LENDING INSTITUTIONS.—

“(A) FEDERAL ENTITIES RESPONSIBLE FOR LENDING REGULATIONS.—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that any premiums and fees for flood insurance under the National Flood Insurance Act of 1968, on any property for which a loan has been made for acquisition or construction purposes, shall be paid to the mortgage lender, with the same frequency as payments on the loan are made, for the duration of the loan. Upon receipt of any premiums or fees, the lender shall deposit such premiums and fees in an escrow account on behalf of the borrower. Upon receipt of a notice from the Director or the provider of the flood insurance that insurance premiums are due, the remaining balance of an escrow account shall be paid to the provider of the flood insurance.

“(B) STATE ENTITIES RESPONSIBLE FOR LENDING REGULATIONS.—In order to continue to participate in the flood insurance program, each State shall direct that its entity or agency with primary responsibility for the supervision of lending institutions in that State require that premiums and fees for flood insurance under the National Flood Insurance Act of 1968, on any property for which a loan has been made for acquisition or construction purposes shall be paid to the mortgage lender, with the same frequency as payments on the loan are made, for the duration of the loan. Upon receipt of any premiums or fees, the lender shall deposit such premiums and fees in an escrow account on behalf of the borrower. Upon receipt of a notice from the Director or the provider of the flood insurance that insurance premiums are due, the remaining balance of an escrow account shall be paid to the provider of the flood insurance.”

(2) by adding at the end the following:

“(6) NOTICE UPON LOAN TERMINATION.—Upon final payment of the mortgage, a regulated lending institution shall provide notice to the policyholder that insurance coverage may cease with such final payment. The regulated lending institution shall also provide direction as to how the homeowner may continue flood insurance coverage after the life of the loan.”

(b) APPLICABILITY.—The amendment made by subsection (a)(1) shall apply to any mortgage outstanding or entered into on or after the expiration of the 2-year period beginning on the date of enactment of this title.

SEC. 112. BORROWING AUTHORITY DEBT FORGIVENESS.

(a) IN GENERAL.—The Secretary of the Treasury relinquishes the right to any repayment of amounts due from the Director in connection with the exercise of the authority vested to the Director to borrow such sums under section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016), to the extent such borrowed sums were used to fund the payment of flood insurance claims under the National Flood Insurance Program for any damage to or loss of property resulting from the hurricanes of 2005.

(b) CERTIFICATION.—The debt forgiveness described under subsection (a) shall only take effect if the Director certifies to the Secretary of Treasury that all authorized resources or funds available to the Director to operate the National Flood Insurance Program—

(1) have been otherwise obligated to pay claims under the National Flood Insurance Program; and

(2) are not otherwise available to make payments to the Secretary on any outstanding notes or obligations issued by the Director and held by the Secretary.

(c) DECREASE IN BORROWING AUTHORITY.—The first sentence of subsection (a) of section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is amended by striking “; except that, through September 30, 2008, clause (2) of this sentence shall be applied by substituting ‘\$20,775,000,000’ for ‘\$1,500,000,000’.”

SEC. 113. MINIMUM DEDUCTIBLES FOR CLAIMS UNDER THE NATIONAL FLOOD INSURANCE PROGRAM.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended—

(1) by striking “The Director is” and inserting the following:

“(a) IN GENERAL.—The Director is”; and

(2) by adding at the end the following:

“(b) MINIMUM ANNUAL DEDUCTIBLE.—

“(1) PRE-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial improvement occurred on or

before December 31, 1974, or before the effective date of an initial flood insurance rate map published by the Director under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

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

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

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

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

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

SEC. 114. CONSIDERATIONS IN DETERMINING CHARGEABLE PREMIUM RATES.

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

(1) in subsection (a), by striking “, after consultation with” and all that follows through “by regulation” and inserting “prescribe, after providing notice”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking the period at the end and inserting a semicolon;

(B) in paragraph (2), by striking the comma at the end and inserting a semicolon;

(C) in paragraph (3), by striking “, and” and inserting a semicolon;

(D) in paragraph (4), by striking the period and inserting “; and”; and

(E) by adding at the end the following:

“(5) adequate, on the basis of accepted actuarial principles, to cover the average historical loss year obligations incurred by the National Flood Insurance Fund.”; and

(3) by adding at the end the following:

“(h) RULE OF CONSTRUCTION.—For purposes of this section, the calculation of an ‘average historical loss year’—

“(1) includes catastrophic loss years; and

“(2) shall be computed in accordance with generally accepted actuarial principles.”

SEC. 115. RESERVE FUND.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1310 the following:

“SEC. 1310A. RESERVE FUND.

“(a) ESTABLISHMENT OF RESERVE FUND.—In carrying out the flood insurance program authorized by this chapter, the Director shall establish in the Treasury of the United States a National Flood Insurance Reserve Fund (in this section referred to as the ‘Reserve Fund’) which shall—

“(1) be an account separate from any other accounts or funds available to the Director; and

“(2) be available for meeting the expected future obligations of the flood insurance program.

“(b) RESERVE RATIO.—Subject to the phase-in requirements under subsection (d), the Reserve Fund shall maintain a balance equal to—

“(1) 1 percent of the sum of the total potential loss exposure of all outstanding flood insurance policies in force in the prior fiscal year; or

“(2) such higher percentage as the Director determines to be appropriate, taking into consideration any circumstance that may raise a significant risk of substantial future losses to the Reserve Fund.

“(C) MAINTENANCE OF RESERVE RATIO.—

“(1) IN GENERAL.—The Director shall have the authority to establish, increase, or decrease the amount of aggregate annual insurance premiums to be collected for any fiscal year necessary—

“(A) to maintain the reserve ratio required under subsection (b); and

“(B) to achieve such reserve ratio, if the actual balance of such reserve is below the amount required under subsection (b).

“(2) CONSIDERATIONS.—In exercising the authority granted under paragraph (1), the Director shall consider—

“(A) the expected operating expenses of the Reserve Fund;

“(B) the insurance loss expenditures under the flood insurance program;

“(C) any investment income generated under the flood insurance program; and

“(D) any other factor that the Director determines appropriate.

“(3) LIMITATIONS.—In exercising the authority granted under paragraph (1), the Director shall be subject to all other provisions of this Act, including any provisions relating to chargeable premium rates or annual increases of such rates.

“(d) PHASE-IN REQUIREMENTS.—The phase-in requirements under this subsection are as follows:

“(1) IN GENERAL.—Beginning in fiscal year 2008 and not ending until the fiscal year in which the ratio required under subsection (b) is achieved, in each such fiscal year the Director shall place in the Reserve Fund an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(2) AMOUNT SATISFIED.—As soon as the ratio required under subsection (b) is achieved, and except as provided in paragraph (3), the Director shall not be required to set aside any amounts for the Reserve Fund.

“(3) EXCEPTION.—If at any time after the ratio required under subsection (b) is achieved, the Reserve Fund falls below the required ratio under subsection (b), the Director shall place in the Reserve Fund for that fiscal year an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

“(e) LIMITATION ON RESERVE RATIO.—In any given fiscal year, if the Director determines that the reserve ratio required under subsection (b) cannot be achieved, the Director shall submit a report to Congress that—

“(1) describes and details the specific concerns of the Director regarding such consequences;

“(2) demonstrates how such consequences would harm the long-term financial soundness of the flood insurance program; and

“(3) indicates the maximum attainable reserve ratio for that particular fiscal year.”.

SEC. 116. REPAYMENT PLAN FOR BORROWING AUTHORITY.

Section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016) is amended by adding at the end the following:

“(c) Any funds borrowed by the Director under the authority established in subsection (a) shall include a schedule for repayment of such amounts which shall be transmitted to the—

“(1) Secretary of the Treasury;

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

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

“(d) In addition to the requirement under subsection (c), in connection with any funds

borrowed by the Director under the authority established in subsection (a), the Director, beginning 6 months after the date on which such borrowed funds are issued, and continuing every 6 months thereafter until such borrowed funds are fully repaid, shall submit a report on the progress of such repayment to the—

“(1) Secretary of the Treasury;

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

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

SEC. 117. PAYMENT OF CONDOMINIUM CLAIMS.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 113, is further amended by adding at the end the following:

“(c) PAYMENT OF CLAIMS TO CONDOMINIUM OWNERS.—The Director may not deny payment for any damage to or loss of property which is covered by flood insurance to condominium owners who purchased such flood insurance separate and apart from the flood insurance purchased by the condominium association in which such owner is a member, based, solely or in any part, on the flood insurance coverage of the condominium association or others on the overall property owned by the condominium association. Notwithstanding any regulations, rules, or restrictions established by the Director relating to appeals and filing deadlines, the Director shall ensure that the requirements of this subsection are met with respect to any claims for damages resulting from flooding in 2005 and 2006.”.

SEC. 118. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established a council to be known as the Technical Mapping Advisory Council (in this section referred to as the “Council”).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of the Director, or the designee thereof, and 12 additional members to be appointed by the Director or the designee of the Director, who shall be—

(A) the Under Secretary of Commerce for Oceans and Atmosphere (or the designee thereof);

(B) a member of a recognized professional surveying association or organization

(C) a member of a recognized professional mapping association or organization;

(D) a member of a recognized professional engineering association or organization;

(E) a member of a recognized professional association or organization representing flood hazard determination firms;

(F) a representative of the United States Geological Survey;

(G) a representative of a recognized professional association or organization representing State geographic information;

(H) a representative of State national flood insurance coordination offices;

(I) a representative of the Corps of Engineers;

(J) the Secretary of the Interior (or the designee thereof);

(K) the Secretary of Agriculture (or the designee thereof); and

(L) a member of a recognized regional flood and storm water management organization.

(2) QUALIFICATIONS.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps.

