

me that will be made part of the record.

Again, the bill before us provides some relief for homeowners facing huge rate increases, while preserving rate decreases for homeowners that are currently eligible for them, and I am therefore supportive of this bill.

# RECESS

Mr. MENENDEZ. Madam President, I ask unanimous consent that the Senate recess until 1:50 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senate stands in recess until 1:50 p.m.

Thereupon, the Senate, at 12:29 p.m., recessed until 1:50 p.m. and reassembled when called to order by the Presiding Officer (Ms. HIRONO).

# AGRICULTURAL ACT OF 2014— CONFERENCE REPORT

The PRESIDING OFFICER. The majority leader.

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the conference report to accompany H.R. 2642.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 2642), to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes, having met, have agreed that the House recede from its amendment to the amendment of the Senate and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of all conferees on the part of both Houses.

The PRESIDING OFFICER. Is there objection to proceeding with the conference report?

Without objection, the Senate will proceed.

(The conference report is printed in the House Proceedings of the RECORD of Monday, January 27, 2014.)

# CLOTURE MOTION

Mr. REID. I have a cloture motion that I ask be reported.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

# CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report to accompany H.R. 2642, the Federal Agricultural Reform and Risk Management Act.

Harry Reid, Debbie Stabenow, Robert Menendez, Bill Nelson, Tom Harkin, Tammy Baldwin, Jon Tester, Michael F. Bennet, Patrick J. Leahy, Max Bau-

cus, Amy Klobuchar, Heidi Heitkamp, Joe Donnelly, Richard J. Durbin, Mark Udall, Martin Heinrich, Sherrod Brown.

Mr. REID. I ask unanimous consent that the mandatory quorum under rule XXII be waived; that the cloture vote occur at 5:30 p.m. on Monday, February 3; that if cloture is invoked, there be 20 minutes remaining postcloture at 2:15 p.m., Tuesday, February 4, to be equally divided between the two leaders or their designees; that upon the use or yielding back of that time, all postcloture time be considered expired and the Senate proceed to vote on adoption of the conference report.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

# HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT OF 2014— Continued

Mr. REID. I ask unanimous consent that we resume consideration of S. 1926.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, there will be 2 minutes of debate equally divided prior to a vote on passage of S. 1926.

Who yields time?

The Senator from Georgia.

Mr. ISAKSON. Madam President, I will be brief in our 1 minute just to express my thanks to Senator MENENDEZ from New Jersey, as well as Senator LANDRIEU and Senator VITTER and all of those who came together to put together a great bill for the people of the United States of America for Federal flood insurance. It was a team effort, a bipartisan effort, an equally divided effort between Republicans and Democrats.

I urge everybody to vote for the bill, and I again thank the Senator from New Jersey for his cooperation.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Madam President, I urge all of our colleagues to cast a "yes" vote on the final passage of the homeowner flood insurance act.

I think this has been an excellent week for the Senate. We were able to break through what sometimes is partisan gridlock and far too often pervades this auspicious Chamber. We have had an honest and open debate on this issue that is critical to the American people. We have had a respectable debate on good-faith amendments that were germane to the bill and lived up to the ideals of the Senate, and now we are poised to pass a critical piece of legislation which I believe enjoys overwhelming bipartisan support which will provide real relief to millions of American families.

I thank all of our cosponsors and their staffs, including a very large list of Republican colleagues who support the bill. I particularly thank my lead Republican cosponsor, Senator ISAKSON, for his efforts and the partnership

on this issue and many others. I have had the pleasure to work with Senator ISAKSON on a number of issues and have come to respect his honesty and his desire to come together and get things done, regardless of the issue. I think he is one of the most well-respected Members of the Senate. Together, working with our colleagues, I think we are poised to give some real relief to families and to send a strong message to the House and hope they will follow suit.

The PRESIDING OFFICER. All time has expired.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MENENDEZ. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The bill having been read the third time, the question is, Shall the bill, as amended, pass?

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Ohio (Mr. BROWN) is necessarily absent.

The PRESIDING OFFICER (Ms. HEITKAMP). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 32, as follows:

[Rollcall Vote No. 19 Leg.]

# YEAS—67

Baldwin	Harkin	Nelson
Baucus	Heinrich	Pryor
Begich	Heitkamp	Reed
Bennet	Hirono	Reid
Blumenthal	Hoeven	Rockefeller
Blunt	Isakson	Rubio
Booker	Johanns	Sanders
Boxer	Johnson (SD)	Schatz
Burr	Kaine	Schumer
Cantwell	King	Scott
Cardin	Klobuchar	Shaheen
Casey	Landrieu	Stabenow
Chambliss	Leahy	Tester
Cochran	Levin	Udall (CO)
Collins	Manchin	Udall (NM)
Coons	Markey	Vitter
Donnelly	McCaskill	Warner
Durbin	Menendez	Warren
Feinstein	Merkley	Whitehouse
Franken	Mikulski	Wicker
Gillibrand	Murkowski	Wyden
Graham	Murphy	
Hagan	Murray	

# NAYS—32

Alexander	Enzi	McConnell
Ayotte	Fischer	Moran
Barrasso	Flake	Paul
Boozman	Grassley	Portman
Carper	Hatch	Risch
Coats	Heller	Roberts
Coburn	Inhofe	Sessions
Corker	Johnson (WI)	Shelby
Cornyn	Kirk	Thune
Crapo	Lee	Toomey
Cruz	McCain	

# NOT VOTING—1

Brown

The bill (S. 1926), as amended, was passed, as follows:

S. 1926

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

**TITLE I—HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT**

- Sec. 101. Short title.
- Sec. 102. Definitions.
- Sec. 103. Delayed implementation of flood insurance rate increases; draft affordability framework.
- Sec. 104. Affordability study and report.
- Sec. 105. Affordability study funding.
- Sec. 106. Funds to reimburse homeowners for successful map appeals.
- Sec. 107. Flood protection systems.
- Sec. 108. Treatment of floodproofed residential basements.
- Sec. 109. Designation of flood insurance advocate.
- Sec. 110. Exceptions to escrow requirement for flood insurance payments.
- Sec. 111. Monthly installment payments for premiums.
- Sec. 112. Accounting for flood mitigation activities in estimates of premium rates.
- Sec. 113. Home improvement fairness.
- Sec. 114. Study of voluntary community-based flood insurance options.
- Sec. 115. Exemption from fees for certain map change requests.
- Sec. 116. Flood mitigation methods for urban buildings.

**TITLE II—NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS**

- Sec. 201. Short Title.
- Sec. 202. Reestablishment of the National Association of Registered Agents and Brokers.

**TITLE I—HOMEOWNER FLOOD INSURANCE AFFORDABILITY ACT**

**SEC. 101. SHORT TITLE.**

This title may be cited as the “Homeowner Flood Insurance Affordability Act of 2014”.

**SEC. 102. DEFINITIONS.**

As used in this title, the following definitions shall apply:

(1) **ADJUSTED BASE FLOOD ELEVATION.**—For purposes of rating a floodproofed covered structure, the term “adjusted base flood elevation” means the base flood elevation for a covered structure on the applicable effective flood insurance rate map, plus 1 foot.

(2) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Federal Emergency Management Agency.

(3) **AFFORDABILITY STUDY.**—The term “affordability study” means the study required under section 100236 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 957).

(4) **APPLICABLE FLOOD PLAIN MANAGEMENT MEASURES.**—The term “applicable flood plain management measures” means flood plain management measures adopted by a community under section 60.3(c) of title 44, Code of Federal Regulations.

(5) **COVERED STRUCTURE.**—The term “covered structure” means a residential structure—

(A) that is located in a community that has adopted flood plain management measures that are approved by the Federal Emergency Management Agency and that satisfy the requirements for an exception for floodproofed residential basements under section 60.6(c) of title 44, Code of Federal Regulations; and

(B) that was built in compliance with the applicable flood plain management measures.

(6) **DRAFT AFFORDABILITY FRAMEWORK.**—The term “draft affordability framework” means the draft programmatic and regulatory framework required to be prepared by the

Administrator and submitted to Congress under section 103(d) addressing the issues of affordability of flood insurance sold under the National Flood Insurance Program, including issues identified in the affordability study.

(7) **FLOODPROOFED ELEVATION.**—The term “floodproofed elevation” means the height of floodproofing on a covered structure, as identified on the Residential Basement Floodproofing Certificate for the covered structure.