(c) DUTIES.—The Council shall—

(1) recommend to the Director how to improve in a cost-effective manner the—

(A) accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps and risk data; and

(B) performance metrics and milestones required to effectively and efficiently map flood risk areas in the United States;

(2) recommend to the Director mapping standards and guidelines for—

(A) flood insurance rate maps; and

(B) data accuracy, data quality, data currency, and data eligibility;

(3) recommend to the Director how to maintain on an ongoing basis flood insurance rate maps and flood risk identification;

(4) recommend procedures for delegating mapping activities to State and local mapping partners;

(5) recommend to the Director and other Federal agencies participating in the Council—

(A) methods for improving interagency and intergovernmental coordination on flood mapping and flood risk determination; and

(B) a funding strategy to leverage and coordinate budgets and expenditures across Federal agencies; and

(6) submit an annual report to the Director that contains—

(A) a description of the activities of the Council;

(B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps, as required under section 119; and

(C) a summary of recommendations made by the Council to the Director.

(d) FUTURE CONDITIONS RISK ASSESSMENT AND MODELING REPORT.—

(1) IN GENERAL.—The Council shall consult with scientists and technical experts, other Federal agencies, States, and local communities to—

(A) develop recommendations on how to—

(i) ensure that flood insurance rate maps incorporate the best available climate science to assess flood risks; and

(ii) ensure that the Federal Emergency Management Agency uses the best available methodology to consider the impact of—

(I) the rise in the sea level; and

(II) future development on flood risk; and

(B) not later than 1 year after the date of enactment of this title, prepare written recommendations in a future conditions risk assessment and modeling report and to submit such recommendations to the Director.

(2) RESPONSIBILITY OF THE DIRECTOR.—The Director, as part of the ongoing program to review and update National Flood Insurance Program rate maps under section 119, shall incorporate any future risk assessment submitted under paragraph (1)(B) in any such revision or update.

(e) CHAIRPERSON.—The members of the Council shall elect 1 member to serve as the chairperson of the Council (in this section referred to as the “Chairperson”).

(f) COORDINATION.—To ensure that the Council’s recommendations are consistent, to the maximum extent practicable, with national digital spatial data collection and management standards, the Chairperson shall consult with the Chairperson of the Federal Geographic Data Committee (established pursuant to OMB Circular A-16).

(g) COMPENSATION.—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(h) MEETINGS AND ACTIONS.—

(1) IN GENERAL.—The Council shall meet not less frequently than twice each year at the request of the Chairperson or a majority of its members, and may take action by a vote of the majority of the members.

(2) INITIAL MEETING.—The Director, or a person designated by the Director, shall request and coordinate the initial meeting of the Council.

(i) OFFICERS.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

(j) STAFF.—

(1) STAFF OF FEMA.—Upon the request of the Chairperson, the Director may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(2) STAFF OF OTHER FEDERAL AGENCIES.—Upon request of the Chairperson, any other Federal agency that is a member of the Council may detail, on a non-reimbursable basis, personnel to assist the Council in carrying out its duties.

(k) POWERS.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research, as it considers appropriate.

(l) REPORT TO CONGRESS.—The Director, on an annual basis, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Office of Management and Budget on the—

(1) recommendations made by the Council; and

(2) actions taken by the Federal Emergency Management Agency to address such recommendations to improve flood insurance rate maps and flood risk data.

SEC. 119. NATIONAL FLOOD MAPPING PROGRAM.

(a) REVIEWING, UPDATING, AND MAINTAINING MAPS.—The Director, in coordination with the Technical Mapping Advisory Council established under section 118, shall establish an ongoing program under which the Director shall review, update, and maintain National Flood Insurance Program rate maps in accordance with this section.

(b) MAPPING.—

(1) IN GENERAL.—In carrying out the program established under subsection (a), the Director shall—

(A) identify, review, update, maintain, and publish National Flood Insurance Program rate maps with respect to—

(i) all areas located within the 100-year floodplain;

(ii) all areas located within the 500-year floodplain;

(iii) areas of residual risk that have not previously been identified, including areas that are protected levees, dams, and other man-made structures; and

(iv) areas that could be inundated as a result of the failure of a levee, dam, or other man-made structure;

(B) establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each such area; and

(C) use, in identifying, reviewing, updating, maintaining, or publishing any National Flood Insurance Program rate map required under this section or under the National Flood Insurance Act of 1968, the most accurate topography and elevation data available.

(2) MAPPING ELEMENTS.—Each map updated under this section shall:

(A) GROUND ELEVATION DATA.—Assess the accuracy of current ground elevation data used for hydrologic and hydraulic modeling of flooding sources and mapping of the flood hazard and wherever necessary acquire new ground elevation data utilizing the most up-to-date geospatial technologies in accordance with the existing guidelines and specifications of the Federal Emergency Management Agency.

(B) DATA ON A WATERSHED BASIS.—Develop National Flood Insurance Program flood data on a watershed basis—

(i) to provide the most technically effective and efficient studies and hydrologic and hydraulic modeling; and

(ii) to eliminate, to the maximum extent possible, discrepancies in base flood elevations between adjacent political subdivisions.

(3) OTHER INCLUSIONS.—In updating maps under this section, the Director shall include—

(A) any relevant information on coastal inundation from—

(i) an applicable inundation map of the Corps of Engineers; and

(ii) data of the National Oceanic and Atmospheric Administration relating to storm surge modeling;

(B) any relevant information of the United States Geological Survey on stream flows, watershed characteristics, and topography that is useful in the identification of flood hazard areas, as determined by the Director;

(C) any relevant information on land subsidence, coastal erosion areas, and other floor-related hazards;

(D) any relevant information or data of the National Oceanic and Atmospheric Administration and the United States Geological Survey relating to the best available climate science and the potential for future inundation from sea level rise, increased precipitation, and increased intensity of hurricanes due to global warming; and

(E) any other relevant information as may be recommended by the Technical Mapping Advisory Committee.

(c) STANDARDS.—In updating and maintaining maps under this section, the Director shall—

(1) establish standards to—

(A) ensure that maps are adequate for—

(i) flood risk determinations; and

(ii) use by State and local governments in managing development to reduce the risk of flooding; and

(B) facilitate identification and use of consistent methods of data collection and analysis by the Director, in conjunction with State and local governments, in developing maps for communities with similar flood risks, as determined by the Director; and

(2) publish maps in a format that is—

(A) digital geospatial data compliant;

(B) compliant with the open publishing and data exchange standards established by the Open Geospatial Consortium; and

(C) compliant with the North American Vertical Datum of 1998 for New Hydrologic and Hydraulic Engineering.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Director to carry out this section \$400,000,000 for each of fiscal years 2008 through 2013.

SEC. 120. REMOVAL OF LIMITATION ON STATE CONTRIBUTIONS FOR UPDATING FLOOD MAPS.

Section 1360(f)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)(2)) is amended by striking “, but which may not exceed 50 percent of the cost of carrying out the requested revision or update”.

SEC. 121. COORDINATION.

(a) INTERAGENCY BUDGET CROSSCUT REPORT.—

(1) IN GENERAL.—The Secretary of Homeland Security, the Director, the Director of the Office of Management and Budget, and the heads of each Federal department or agency carrying out activities under sections 118 and 119 shall work together to ensure that flood risk determination data and geospatial data are shared among Federal agencies in order to coordinate the efforts of the Nation to reduce its vulnerability to flooding hazards.

(2) REPORT.—Not later than 30 days after the submission of the budget of the United States Government by the President to Congress, the Director of the Office of Management and Budget, in coordination with the Federal Emergency Management Agency, the United States Geological Survey, the National Oceanic and Atmospheric Administration, the Corps of Engineers, and other Federal agencies, as appropriate, shall submit to the appropriate authorizing and appropriating committees of the Senate and the House of Representatives a financial report, certified by the Secretary or head of each such agency, an interagency budget crosscut report that displays the budget proposed for each of the Federal agencies working on flood risk determination data and digital elevation models, including any planned interagency or intraagency transfers.

(b) DUTIES OF THE DIRECTOR.—In carrying out sections 118 and 119, the Director shall—

(1) participate, pursuant to section 216 of Public Law 107-347 (116 Stat. 2945), in the establishment of such standards and common protocols as are necessary to assure the interoperability of geospatial data for all users of such information;

(2) coordinate with, seek assistance and cooperation of, and provide liaison to the Federal Geographic Data Committee pursuant to Office of Management and Budget Circular A-16 and Executive Order 12906 for the implementation of and compliance with such standards;

(3) integrate with, leverage, and coordinate funding of, to the maximum extent practicable, the current flood mapping activities of each unit of State and local government;

(4) integrate with, leverage, and coordinate, to the maximum extent practicable, the current geospatial activities of other Federal agencies and units of State and local government; and

(5) develop a funding strategy to leverage and coordinate budgets and expenditures, and to establish joint funding mechanisms with other Federal agencies and units of State and local government to share the collection and utilization of geospatial data among all governmental users.

SEC. 122. INTERAGENCY COORDINATION STUDY.

(a) IN GENERAL.—The Director shall enter into a contract with the National Academy of Public Administration to conduct a study on how the Federal Emergency Management Agency—

(1) should improve interagency and intergovernmental coordination on flood mapping, including a funding strategy to leverage and coordinate budgets and expenditures; and

(2) can establish joint funding mechanisms with other Federal agencies and units of State and local government to share the collection and utilization of data among all governmental users.

(b) TIMING.—Not later than 180 days after the date of enactment of this title, the National Academy of Public Administration shall report the findings of the study required under subsection (a) to the—

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

(2) Committee on Financial Services of the House of Representatives;

(3) Committee on Appropriations of the Senate; and

(4) Committee on Appropriations of the House of Representatives.

SEC. 123. NONMANDATORY PARTICIPATION.

(a) NONMANDATORY PARTICIPATION IN NATIONAL FLOOD INSURANCE PROGRAM FOR 500-YEAR FLOODPLAIN.—Any area located within the 500-year floodplain shall not be subject to the mandatory purchase requirements of sections 102 or 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a, 4106).

(b) NOTICE.—

(1) BY DIRECTOR.—In carrying out the National Flood Insurance Program, the Director shall provide notice to any community located in an area within the 500-year floodplain.

(2) TIMING OF NOTICE.—The notice required under paragraph (1) shall be made not later than 6 months after the date of completion of the initial mapping of the 500-year floodplain, as required under section 118.