(8) **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. 4001 et seq.).

**SEC. 103. DELAYED IMPLEMENTATION OF FLOOD INSURANCE RATE INCREASES; DRAFT AFFORDABILITY FRAMEWORK.**

(a) **DELAYED IMPLEMENTATION OF FLOOD INSURANCE RATE INCREASES.**—

(1) **GRANDFATHERED PROPERTIES.**—Beginning on the date of enactment of this Act, the Administrator may not implement section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(h)).

(2) **PRE-FIRM PROPERTIES.**—Beginning on the date of enactment of this Act, the Administrator may not implement—

(A) section 1307(g)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(1)); or

(B) section 1307(g)(3) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(3)) with respect to any policy described in that section, provided that the decision of the policy holder to permit a lapse in flood insurance coverage was as a result of the property covered by the policy no longer being required to retain such coverage.

(3) **EXPIRATION.**—The prohibitions set forth under paragraphs (1) and (2) shall expire 6 months after the later of—

(A) the date on which the Administrator proposes the draft affordability framework; or

(B) the date on which the Administrator certifies in writing to Congress that the Federal Emergency Management Agency has implemented a flood mapping approach that, when applied, results in technically credible flood hazard data in all areas where Flood Insurance Rate Maps are prepared or updated.

(b) **PROPERTY SALE TRIGGER.**—

(1) **IN GENERAL.**—Section 1307(g)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(2)) is amended to read as follows:

“(2) any property purchased after the expiration of the 6-month period set forth under section 103(a)(3) of the Homeowner Flood Insurance Affordability Act of 2014;”.

(2) **PROTECTION OF SUBSIDY FOR PROPERTIES PURCHASED ON OR BEFORE EXPIRATION DATE.**—Notwithstanding paragraph (1) or (3) of section 1307(g) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(1) and (3)), the Administrator may not reduce the risk premium rate subsidy for flood insurance for a property purchased on or before the expiration of the 6-month period set forth under subsection (a)(3) of this section based on the fact that—

(A) the property was not insured by the flood insurance program as of the date of enactment of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 916); or

(B) on or before the expiration of that 6-month period, the policy for the property had lapsed in coverage as a result of the deliberate choice of the policy holder, provided that the decision of the policy holder to permit a lapse in coverage was as a result of the property no longer being required to retain such coverage.

(c) **TREATMENT OF PRE-FIRM PROPERTIES.**—Beginning on the date of enactment of this Act and ending upon the expiration of the 6-month period set forth under subsection (a)(3), the Administrator shall restore the risk premium rate subsidies for flood insurance estimated under section 1307(a)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(2)) for any property—

(1) with respect to which the Administrator may not, under subsection (a)(2)(A) of this section, implement section 1307(g)(1) of the National Flood Insurance Act of 1968;

(2) with respect to which the Administrator may not, under subsection (a)(2)(B) of this section, implement section 1307(g)(3) of the National Flood Insurance Act of 1968; or

(3) described in section 1307(g)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(2)), as in effect on the day before the date of enactment of this Act.

(d) **DRAFT AFFORDABILITY FRAMEWORK.**—

(1) **IN GENERAL.**—The Administrator shall prepare a draft affordability framework that proposes to address, via programmatic and regulatory changes, the issues of affordability of flood insurance sold under the National Flood Insurance Program, including issues identified in the affordability study.

(2) **CRITERIA.**—In carrying out the requirements under paragraph (1), the Administrator shall consider the following criteria:

(A) Accurate communication to consumers of the flood risk associated with their property.

(B) Targeted assistance to flood insurance policy holders based on their financial ability to continue to participate in the National Flood Insurance Program.

(C) Individual or community actions to mitigate the risk of flood or lower the cost of flood insurance.

(D) The impact of increases in risk premium rates on participation in the National Flood Insurance Program.

(E) The impact flood insurance rate map updates have on the affordability of flood insurance.

(3) **DEADLINE FOR SUBMISSION.**—Not later than 18 months after the date on which the Administrator submits the affordability study, the Administrator shall submit to the full Committee on Banking, Housing, and Urban Affairs and the full Committee on Appropriations of the Senate and the full Committee on Financial Services and the full Committee on Appropriations of the House of Representatives the draft affordability framework.

(e) **INTERAGENCY AGREEMENTS.**—The Administrator may enter into an agreement with another Federal agency to—

(1) complete the affordability study; or

(2) prepare the draft affordability framework.

(f) **CLEAR COMMUNICATIONS.**—The Administrator shall clearly communicate full flood risk determinations to individual property owners regardless of whether their premium rates are full actuarial rates.

(g) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to provide the Administrator with the authority to provide assistance to homeowners based on affordability that was not available prior to the enactment of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 916).

(h) **DISCLOSURE.**—

(1) **CHANGE IN RATES UNDER BIGGERT-WATERS.**—Not later than the date that is 6 months before the date on which any change in risk premium rates for flood insurance coverage under the National Flood Insurance Program resulting from the amendment made by section 100207 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public

Law 112-141; 126 Stat. 919) is implemented, the Administrator shall make publicly available the rate tables and underwriting guidelines that provide the basis for the change.

(2) **CHANGE IN RATES UNDER THIS ACT.**—Not later than the date that is 6 months before the date on which any change in risk premium rates for flood insurance coverage under the National Flood Insurance Program resulting from this Act or any amendment made by this Act is implemented, the Administrator shall make publicly available the rate tables and underwriting guidelines that provide the basis for the change.

(3) **REPORT ON POLICY AND CLAIMS DATA.**—

(A) **IN GENERAL.**—Not later than 90 days after the date of enactment of this Act, the Administrator shall submit to Congress a report on the feasibility of—

(i) releasing property-level policy and claims data for flood insurance coverage under the National Flood Insurance Program; and

(ii) establishing guidelines for releasing property-level policy and claims data for flood insurance coverage under the National Flood Insurance Program in accordance with section 552a of title 5, United States Code (commonly known as the “Privacy Act of 1974”).

(B) **CONTENTS.**—The report submitted under subparagraph (A) shall include—

(i) an analysis and assessment of how releasing property-level policy and claims data for flood insurance coverage under the National Flood Insurance Program will aid policy holders and insurers to understand how the Administration determines actuarial premium rates and assesses flood risks; and

(ii) recommendations for protecting personal information in accordance with section 552a of title 5, United States Code (commonly known as the “Privacy Act of 1974”).

**SEC. 104. AFFORDABILITY STUDY AND REPORT.**

Notwithstanding the deadline under section 100236(c) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 957), not later than 2 years after the date of enactment of this Act, the Administrator shall submit to the full Committee on Banking, Housing, and Urban Affairs and the full Committee on Appropriations of the Senate and the full Committee on Financial Services and the full Committee on Appropriations of the House of Representatives the affordability study and report required under such section.

**SEC. 105. AFFORDABILITY STUDY FUNDING.**

Section 100236(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 957) is amended by striking “not more than \$750,000” and inserting “such amounts as may be necessary”.

**SEC. 106. FUNDS TO REIMBURSE HOMEOWNERS FOR SUCCESSFUL MAP APPEALS.**

(A) **IN GENERAL.**—Section 1363(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(f)) is amended—

(1) in the first sentence, by inserting after “as the case may be,” the following: “or, in the case of an appeal that is resolved by submission of conflicting data to the Scientific Resolution Panel provided for in section 1363A, the community,”; and

(2) by striking the second sentence and inserting the following: “The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this subsection.”.

(B) **CONFORMING AMENDMENT.**—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (6), by striking “and” at the end;

(2) in paragraph (7), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(8) for carrying out section 1363(f).”.

**SEC. 107. FLOOD PROTECTION SYSTEMS.**

(A) **ADEQUATE PROGRESS ON CONSTRUCTION OF FLOOD PROTECTION SYSTEMS.**—Section 1307(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(e)) is amended—

(1) in the first sentence, by inserting “or reconstruction” after “construction”; and

(2) by striking the second sentence and inserting the following: “The Administrator shall find that adequate progress on the construction or reconstruction of a flood protection system, based on the present value of the completed flood protection system, has been made only if (1) 100 percent of the cost of the system has been authorized, (2) at least 60 percent of the cost of the system has been appropriated, (3) at least 50 percent of the cost of the system has been expended, and (4) the system is at least 50 percent completed.”; and

(3) by adding at the end the following: “Notwithstanding any other provision of law, in determining whether a community has made adequate progress on the construction, reconstruction, or improvement of a flood protection system, the Administrator shall consider all sources of funding, including Federal, State, and local funds.”.