(3) LENDER REQUIRED NOTICE.—

(A) REGULATED LENDING INSTITUTIONS.—Each Federal or State entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, require regulated lending institutions, as a condition of making, increasing, extending, or renewing any loan secured by property located in an area within the 500-year floodplain, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) and the servicer of the loan that such property is located in an area within the 500-year floodplain, in a manner that is consistent with and substantially identical to the notice required under section 1364(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a(a)(1)).

(B) FEDERAL OR STATE AGENCY LENDERS.—Each Federal or State agency lender shall, by regulation, require notification in the same manner as provided under subparagraph (A) with respect to any loan that is made by a Federal or State agency lender and secured by property located in an area within the 500-year floodplain.

(C) PENALTY FOR NONCOMPLIANCE.—Any regulated lending institution or Federal or State agency lender that fails to comply with the notice requirements established by this paragraph shall be subject to the penalties prescribed under section 102(f)(5) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)).

SEC. 124. NOTICE OF FLOOD INSURANCE AVAILABILITY UNDER RESPA.

Section 5(b) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(b)) is amended—

(1) in paragraph (4), by striking “; and” and inserting a semicolon;

(2) in paragraph (5), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(6) an explanation of flood insurance and the availability of flood insurance under the National Flood Insurance Program, whether or not the real estate is located in an area having special flood hazards.”

SEC. 125. TESTING OF NEW FLOODPROOFING TECHNOLOGIES.

(a) PERMISSIBLE TESTING.—A temporary residential structure built for the purpose of testing a new flood proofing technology, as described in subsection (b), in any State or community that receives mitigation assistance under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) may not be construed to be in violation of any flood risk mitigation plan developed by that State or community and approved by the Director of the Federal Emergency Management Agency.

(b) CONDITIONS ON TESTING.—Testing permitted under subsection (a) shall—

(1) be performed on an uninhabited residential structure;

(2) require dismantling of the structure at the conclusion of such testing; and

(3) require that all costs associated with such testing and dismantling be covered by the individual or entity conducting the testing, or on whose behalf the testing is conducted.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter, limit, or extend the availability of flood insurance to any structure that may employ, utilize, or apply any technology tested under subsection (b).

SEC. 126. PARTICIPATION IN STATE DISASTER CLAIMS MEDIATION PROGRAMS.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1313 the following:

“SEC. 1314. PARTICIPATION IN STATE DISASTER CLAIMS MEDIATION PROGRAMS.

“(a) REQUIREMENT TO PARTICIPATE.—In the case of the occurrence of a major disaster, as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122) that may have resulted in flood damage under the flood insurance program established under this chapter and other personal lines residential property insurance coverage offered by a State regulated insurer, upon request made by the insurance commissioner of a State (or such other official responsible for regulating the business of insurance in the State) for the participation of representatives of the Director in a program sponsored by such State for nonbinding mediation of insurance claims resulting from a major disaster, the Director shall cause representatives of the flood insurance program to participate in such a State program where claims under the flood insurance program are involved to expedite settlement of flood damage claims resulting from such disaster.

“(b) EXTENT OF PARTICIPATION.—In satisfying the requirements of subsection (a), the Director shall require that each representative of the Director—

“(1) be certified for purposes of the flood insurance program to settle claims against such program resulting from such disaster in amounts up to the limits of policies under such program;

“(2) attend State-sponsored mediation meetings regarding flood insurance claims resulting from such disaster at such times and places as may be arranged by the State;

“(3) participate in good faith negotiations toward the settlement of such claims with policyholders of coverage made available under the flood insurance program; and

“(4) finalize the settlement of such claims on behalf of the flood insurance program with such policyholders.

“(c) COORDINATION.—Representatives of the Director shall at all times coordinate their activities with insurance officials of the State and representatives of insurers for the purposes of consolidating and expediting settlement of claims under the national flood insurance program resulting from such disaster.

“(d) QUALIFICATIONS OF MEDIATORS.—Each State mediator participating in State-sponsored mediation under this section shall be—

“(1)(A) a member in good standing of the State bar in the State in which the mediation is to occur with at least 2 years of practical experience; and

“(B) an active member of such bar for at least 1 year prior to the year in which such mediator’s participation is sought; or

“(2) a retired trial judge from any United States jurisdiction who was a member in good standing of the bar in the State in which the judge presided for at least 5 years prior to the year in which such mediator’s participation is sought.

“(e) MEDIATION PROCEEDINGS AND DOCUMENTS PRIVILEGED.—As a condition of participation, all statements made and documents produced pursuant to State-sponsored mediation involving representatives of the Director shall be deemed privileged and confidential settlement negotiations made in anticipation of litigation.

“(f) LIABILITY, RIGHTS, OR OBLIGATIONS NOT AFFECTED.—Participation in State-sponsored mediation, as described in this section does not—

“(1) affect or expand the liability of any party in contract or in tort; or

“(2) affect the rights or obligations of the parties, as established—

“(A) in any regulation issued by the Director, including any regulation relating to a standard flood insurance policy;

“(B) under this Act; and

“(C) under any other provision of Federal law.

“(g) EXCLUSIVE FEDERAL JURISDICTION.—Participation in State-sponsored mediation shall not alter, change, or modify the original exclusive jurisdiction of United States courts, as set forth in this Act.

“(h) COST LIMITATION.—Nothing in this section shall be construed to require the Director or a representative of the Director to pay additional mediation fees relating to flood insurance claims associated with a State-sponsored mediation program in which such representative of the Director participates.

“(i) EXCEPTION.—In the case of the occurrence of a major disaster that results in flood damage claims under the national flood insurance program and that does not result in any loss covered by a personal lines residential property insurance policy—

“(1) this section shall not apply; and

“(2) the provisions of the standard flood insurance policy under the national flood insurance program and the appeals process established under section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note) and the regulations issued pursuant to such section shall apply exclusively.

“(j) REPRESENTATIVES OF THE DIRECTOR.—For purposes of this section, the term ‘representatives of the Director’ means representatives of the national flood insurance program who participate in the appeals process established under section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note).”

SEC. 127. REITERATION OF FEMA RESPONSIBILITIES UNDER THE 2004 REFORM ACT.

(a) MINIMUM TRAINING AND EDUCATION REQUIREMENTS.—The Director shall continue to work with the insurance industry, State insurance regulators, and other interested parties to implement the minimum training and education standards for all insurance agents who sell flood insurance policies, as such standards were determined by the Director in the notice published in the Federal Register on September 1, 2005 (70 Fed. Reg. 52117) pursuant to section 207 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note).

(b) REPORT ON THE OVERALL IMPLEMENTATION OF THE REFORM ACT OF 2004.—Not later than 3 months after the date of the enactment of this title, the Director shall submit a report to Congress—

(1) describing the implementation of each provision of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108-264; 118 Stat. 712);

(2) identifying each regulation, order, notice, and other material issued by the Director in implementing each provision of that Act;

(3) explaining any statutory or implied deadlines that have not been met; and

(4) providing an estimate of when the requirements of such missed deadlines will be fulfilled.

SEC. 128. ADDITIONAL AUTHORITY OF FEMA TO COLLECT INFORMATION ON CLAIMS PAYMENTS.

(a) IN GENERAL.—The Director shall collect, from property and casualty insurance

companies that are authorized by the Director to participate in the Write Your Own program any information and data needed to determine the accuracy of the resolution of flood claims filed on any property insured with a standard flood insurance policy obtained under the program that was subject to a flood.

(b) **TYPE OF INFORMATION TO BE COLLECTED.**—The information and data to be collected under subsection (a) may include—

(1) any adjuster estimates made as a result of flood damage, and if the insurance company also insures the property for wind damage—

(A) any adjuster estimates for both wind and flood damage;

(B) the amount paid to the property owner for wind and flood claims;

(C) the total amount paid to the policyholder for damages as a result of the event that caused the flooding and other losses;

(2) any amounts paid to the policyholder by the insurance company for damages to the insured property other than flood damages; and

(3) the total amount paid to the policyholder by the insurance company for all damages incurred to the insured property as a result of the flood.

SEC. 129. EXPENSE REIMBURSEMENTS OF INSURANCE COMPANIES.

(a) **SUBMISSION OF BIENNIAL REPORTS.**—

(1) **TO THE DIRECTOR.**—Not later than 20 days after the date of enactment of this title, each property and casualty insurance company that is authorized by the Director to participate in the Write Your Own program shall submit to the Director any biennial report prepared in the prior 5 years by such company.

(2) **TO GAO.**—Not later than 10 days after the submission of the biennial reports under paragraph (1), the Director shall submit all such reports to the Comptroller General of the United States.

(3) **NOTICE TO CONGRESS OF FAILURE TO COMPLY.**—The Director shall notify and report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on any property and casualty insurance company participating in the Write Your Own program that failed to submit its biennial reports as required under paragraph (1).

(b) **FEDERAL RULEMAKING ON EXPENSES OF WYO PROGRAM.**—Not later than 180 days after the date of enactment of this title, the Director shall conduct a rulemaking proceeding to devise a data collection methodology to allow the Federal Emergency Management Agency to collect consistent information on the expenses (including the operating and administrative expenses for adjustment of claims) of property and casualty insurance companies participating in the Write Your Own program for selling, writing, and servicing, standard flood insurance policies.

(c) **SUBMISSION OF EXPENSE REPORTS.**—Not later than 60 days after the effective date of the final rule established pursuant to subsection (b), each property and casualty insurance company participating in the Write Your Own program shall submit a report to the Director that details for the prior 5 years the expense levels of each such company for selling, writing, and servicing standard flood insurance policies based on the methodologies established under subsection (b).

(d) **FEDERAL RULEMAKING ON REIMBURSEMENT OF EXPENSES UNDER THE WYO PROGRAM.**—Not later than 15 months after the date of enactment of this title, the Director shall conduct a rulemaking proceeding to formulate revised expense reimbursements to property and casualty insurance companies par-

ticipating in the Write Your Own program for their expenses (including their operating and administrative expenses for adjustment of claims) in selling, writing, and servicing standard flood insurance policies, including how such companies shall be reimbursed in both catastrophic and non-catastrophic years. Such reimbursements shall be structured to ensure reimbursements track the actual expenses, including standard business costs and operating expenses, of such companies as close as practicably possible.

(e) **REPORT OF THE DIRECTOR.**—Not later than 60 days after the effective date of any final rule established pursuant to subsection (b) or subsection (d), the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing—

(1) the specific rationale and purposes of such rule;

(2) the reasons for the adoption of the policies contained in such rule; and

(3) the degree to which such rule accurately represents the true operating costs and expenses of property and casualty insurance companies participating in the Write Your Own program.

(f) **GAO STUDY AND REPORT ON EXPENSES OF WYO PROGRAM.**—

(1) **STUDY.**—Not later than 180 days after the effective date of the final rule established pursuant to subsection (d), the Comptroller General of the United States shall—

(A) conduct a study on the efficacy, adequacy, and sufficiency of the final rules established pursuant to subsections (b) and (d); and

(B) report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the findings of the study conducted under subparagraph (A).

(2) **GAO AUTHORITY.**—In conducting the study and report required under paragraph (1), the Comptroller General—

(A) may use any previous findings, studies, or reports that the Comptroller General previously completed on the Write Your Own program;

(B) shall determine if—

(i) the final rules established pursuant to subsections (b) and (d) allow the Federal Emergency Management Agency to access adequate information regarding the actual expenses of property and casualty insurance companies participating in the Write Your Own program; and

(ii) the actual reimbursements paid out under the final rule established in subsection (d) accurately reflect the expenses reported by property and casualty insurance companies participating in the Write Your Own program, including the standard business costs and operating expenses of such companies; and

(C) shall analyze the effect of such rules on the level of participation of property and casualty insurers in the Write Your Own program.

SEC. 130. EXTENSION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.

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

(1) in subsection (k)(1)—

(A) in the first sentence, by striking “in each of fiscal years 2005, 2006, 2007, 2008, and 2009” and inserting “in each fiscal year through fiscal year 2013”; and

(B) by adding at the end the following new sentence: “For fiscal years 2008 through the 2013, the total amount that the Director may use to provide assistance under this section shall not exceed \$240,000,000.”; and

(2) by striking subsection (l).

(b) **REPORT TO CONGRESS ON IMPLEMENTATION STATUS.**—Not later than 6 months after the date of enactment of this title, the Director shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the status of the implementation of the pilot program for severe repetitive loss properties authorized under section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a).

(c) **RULEMAKING.**—No later than 90 days after the date of enactment of this title, the Director shall issue final rules to carry out the severe repetitive loss pilot program authorized under section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a).

SEC. 131. FLOOD INSURANCE ADVOCATE.

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

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

“(a) **ESTABLISHMENT OF POSITION.**—

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

“(2) **APPOINTMENT.**—The National Flood Insurance Advocate shall be appointed by the Director and the flood insurance advisory committee established pursuant to section 1318 and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

“(3) **QUALIFICATIONS.**—An individual appointed under paragraph (2) shall have—

“(A) a background in customer service as well as insurance; and

“(B) experience in representing individual insureds.

“(4) **RESTRICTION ON EMPLOYMENT.**—An individual may be appointed as the National Flood Insurance Advocate only if such individual was not an officer or employee of the Federal Emergency Management Agency with duties relating to the national flood insurance program during the 2-year period ending with such appointment and such individual agrees not to accept any employment with the Federal Emergency Management Agency for at least 2 years after ceasing to be the National Flood Insurance Advocate. Service as an employee of the National Flood Insurance Advocate shall not be taken into account in applying this paragraph.

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

“(b) **FUNCTIONS OF OFFICE.**—

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

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

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

“(C) propose changes in the administrative practices of the Federal Emergency Management Agency to mitigate problems identified under subparagraph (B); and

“(D) identify potential legislative, administrative, or regulatory changes which may be appropriate to mitigate such problems.

“(2) ANNUAL REPORTS.—

“(A) ACTIVITIES.—Not later than December 31 of each calendar year, the National Flood Insurance Advocate shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the activities of the Office of the Flood Insurance Advocate during the fiscal year ending during such calendar year. Any such report shall contain a full and substantive analysis of such activities, in addition to statistical information, and shall—

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

“(ii) describe the nature of recommendations made to the Director under subsection (e);

“(iii) contain a summary of the most serious problems encountered by such insureds, including a description of the nature of such problems;

“(iv) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action has been taken and the result of such action;

“(v) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action remains to be completed and the period during which each item has remained on such inventory;

“(vi) contain an inventory of any items described in clauses (i), (ii), and (iii) for which no action has been taken, the period during which each item has remained on such inventory and the reasons for the inaction;

“(vii) identify any Flood Insurance Assistance Recommendation which was not responded to by the Director in a timely manner or was not followed, as specified under subsection (e);

“(viii) contain recommendations for such administrative and legislative action as may be appropriate to resolve problems encountered by such insureds;

“(ix) identify areas of the law or regulations relating to the national flood insurance program that impose significant compliance burdens on such insureds or the Federal Emergency Management Agency, including specific recommendations for remedying these problems;

“(x) identify the most litigated issues for each category of such insureds, including recommendations for mitigating such disputes; and

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

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

“(3) OTHER RESPONSIBILITIES.—The National Flood Insurance Advocate shall—

“(A) monitor the coverage and geographic allocation of regional offices of flood insurance advocates;

“(B) develop guidance to be distributed to all Federal Emergency Management Agency

officers and employees having duties with respect to the national flood insurance program, outlining the criteria for referral of inquiries by insureds under such program to regional offices of flood insurance advocates;

“(C) ensure that the local telephone number for each regional office of the flood insurance advocate is published and available to such insureds served by the office; and

“(D) establish temporary State or local offices where necessary to meet the needs of qualified insureds following a flood event.

“(4) PERSONNEL ACTIONS.—

“(A) IN GENERAL.—The National Flood Insurance Advocate shall have the responsibility and authority to—

“(i) appoint regional flood insurance advocates in a manner that will provide appropriate coverage based upon regional flood insurance program participation; and

“(ii) hire, evaluate, and take personnel actions (including dismissal) with respect to any employee of any regional office of a flood insurance advocate described in clause (i).

“(B) CONSULTATION.—The National Flood Insurance Advocate may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency in carrying out the National Flood Insurance Advocate's responsibilities under this paragraph.

“(C) RESPONSIBILITIES OF DIRECTOR.—The Director shall establish procedures requiring a formal response consistent with the requirements of subsection (e)(3) to all recommendations submitted to the Director by the National Flood Insurance Advocate.

“(d) OPERATION OF REGIONAL OFFICES.—

“(1) IN GENERAL.—Each regional flood insurance advocate appointed pursuant to subsection (b)—

“(A) shall report to the National Flood Insurance Advocate or delegate thereof;

“(B) may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency regarding the daily operation of the regional office of the flood insurance advocate;

“(C) shall, at the initial meeting with any insured under the national flood insurance program seeking the assistance of a regional office of the flood insurance advocate, notify such insured that the flood insurance advocate offices operate independently of any other Federal Emergency Management Agency office and report directly to Congress through the National Flood Insurance Advocate; and

“(D) may, at the flood insurance advocate's discretion, not disclose to the Director contact with, or information provided by, such insured.

“(2) MAINTENANCE OF INDEPENDENT COMMUNICATIONS.—Each regional office of the flood insurance advocate shall maintain a separate phone, facsimile, and other electronic communication access.

“(e) FLOOD INSURANCE ASSISTANCE RECOMMENDATIONS.—

“(1) AUTHORITY TO ISSUE.—Upon application filed by a qualified insured with the Office of the Flood Insurance Advocate (in such form, manner, and at such time as the Director shall by regulation prescribe), the National Flood Insurance Advocate may issue a Flood Insurance Assistance Recommendation, if the Advocate finds that the qualified insured is suffering a significant hardship, such as a significant delay in resolving claims where the insured is incurring significant costs as a result of such delay, or where the insured is at risk of adverse action, including the loss of property, as a result of the manner in which the flood insurance laws are being administered by the Director.

“(2) TERMS OF A FLOOD INSURANCE ASSISTANCE RECOMMENDATION.—The terms of a

Flood Insurance Assistance Recommendation may recommend to the Director that the Director, within a specified time period, cease any action, take any action as permitted by law, or refrain from taking any action, including the payment of claims, with respect to the qualified insured under any other provision of law which is specifically described by the National Flood Insurance Advocate in such recommendation.

“(3) DIRECTOR RESPONSE.—Not later than 15 days after the receipt of any Flood Insurance Assistance Recommendation under this subsection, the Director shall respond in writing as to—

“(A) whether such recommendation was followed;

“(B) why such recommendation was or was not followed; and

“(C) what, if any, additional actions were taken by the Director to prevent the hardship indicated in such recommendation.

“(4) DEFINITIONS.—For purposes of this subsection:

“(A) NATIONAL FLOOD INSURANCE ADVOCATE.—The term ‘National Flood Insurance Advocate’ includes any designee of the National Flood Insurance Advocate.

“(B) QUALIFIED INSURED.—The term ‘qualified insured’ means an insured under coverage provided under the national flood insurance program under this title.

“(f) FUNDING.—Pursuant to section 1310(a)(8), the Director may use amounts from the National Flood Insurance Fund to fund the activities of the Office of the Flood Advocate in each of fiscal years 2008 through 2013, except that the amount so used in each such fiscal year may not exceed \$5,000,000 and shall remain available until expended. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.”.

SEC. 132. STUDIES AND REPORTS.

(a) REPORT ON EXPANDING THE NATIONAL FLOOD INSURANCE PROGRAM.—Not later than 1 year after the date of the enactment of this title, the Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, on—

(1) the number of flood insurance policy holders currently insuring—

(A) a residential structure up to the maximum available coverage amount, as established in section 61.6 of title 44, Code of Federal Regulations, of—

(i) \$250,000 for the structure; and

(ii) \$100,000 for the contents of such structure; or

(B) a commercial structure up to the maximum available coverage amount, as established in section 61.6 of title 44, Code of Federal Regulations, of \$500,000;

(2) the increased losses the National Flood Insurance Program would have sustained during the 2004 and 2005 hurricane season if the National Flood Insurance Program had insured all policyholders up to the maximum conforming loan limit for fiscal year 2006 of \$417,000, as established under section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2));

(3) the availability in the private marketplace of flood insurance coverage in amounts that exceed the current limits of coverage amounts established in section 61.6 of title 44, Code of Federal Regulations; and

(4) what effect, if any—

(A) raising the current limits of coverage amounts established in section 61.6 of title 44, Code of Federal Regulations, would have on the ability of private insurers to continue providing flood insurance coverage; and

(B) reducing the current limits of coverage amounts established in section 61.6 of title 44, Code of Federal Regulations, would have on the ability of private insurers to provide sufficient flood insurance coverage to effectively replace the current level of flood insurance coverage being provided under the National Flood Insurance Program.

(b) **REPORT OF THE DIRECTOR ON ACTIVITIES UNDER THE NATIONAL FLOOD INSURANCE PROGRAM.**—

(1) **IN GENERAL.**—The Director shall, on an annual basis, submit a full report on the operations, activities, budget, receipts, and expenditures of the National Flood Insurance Program for the preceding 12-month period to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(2) **TIMING.**—Each report required under paragraph (1) shall be submitted to the committees described in paragraph (1) not later than 3 months following the end of each fiscal year.

(3) **CONTENTS.**—Each report required under paragraph (1) shall include—

(A) the current financial condition and income statement of the National Flood Insurance Fund established under section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017), including—

- (i) premiums paid into such Fund;
- (ii) policy claims against such Fund; and
- (iii) expenses in administering such Fund;

(B) the number and face value of all policies issued under the National Flood Insurance Program that are in force;

(C) a description and summary of the losses attributable to repetitive loss structures;

(D) a description and summary of all losses incurred by the National Flood Insurance Program due to—

- (i) hurricane related damage; and
- (ii) nonhurricane related damage;

(E) the amounts made available by the Director for mitigation assistance under section 1366(e)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(e)(5)) for the purchase of properties substantially damaged by flood for that fiscal year, and the actual number of flood damaged properties purchased and the total cost expended to purchase such properties;

(F) the estimate of the Director as to the average historical loss year, and the basis for that estimate;

(G) the estimate of the Director as to the maximum amount of claims that the National Flood Insurance Program would have to expend in the event of a catastrophic year;

(H) the average—

(i) amount of insurance carried per flood insurance policy;

(ii) premium per flood insurance policy; and

(iii) loss per flood insurance policy; and

(I) the number of claims involving damages in excess of the maximum amount of flood insurance available under the National Flood Insurance Program and the sum of the amount of all damages in excess of such amount.

(c) **GAO STUDY ON PRE-FIRM STRUCTURES.**—Not later than 1 year after the date of the enactment of this title, the Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, on the—

(1) composition of the remaining pre-FIRM structures that are explicitly receiving discounted premium rates under section 1307 of the National Flood Insurance Act of 1968 (42

U.S.C. 4104), including the historical basis for the receipt of such subsidy and whether such subsidy has outlasted its purpose;

(2) number and fair market value of such structures;

(3) respective income level of each owner of such structure;

(4) number of times each such structure has been sold since 1968, including specific dates, sales price, and any other information the Secretary determines appropriate;

(5) total losses incurred by such structures since the establishment of the National Flood Insurance Program compared to the total losses incurred by all structures that are charged a nondiscounted premium rate;

(6) total cost of foregone premiums since the establishment of the National Flood Insurance Program, as a result of the subsidies provided to such structures;

(7) annual cost to the taxpayer, as a result of the subsidies provided to such structures;

(8) the premium income collected and the losses incurred by the National Flood Insurance Program as a result of such explicitly subsidized structures compared to the premium income collected and the losses incurred by such Program as result of structures that are charged a nondiscounted premium rate, on a State-by-State basis; and

(9) the most efficient way to eliminate the subsidy to such structures.

(d) **GAO REVIEW OF FEMA CONTRACTORS.**—The Comptroller General of the United States, in conjunction with the Department of Homeland Security's Inspectors general Office, shall—

(1) conduct a review of the 3 largest contractors the Director uses in administering the National Flood Insurance Program; and

(2) not later than 18 months after the date of enactment of this title, submit a report on the findings of such review to the Director, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

TITLE II—COMMISSION ON NATURAL CATASTROPHE RISK MANAGEMENT AND INSURANCE

SEC. 201. SHORT TITLE.

This title may be cited as the “Commission on Natural Catastrophe Risk Management and Insurance Act of 2008”.

SEC. 202. FINDINGS.

Congress finds that—

(1) Hurricanes Katrina, Rita, and Wilma, which struck the United States in 2005, caused, by some estimates, in excess of \$200,000,000,000 in total economic losses;

(2) many meteorologists predict that the United States is in a period of increased hurricane activity;

(3) the Federal Government and State governments have provided billions of dollars to pay for losses from natural catastrophes, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(4) many Americans are finding it increasingly difficult to obtain and afford property and casualty insurance coverage;

(5) some insurers are not renewing insurance policies, are excluding certain risks, such as wind damage, and are increasing rates and deductibles in some markets;

(6) the inability of property and business owners in vulnerable areas to obtain and afford property and casualty insurance coverage endangers the national economy and public health and safety;

(7) almost every State in the United States is at risk of a natural catastrophe, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(8) building codes and land use regulations play an indispensable role in managing catastrophe risks, by preventing building in high risk areas and ensuring that appropriate mitigation efforts are completed where building has taken place;

(9) several proposals have been introduced in Congress to address the affordability and availability of natural catastrophe insurance across the United States, but there is no consensus on what, if any, role the Federal Government should play; and

(10) an efficient and effective approach to assessing natural catastrophe risk management and insurance is to establish a nonpartisan commission to study the management of natural catastrophe risk, and to require such commission to timely report to Congress on its findings.

SEC. 203. ESTABLISHMENT.

There is established a nonpartisan Commission on Natural Catastrophe Risk Management and Insurance (in this title referred to as the “Commission”).

SEC. 204. MEMBERSHIP.

(a) **APPOINTMENT.**—The Commission shall be composed of 16 members, of whom—

(1) 2 members shall be appointed by the majority leader of the Senate;

(2) 2 members shall be appointed by the minority leader of the Senate;

(3) 2 members shall be appointed by the Speaker of the House of Representatives;

(4) 2 members shall be appointed by the minority leader of the House of Representatives;

(5) 2 members shall be appointed by the Chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate;

(6) 2 members shall be appointed by the Ranking Member of the Committee on Banking, Housing, and Urban Affairs of the Senate;

(7) 2 members shall be appointed by the Chairman of the Committee on Financial Services of the House of Representatives; and

(8) 2 members shall be appointed by the Ranking Member of the Committee on Financial Services of the House of Representatives.

(b) **QUALIFICATION OF MEMBERS.**—

(1) **IN GENERAL.**—Members of the Commission shall be appointed under subsection (a) from among persons who—

(A) have expertise in insurance, reinsurance, insurance regulation, policyholder concerns, emergency management, risk management, public finance, financial markets, actuarial analysis, flood mapping and planning, structural engineering, building standards, land use planning, natural catastrophes, meteorology, seismology, environmental issues, or other pertinent qualifications or experience; and

(B) are not officers or employees of the United States Government or of any State government.

(2) **DIVERSITY.**—In making appointments to the Commission—

(A) every effort shall be made to ensure that the members are representative of a broad cross section of perspectives within the United States; and

(B) each member of Congress described in subsection (a) shall appoint not more than 1 person from any single primary area of expertise described in paragraph (1)(A) of this subsection.

(c) **PERIOD OF APPOINTMENT.**—

(1) **IN GENERAL.**—Each member of the Commission shall be appointed for the duration of the Commission.

(2) **VACANCIES.**—A vacancy on the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) QUORUM.—

(1) MAJORITY.—A majority of the members of the Commission shall constitute a quorum, but a lesser number, as determined by the Commission, may hold hearings.

(2) APPROVAL ACTIONS.—All recommendations and reports of the Commission required by this title shall be approved only by a majority vote of all of the members of the Commission.

(e) CHAIRPERSON.—The Commission shall, by majority vote of all of the members, select 1 member to serve as the Chairperson of the Commission (in this title referred to as the "Chairperson").

(f) MEETINGS.—The Commission shall meet at the call of its Chairperson or a majority of the members.

SEC. 205. DUTIES OF THE COMMISSION.

The Commission shall examine the risks posed to the United States by natural catastrophes, and means for mitigating those risks and for paying for losses caused by natural catastrophes, including assessing—

(1) the condition of the property and casualty insurance and reinsurance markets prior to and in the aftermath of Hurricanes Katrina, Rita, and Wilma in 2005, and the 4 major hurricanes that struck the United States in 2004;

(2) the current condition of, as well as the outlook for, the availability and affordability of insurance in all regions of the country;

(3) the current ability of States, communities, and individuals to mitigate their natural catastrophe risks, including the affordability and feasibility of such activities;

(4) the ongoing exposure of the United States to natural catastrophes, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(5) the catastrophic insurance and reinsurance markets and the relevant practices in providing insurance protection to different sectors of the American population;

(6) implementation of a catastrophic insurance system that can resolve key obstacles currently impeding broader implementation of catastrophic risk management and financing with insurance;

(7) the financial feasibility and sustainability of a national, regional, or other pooling mechanism designed to provide adequate insurance coverage and increased underwriting capacity to insurers and reinsurers, including private-public partnerships to increase insurance capacity in constrained markets;

(8) methods to promote public insurance policies to reduce losses caused by natural catastrophes in the uninsured sectors of the American population;

(9) approaches for implementing a public or private insurance scheme for low-income communities, in order to promote risk reduction and insurance coverage in such communities;

(10) the impact of Federal and State laws, regulations, and policies (including rate regulation, market access requirements, reinsurance regulations, accounting and tax policies, State residual markets, and State catastrophe funds) on—

(A) the affordability and availability of catastrophe insurance;

(B) the capacity of the private insurance market to cover losses inflicted by natural catastrophes;

(C) the commercial and residential development of high-risk areas; and

(D) the costs of natural catastrophes to Federal and State taxpayers;

(11) the present and long-term financial condition of State residual markets and catastrophe funds in high-risk regions, includ-

ing the likelihood of insolvency following a natural catastrophe, the concentration of risks within such funds, the reliance on post-event assessments and State funding, and the adequacy of rates;

(12) the role that innovation in financial services could play in improving the affordability and availability of natural catastrophe insurance, specifically addressing measures that would foster the development of financial products designed to cover natural catastrophe risk, such as risk-linked securities;

(13) the need for strengthened land use regulations and building codes in States at high risk for natural catastrophes, and methods to strengthen the risk assessment and enforcement of structural mitigation and vulnerability reduction measures, such as zoning and building code compliance;

(14) the benefits and costs of proposed Federal natural catastrophe insurance programs (including the Federal Government providing reinsurance to State catastrophe funds, private insurers, or other entities), specifically addressing the costs to taxpayers, tax equity considerations, and the record of other government insurance programs (particularly with regard to charging actuarially sound prices);

(15) the ability of the United States private insurance market—

(A) to cover insured losses caused by natural catastrophes, including an estimate of the maximum amount of insured losses that could be sustained during a single year and the probability of natural catastrophes occurring in a single year that would inflict more insured losses than the United States insurance and reinsurance markets could sustain; and

(B) to recover after covering substantial insured losses caused by natural catastrophes;

(16) the impact that demographic trends could have on the amount of insured losses inflicted by future natural catastrophes;

(17) the appropriate role, if any, for the Federal Government in stabilizing the property and casualty insurance and reinsurance markets; and

(18) the role of the Federal, State, and local governments in providing incentives for feasible risk mitigation efforts.

SEC. 206. REPORT.

(a) IN GENERAL.—Not later than 9 months after the date of enactment of this title, the Commission shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a final report containing—

(1) a detailed statement of the findings and assessments conducted by the Commission pursuant to section 205; and

(2) any recommendations for legislative, regulatory, administrative, or other actions at the Federal, State, or local levels that the Commission considers appropriate, in accordance with the requirements of section 205.

(b) EXTENSION OF TIME.—The Commission may request Congress to extend the period of time for the submission of the report required under subsection (a) for an additional 3 months.

SEC. 207. POWERS OF THE COMMISSION.

(a) MEETINGS; HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers necessary to carry out the purposes of this title. Members may attend meetings of the Commission and vote in person, via telephone conference, or via video conference.

(b) AUTHORITY OF MEMBERS OR AGENTS OF THE COMMISSION.—Any member or agent of

the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this title.

(c) OBTAINING OFFICIAL DATA.—

(1) AUTHORITY.—Notwithstanding any provision of section 552a of title 5, United States Code, the Commission may secure directly from any department or agency of the United States any information necessary to enable the Commission to carry out this title.

(2) PROCEDURE.—Upon request of the Chairperson, the head of such department or agency shall furnish to the Commission the information requested.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(e) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, any administrative support services necessary for the Commission to carry out its responsibilities under this title.

(f) ACCEPTANCE OF GIFTS.—The Commission may accept, hold, administer, and utilize gifts, donations, and bequests of property, both real and personal, for the purposes of aiding or facilitating the work of the Commission. The Commission shall issue internal guidelines governing the receipt of donations of services or property.

(g) VOLUNTEER SERVICES.—Notwithstanding the provisions of section 1342 of title 31, United States Code, the Commission may accept and utilize the services of volunteers serving without compensation. The Commission may reimburse such volunteers for local travel and office supplies, and for other travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

(h) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—Subject to the Federal Property and Administrative Services Act of 1949, the Commission may enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

(i) LIMITATION ON CONTRACTS.—A contract or other legal agreement entered into by the Commission may not extend beyond the date of the termination of the Commission.

SEC. 208. COMMISSION PERSONNEL MATTERS.

(a) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(b) SUBCOMMITTEES.—The Commission may establish subcommittees and appoint members of the Commission to such subcommittees as the Commission considers appropriate.

(c) STAFF.—Subject to such policies as the Commission may prescribe, the Chairperson may appoint and fix the pay of such additional personnel as the Chairperson considers appropriate to carry out the duties of the Commission. The Commission shall confirm the appointment of the executive director by majority vote of all of the members of the Commission.

(d) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—Staff of the Commission may be—

(1) appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(2) paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay prescribed for GS-15 of the General Schedule under section 5332 of that title.

(e) EXPERTS AND CONSULTANTS.—In carrying out its objectives, the Commission may procure temporary and intermittent services of consultants and experts under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for GS-15 of the General Schedule under section 5332 of that title.

(f) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Chairperson, any Federal Government employee may be detailed to the Commission to assist in carrying out the duties of the Commission—

- (1) on a reimbursable basis; and
- (2) such detail shall be without interruption or loss of civil service status or privilege.

SEC. 209. TERMINATION.

The Commission shall terminate 90 days after the date on which the Commission submits its report under section 206.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission, such sums as may be necessary to carry out this title, to remain available until expended.

SA 4708. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, line 2, strike “including for—” and all that follows through the period on line 21 and insert the following: “including for any property which is not the primary residence of an individual.”

SA 4709. Mr. NELSON of Florida (for himself, Mrs. CLINTON, Mr. MARTINEZ, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the floor insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

DIVISION B—HOMEOWNERS’ DEFENSE ACT

SEC. 101. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the “Homeowners’ Defense Act of 2008”.

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

DIVISION B—HOMEOWNERS’ DEFENSE ACT

Sec. 101. Short title; table of contents.

Sec. 102. Findings and purposes.

Sec. 103. Qualified reinsurance programs.

Sec. 104. Definitions.

Sec. 105. Regulations.

TITLE I—NATIONAL CATASTROPHE RISK CONSORTIUM

Sec. 111. Establishment; status; principal office; membership.

Sec. 112. Functions.

Sec. 113. Powers.

Sec. 114. Nonprofit entity; conflicts of interest; audits.

Sec. 115. Management.

Sec. 116. Staff; experts and consultants.

Sec. 117. Federal liability.

Sec. 118. Authorization of appropriations.

TITLE II—NATIONAL HOMEOWNERS’ INSURANCE STABILIZATION PROGRAM

Sec. 201. Establishment.

Sec. 202. Liquidity loans and catastrophic loans for State and regional reinsurance programs.

Sec. 203. Reports and audits.

Sec. 204. Funding.

SEC. 102. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a history of catastrophic natural disasters, including hurricanes, tornadoes, flood, fire, earthquakes, and volcanic eruptions;

(2) although catastrophic natural disasters occur infrequently, they will continue to occur and are predictable;

(3) such disasters generate large economic losses and a major component of those losses comes from damage and destruction to homes;

(4) for the majority of Americans, their investment in their home represents their single biggest asset and the protection of that investment is paramount to economic and social stability;

(5) historically, when a natural disaster eclipses the ability of the private industry and a State to manage the loss, the Federal Government has stepped in to provide the funding and services needed for recovery;

(6) the cost of such Federal “bail-outs” are borne by all taxpayers equally, as there is no provision to repay the money and resources provided, which thereby unfairly burdens citizens who live in lower risk communities;

(7) as the risk of catastrophic losses grows, so do the risks that any premiums collected by private insurers for extending coverage will be insufficient to cover future catastrophes (known as timing risk), and private insurers, in an effort to protect their shareholders and policyholders (in the case of mutually-owned companies), have thus significantly raised premiums and curtailed insurance coverage in States exposed to major catastrophes;

(8) such effects on the insurance industry have been harmful to economic activity in States exposed to major catastrophes and have placed significant burdens on existing residents of such States;

(9) Hurricanes Katrina, Rita, and Wilma struck the United States in 2005, causing over \$200,000,000,000 in total economic losses, and insured losses to homeowners in excess of \$50,000,000,000;

(10) since 2004, the Congress has appropriated more than \$58,000,000,000 in disaster relief to the States affected by natural catastrophes;

(11) the Federal Government has provided and will continue to provide resources to pay for losses from future catastrophes;

(12) when Federal assistance is provided to the States, accountability for Federal funds disbursed is paramount;

(13) the Government Accountability Office or other appropriate agencies must have the means in place to confirm that Federal funds for catastrophe relief have reached the appropriate victims and have contributed to the recovery effort as efficiently as possible so that taxpayer funds are not wasted and citizens are enabled to rebuild and resume productive activities as quickly as possible;

(14) States that are recipients of Federal funds must be responsible to account for and provide an efficient means for distribution of funds to homeowners to enable the rapid rebuilding of local economies after a catastrophic event without unduly burdening taxpayers who live in areas seldom affected by natural disasters;

(15) State insurance and reinsurance programs can provide a mechanism for States to exercise that responsibility if they appropriately underwrite and price risk, and if they pay claims quickly and within established contractual terms; and

(16) State insurers and reinsurers, if appropriately backstopped themselves, can absorb catastrophic risk borne by private insurers without bearing timing risk, and thus enable all insurers (whether State-operated or privately owned) to underwrite and price insurance without timing risk and in such a way to encourage property owners to pay for the appropriate insurance to protect themselves and to take steps to mitigate against the risks of disaster by locally appropriate methods.

(b) PURPOSES.—The purposes of this division are to establish a program to provide a Federal backstop for State-sponsored insurance programs to help homeowners prepare for and recover from the damages caused by natural catastrophes, to encourage mitigation and prevention for such catastrophes, to promote the use of private market capital as a means to insure against such catastrophes, to expedite the payment of claims and better assist in the financial recovery from such catastrophes.

SEC. 103. QUALIFIED REINSURANCE PROGRAMS.

(a) IN GENERAL.—For purposes of this division only, a program shall be considered to be a qualified reinsurance program if the program—

(1) is authorized by State law for the purposes described in this section;

(2) is an entity in which the authorizing State maintains a material, financial interest;

(3) provides reinsurance or retrocessional coverage to underlying primary insurers or reinsurers for losses arising from all personal residential lines of insurance, as defined in the Uniform Property & Casualty Product Coding Matrix published and maintained by the National Association of Insurance Commissioners;

(4) has a governing body, a majority of whose members are public officials;

(5) provides reinsurance or retrocessional coverage to underlying primary insurers or reinsurers for losses in excess of such amount that the Secretary has determined represents a catastrophic event in that particular State;

(6) is authorized by a State that has in effect such laws, regulations, or other requirements, as the Secretary shall by regulation provide, that—

(A) ensure, to the extent that reinsurance coverage made available under the qualified reinsurance program results in any cost savings in providing insurance coverage for risks in such State, such cost savings are reflected in premium rates charged to consumers for such coverage;

(B) require that any new construction, substantial rehabilitation, and renovation insured or reinsured by the program complies with applicable State or local government building, fire, and safety codes;

(C) require State authorized insurance entities within that State to establish an insurance rate structure that takes into account measures to mitigate insurance losses;

(D) require State authorized insurance and reinsurance entities within that State to establish rates at a level that annually produces expected premiums that shall be sufficient to pay the expected annualized cost of all claims, loss adjustment expenses, and all administrative costs of reinsurance coverage offered; and

(E) encourage State authorized insurance and reinsurance entities within that State to establish rates that do not involve cross-subsidization between any separate property

and casualty lines covered under the State authorized insurance or reinsurance entity; and

(7) complies with such additional organizational, underwriting, and financial requirements as the Secretary shall, by regulation, provide to carry out the purposes of this division.

(b) **TRANSITIONAL MECHANISMS.**—For the 5-year period beginning on the date of enactment of this division, in the case of a State that does not have a qualified reinsurance program for the State, a State residual insurance market entity for such State shall be considered to be a qualified reinsurance program, but only if such State residual insurance market entity was in existence before such date of enactment.

(c) **PRECERTIFICATION.**—The Secretary shall establish procedures and standards for State and regional reinsurance programs and the State residual insurance market entities described in subsection (b) to apply to the Secretary at any time for certification (and recertification) as qualified reinsurance programs.

(d) **REINSURANCE TO COVER EXPOSURE.**—This section may not be construed to limit or prevent any insurer from obtaining reinsurance coverage for insured losses retained by insurers pursuant to this section, nor shall the obtaining of such coverage affect the calculation of the amount of any loan under this division.

SEC. 104. DEFINITIONS.

For purposes of this division, the following definitions shall apply:

(1) **CEILING COVERAGE LEVEL.**—The term “ceiling coverage level” means, with respect to a qualified reinsurance program, the maximum liability, under law, that could be incurred at any time by the qualified reinsurance program.

(2) **COMMISSION.**—The term “Commission” means the National Commission on Natural Catastrophe Preparation and Protection established under title II.

(3) **CONSORTIUM.**—The term “Consortium” means the National Catastrophic Risk Consortium established under title I.

(4) **INSURED LOSS.**—The term “insured loss” means any loss insured by a qualified reinsurance program.

(5) **QUALIFIED REINSURANCE PROGRAM.**—The term “qualified reinsurance program” means a State or regional program that meets the requirements of section 103.

(6) **SECRETARY.**—The term “Secretary” means the Secretary of the Treasury.

(7) **STATE.**—The term “State” includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, and American Samoa.

SEC. 105. REGULATIONS.

The Secretary shall issue such regulations as may be necessary to carry out this division.

TITLE I—NATIONAL CATASTROPHE RISK CONSORTIUM

SEC. 111. ESTABLISHMENT; STATUS; PRINCIPAL OFFICE; MEMBERSHIP.

(a) **ESTABLISHMENT.**—There is established an entity to be known as the “National Catastrophe Risk Consortium”.

(b) **STATUS.**—The Consortium is not a department, agency, or instrumentality of the United States Government.

(c) **PRINCIPAL OFFICE.**—The principal office and place of business of the Consortium shall be such location within the United States determined by the Board of Directors to be the most advantageous for carrying out the purpose and functions of the Consortium.

(d) **MEMBERSHIP.**—Any State that has established a reinsurance fund or has author-

ized the operation of a State residual insurance market entity shall be eligible to participate in the Consortium.

SEC. 112. FUNCTIONS.

The Consortium shall—

(1) work with all States, particularly those participating in the Consortium, to gather and maintain an inventory of catastrophe risk obligations held by State reinsurance funds and State residual insurance market entities;

(2) at the discretion of the affected members and on a conduit basis, issue securities and other financial instruments linked to the catastrophe risks insured or reinsured through members of the Consortium in the capital markets;

(3) coordinate reinsurance contracts between participating, qualified reinsurance funds and private parties;

(4) act as a centralized repository of State risk information that can be accessed by private-market participants seeking to participate in the transactions described in paragraphs (2) and (3) of this section;

(5) use a catastrophe risk database to perform research and analysis that encourages standardization of the risk-linked securities market;

(6) perform any other functions, other than assuming risk or incurring debt, that are deemed necessary to aid in the transfer of catastrophe risk from participating States to private parties; and

(7) submit annual reports to Congress describing the activities of the Consortium for the preceding year.

SEC. 113. POWERS.

The Consortium—

(1) may make and perform such contracts and other agreements with any individual or other private or public entity however designated and wherever situated, as may be necessary for carrying out the functions of the Consortium; and

(2) shall have such other powers, other than the power to assume risk or incur debt, as may be necessary and incident to carrying out this division.

SEC. 114. NONPROFIT ENTITY; CONFLICTS OF INTEREST; AUDITS.

(a) **NONPROFIT ENTITY.**—The Consortium shall be a nonprofit entity and no part of the net earnings of the Consortium shall inure to the benefit of any member, founder, contributor, or individual.

(b) **CONFLICTS OF INTEREST.**—No director, officer, or employee of the Consortium shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his or her personal interests or the interests of any Consortium, partnership, or organization in which he or she is directly or indirectly interested.

(c) **AUDITS.**—

(1) **ANNUAL AUDIT.**—The financial statements of the Consortium shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants.

(2) **REPORTS.**—The report of each annual audit pursuant to paragraph (1) shall be included in the annual report submitted in accordance with section 112(7).

SEC. 115. MANAGEMENT.

(a) **BOARD OF DIRECTORS; MEMBERSHIP; DESIGNATION OF CHAIRPERSON.**—

(1) **BOARD OF DIRECTORS.**—The management of the Consortium shall be vested in a board of directors (referred to in this title as the “Board”) composed of not fewer than 3 members.

(2) **CHAIRPERSON.**—The Secretary, or the designee of the Secretary, shall serve as the chairperson of the Board.

(3) **MEMBERSHIP.**—The members of the Board shall include—

(A) the Secretary of Homeland Security and the Secretary of Commerce, or the designees of such Secretaries, respectively, but only during such times as there are fewer than 2 States participating in the Consortium; and

(B) a member from each State participating in the Consortium, who shall be appointed by such State.

(b) **BYLAWS.**—The Board may prescribe, amend, and repeal such bylaws as may be necessary for carrying out the functions of the Consortium.

(c) **COMPENSATION, ACTUAL, NECESSARY, AND TRANSPORTATION EXPENSES.**—

(1) **NON-FEDERAL EMPLOYEES.**—A member of the Board who is not otherwise employed by the Federal Government shall be entitled to receive the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, as in effect from time to time, for each day (including travel time) during which such member is engaged in the actual performance of duties of the Consortium.

(2) **FEDERAL EMPLOYEES.**—A member of the Board who is an officer or employee of the Federal Government shall serve without additional pay (or benefits in the nature of compensation) for service as a member of the Consortium.

(3) **TRAVEL EXPENSES.**—Members of the Consortium shall be entitled to receive travel expenses, including per diem in lieu of subsistence, equivalent to those set forth in subchapter I of chapter 57 of title 5, United States Code.

(d) **QUORUM.**—A majority of the Board shall constitute a quorum.

(e) **EXECUTIVE DIRECTOR.**—The Board shall appoint an executive director of the Consortium, on such terms as the Board may determine.

SEC. 116. STAFF; EXPERTS AND CONSULTANTS.

(a) **STAFF.**—

(1) **APPOINTMENT.**—The Board of the Consortium may appoint and terminate such other staff as are necessary to enable the Consortium to perform its duties.

(2) **COMPENSATION.**—The Board of the Consortium may fix the compensation of the executive director and other staff.

(b) **EXPERTS AND CONSULTANTS.**—The Board shall procure the services of experts and consultants as the Board considers appropriate.

SEC. 117. FEDERAL LIABILITY.

The Federal Government and the Consortium shall not bear any liabilities arising from the actions of the Consortium. Participating States shall retain all catastrophe risk until the completion of a transaction described in paragraphs (2) and (3) of section 112.

SEC. 118. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title \$20,000,000 for each of fiscal years 2009 through 2014.

TITLE II—NATIONAL HOMEOWNERS’ INSURANCE STABILIZATION PROGRAM

SEC. 201. ESTABLISHMENT.

The Secretary shall carry out a program under this title to make liquidity loans and catastrophic loans under section 202 to qualified reinsurance programs to ensure the solvency of such programs, to improve the availability and affordability of homeowners’ insurance, to provide incentive for risk transfer to the private capital and reinsurance markets, and to spread the risk of catastrophic financial loss resulting from natural disasters and catastrophic events.

SEC. 202. LIQUIDITY LOANS AND CATASTROPHIC LOANS FOR STATE AND REGIONAL REINSURANCE PROGRAMS.

(a) **CONTRACTS.**—The Secretary may enter into a contract with a qualified reinsurance

program to carry out this title, as the Secretary may deem appropriate. The contract shall include, at a minimum, the conditions for loan eligibility set forth in this section.

(b) **CONDITIONS FOR LOAN ELIGIBILITY.**—A loan under this section may be made only to a qualified reinsurance program and only if—

(1) before the loan is made—

(A) the State or regional reinsurance program submits to the Secretary a report setting forth, in such form and including such information as the Secretary shall require, how the program plans to repay the loan; and

(B) based upon the report of the program, the Secretary determines that the program can meet its repayment obligation under the loan and certifies that the program can meet such obligation;

(2) the program cannot access capital in the private market, including through catastrophe bonds and other securities sold through the facility created in title I of this division, as determined by the Secretary, and a loan may be made to such a qualified reinsurance program only to the extent that such program cannot access capital in the private market;

(3) the Secretary determines that an event has resulted in insured losses in a State with a qualified reinsurance program;

(4) the loan complies with the requirements under subsection (d) and or (e), as applicable; and

(5) the loan is afforded the full faith and credit of the State and the State demonstrates to the Secretary that it has the ability to repay the loans.

(c) **MANDATORY ASSISTANCE FOR QUALIFIED REINSURANCE PROGRAMS.**—The Secretary shall, upon the request of a qualified reinsurance program and subject to subsection (b), make a loan under subsection (d) or (e) for such program in the amount requested by such program (subject to the limitations under subsections (d)(2) and (e)(2), respectively).

(d) **LIQUIDITY LOANS.**—A loan under this subsection for a qualified reinsurance program shall be subject to the following requirements:

(1) **PRECONDITIONS.**—The Secretary shall have determined that the qualified reinsurance program—

(A) has a capital liquidity shortage, in accordance with regulations that the Secretary shall establish; and

(B) cannot access capital markets at effective rates of interest lower than those provided in paragraph (3).

(2) **AMOUNT.**—The principal amount of the loan may not exceed the ceiling coverage level for the qualified reinsurance program.

(3) **RATE OF INTEREST.**—The loan shall bear interest at an annual rate 3 percentage points higher than marketable obligations of the Treasury having the same term to maturity as the loan and issued during the most recently completed month, as determined by the Secretary, or such higher rate as may be necessary to ensure that the amounts of interest paid under such loans exceed the sum of the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans, the administrative costs involved in carrying out a program under this title for such loans, and any incidental effects on governmental receipts and outlays.

(4) **TERM.**—The loan shall have a term to maturity of not less than 5 years and not more than 10 years.

(e) **CATASTROPHIC LOANS.**—A loan under this subsection for a qualified reinsurance program shall be subject to the following requirements:

(1) **PRECONDITIONS.**—The Secretary shall have determined that an event has resulted

in insured losses in a State with a qualified reinsurance program and that such insured losses in such State are in excess of 150 percent of the aggregate amount of direct written premium for privately issued property and casualty insurance, for risks located in that State, over the calendar year preceding such event, in accordance with regulations that the Secretary shall establish.

(2) **AMOUNT.**—The principal amount of the loan made pursuant to an event referred to in paragraph (1) may not exceed the amount by which the insured losses sustained as a result of such event exceed the ceiling coverage level for the qualified reinsurance program.

(3) **RATE OF INTEREST.**—The loan shall bear interest at an annual rate 0.20 percentage points higher than marketable obligations of the United States Treasury having a term to maturity of not less than 10 years and issued during the most recently completed month, as determined by the Secretary, or such higher rate as may be necessary to ensure that the amounts of interest paid under such loans exceed the sum of the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans, the administrative costs involved in carrying out a program under this title for such loans, and any incidental effects on governmental receipts and outlays.

(4) **TERM.**—The loan shall have a term to maturity of not less than 10 years.

(f) **USE OF FUNDS.**—Amounts from a loan under this section shall only be used to provide reinsurance or retrocessional coverage to underlying primary insurers or reinsurers for losses arising from all personal real property or homeowners' lines of insurance, as defined in the Uniform Property & Casualty Product Coding Matrix published and maintained by the National Association of Insurance Commissioners. Such amounts shall not be used for any other purpose.

SEC. 203. REPORTS AND AUDITS.

The Secretary shall submit a report to the President and the Congress annually that identifies and describes any loans made under this title during such year and any repayments during such year of loans made under this title, and describes actions taken to ensure accountability of loan funds. The Secretary shall provide for regular audits to be conducted for each loan made under this title, and shall make the results of such audits publicly available.

SEC. 204. FUNDING.

(a) **PROGRAM FEE.**—

(1) **IN GENERAL.**—The Secretary may establish and collect, from qualified reinsurance programs that are precertified pursuant to section 103(c), a reasonable fee, as may be necessary to offset the expenses of the Secretary in connection with carrying out the responsibilities of the Secretary under this title, including—

(A) costs of developing, implementing, and carrying out the program under this title; and

(B) costs of providing for precertification pursuant to section 103(c) of State and regional reinsurance programs as qualified reinsurance programs.

(2) **ADJUSTMENT.**—The Secretary may, from time to time, adjust the fee under paragraph (1) as appropriate based on expenses of the Secretary referred to in such paragraph.

(3) **USE.**—Any fees collected pursuant to this subsection shall be credited as offsetting collections of the Department of the Treasury and shall be available to the Secretary only for expenses referred to in paragraph (1).

(b) **COSTS OF LOANS; ADMINISTRATIVE COSTS.**—To the extent that amounts of negative credit subsidy are received by the Sec-

retary in any fiscal year pursuant to loans made under this title, such amounts shall be available for costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) of such loans and for costs of carrying out the program under this title for such loans.

(c) **FULL TAXPAYER REPAYMENT.**—The Secretary shall require the full repayment of all loans made under this title. If the Secretary determines at any time that such full repayment will not be made, or is likely not to be made, the Secretary shall promptly submit a report to the Congress explaining why such full repayment will not be made or is likely not to be made.

SA 4710. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

On page 8, line 6, strike "and".

On page 8, line 9, strike "policy." and insert the following: "policy; and

"(3) any property purchased on or after the date of enactment of the Flood Insurance Reform and Modernization Act of 2007."

SA 4711. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill S. 2284, to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. . REPORT ON INCLUSION OF BUILDING CODES IN FLOODPLAIN MANAGEMENT CRITERIA.

Not later than 6 months after the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall conduct a study and submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the impact, effectiveness, and feasibility of amending section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) to include widely used and nationally recognized building codes as part of the floodplain management criteria developed under such section, and shall determine—

(1) the regulatory, financial, and economic impacts of such a building code requirement on homeowners, States and local communities, local land use policies, and the Federal Emergency Management Agency;

(2) the resources required of State and local communities to administer and enforce such a building code requirement;

(3) the effectiveness of such a building code requirement in reducing flood-related damage to buildings and contents;

(4) the impact of such a building code requirement on the actuarial soundness of the National Flood Insurance Program;

(5) the effectiveness of nationally recognized codes in allowing innovative materials and systems for flood-resistant construction; and

(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance coverage under such Act for structures meeting whichever of such widely used and nationally recognized building code or any applicable local building code provides greater protection from flood damage.

SA 4712. Mr. REID (for himself and Mr. MCCONNELL) proposed an amendment to the bill H.R. 5493, to provide that the usual day for paying salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration; as follows:

At the end of the bill, insert the following:
SEC. ____ TECHNICAL AMENDMENT RELATING TO SENATE PAY PERIODS.

(a) TITLE 18.—Section 207(e)(7) of title 18, United States Code, is amended—

(1) in subparagraph (A), by striking “at least 60 days” and inserting “more than 2 months”; and

(2) in subparagraph (B), by striking “at least 60 days” and inserting “more than 2 months”.

(b) SENATE RULES.—Paragraph 9(c) of rule XXXVII of the Standing Rules of the Senate is amended by striking “more than 60 days in a calendar year” and inserting “more than 2 months, in the aggregate, during the 1-year period before that former officer’s or employee’s service as such officer or employee was terminated”.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will be held on Thursday, May 15, 2008, at 2:30 p.m., in room SD-366 of the Dirksen Senate Office Building.

The purpose of this oversight hearing is to receive testimony on development of oil shale resources.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send it to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510-6150, or by e-mail to

Gina.Weinstock@energy.Senate.gov.

For further information, please contact Patty Beneke at 202-224-5451 or Gina Weinstock at 202-224-5684.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

The Committee on Energy and Natural Resources will hold a business meeting on Wednesday, May 7, at 9:45 a.m., in room 366 of the Dirksen Senate Office Building to consider pending bills on its shortlist of Agenda items.

For further information, please contact Sam Fowler at (202) 224-7571 or Rosemarie Calabro at (202) 224-5039.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on

Tuesday, May 6, 2008, at 10 a.m., in room 253 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, May 6, 2008 at 10 a.m. in room 406 of the Dirksen Senate Office Building to hold a hearing entitled, “Perchlorate and TCE in Water.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, May 6, 2008, at 10 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing entitled “Seizing the New Opportunity for Health Reform”.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 6, 2008, at 2:30 p.m. to hold a hearing on Holocaust era insurance restitution.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on May 6, 2008, at 2:30 p.m. to hold a hearing on the nomination of Michael E. Leiter to be Director of the National Counterterrorism Center, Office of the Director of National Intelligence.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary, Subcommittee on Administrative Oversight and the Courts, be authorized to meet during the session of the Senate, to conduct a hearing entitled “Policing Lenders and Protecting Homeowners: Is Misconduct in Bankruptcy Fueling the Foreclosure Crisis?” on Tuesday, May 6, 2008, at 2 p.m., in room SD-226 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. CORNYN. Mr. President, I ask unanimous consent that Ryan Davis, an intern with the Republican Conference, be granted floor privileges for the remainder of the month.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CORNYN. Mr. President, I ask unanimous consent that Kim Allen, a staffer for the Republican Conference, be granted floor privileges for the remainder of this Congress.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRASSLEY. I ask unanimous consent that David Greenwald, of my Finance Committee staff, be granted the privileges of the floor during the month of May.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that Maria Honeycutt, a Congressional Science Fellow in the office of Senator BILL NELSON, be granted floor privileges for the duration of the Senate’s consideration of S. 2284, the Flood Insurance Reform and Modernization Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROVIDING FOR PAYMENT OF SALARIES IN OR UNDER THE HOUSE OF REPRESENTATIVES

Mr. REID. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of H.R. 5493 and the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title. The assistant legislative clerk read as follows:

A bill (H.R. 5493) to provide that the usual day for paying salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, the amendment that I am offering on behalf of myself and Senator MCCONNELL addresses technical issues with respect to the “cooling-off period” for senior staff members.

Under title 18 and the Senate rules, staff members whose salary is above a certain threshold are prohibited from lobbying the Senate for a period of 1 year. One of the reforms in S. 1, the ethics reform bill we enacted last year, was to broaden the scope of the ban—senior staff members who were previously prohibited from lobbying individual Senate offices for a year are now prohibited from lobbying the entire Senate.

However, we have been made aware of an unintended consequence of the law: some junior staff members who receive salary bonuses over a period of 2 months are inadvertently covered by the lobbying ban, which is now even more sweeping. The Reid-McConnell amendment addresses this problem by providing that a staff member whose