(B) **COMMUNITIES RESTORING DISACCREDITED FLOOD PROTECTION SYSTEMS.**—Section 1307(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(f)) is amended by striking the first sentence and inserting the following: “Notwithstanding any other provision of law, this subsection shall apply to riverine and coastal levees that are located in a community which has been determined by the Administrator of the Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so, and shall apply without regard to the level of Federal funding of or participation in the construction, reconstruction, or improvement of the flood protection system.”.

**SEC. 108. TREATMENT OF FLOODPROOFED RESIDENTIAL BASEMENTS.**

In implementing section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(h)), the Administrator shall rate a covered structure using the elevation difference between the floodproofed elevation of the covered structure and the adjusted base flood elevation of the covered structure.

**SEC. 109. DESIGNATION OF FLOOD INSURANCE ADVOCATE.**

(A) **IN GENERAL.**—The Administrator shall designate a Flood Insurance Advocate to advocate for the fair treatment of policy holders under the National Flood Insurance Program and property owners in the mapping of flood hazards, the identification of risks from flood, and the implementation of measures to minimize the risk of flood.

(B) **DUTIES AND RESPONSIBILITIES.**—The duties and responsibilities of the Flood Insurance Advocate designated under subsection (a) shall be to—

(1) educate property owners and policyholders under the National Flood Insurance Program on—

(A) individual flood risks;

(B) flood mitigation;

(C) measures to reduce flood insurance rates through effective mitigation; and

(D) the flood insurance rate map review and amendment process;

(2) assist policy holders under the National Flood Insurance Program and property owners to understand the procedural requirements related to appealing preliminary flood insurance rate maps and implementing measures to mitigate evolving flood risks;

(3) assist in the development of regional capacity to respond to individual constituent concerns about flood insurance rate map amendments and revisions;

(4) coordinate outreach and education with local officials and community leaders in areas impacted by proposed flood insurance rate map amendments and revisions; and

(5) aid potential policy holders under the National Flood Insurance Program in obtaining and verifying accurate and reliable flood insurance rate information when purchasing or renewing a flood insurance policy.

(C) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the duties and responsibilities of the Flood Insurance Advocate.

**SEC. 110. EXCEPTIONS TO ESCROW REQUIREMENT FOR FLOOD INSURANCE PAYMENTS.**

(A) **IN GENERAL.**—Section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) is amended—

(1) in subparagraph (A), in the second sentence, by striking “subparagraph (C)” and inserting “subparagraph (B)”; and

(2) in subparagraph (B)—

(A) in clause (ii), by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and adjusting the margins accordingly;

(B) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly;

(C) in the matter preceding subclause (I), as redesignated by subparagraph (B), by striking “(A) or (B), if—” and inserting the following: “(A)—

“(i) if—”;

(D) by striking the period at the end and inserting “; or”; and

(E) by adding at the end the following

“(ii) in the case of a loan that—

“(I) is in a junior or subordinate position to a senior lien secured by the same residential improved real estate or mobile home for which flood insurance is being provided at the time of the origination of the loan;

“(II) is secured by residential improved real estate or a mobile home that is part of a condominium, cooperative, or other project development, if the residential improved real estate or mobile home is covered by a flood insurance policy that—

“(aa) meets the requirements that the regulated lending institution is required to enforce under subsection (b)(1);

“(bb) is provided by the condominium association, cooperative, homeowners association, or other applicable group; and

“(cc) the premium for which is paid by the condominium association, cooperative, homeowners association, or other applicable group as a common expense;

“(III) is secured by residential improved real estate or a mobile home that is used as collateral for a business purpose;

“(IV) is a home equity line of credit;

“(V) is a nonperforming loan; or

“(VI) has a term of not longer than 12 months.”.

(b) **APPLICABILITY.**—

(1) **IN GENERAL.**—

(A) **REQUIRED APPLICATION.**—The amendments to section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) made by section 100209(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 920) and by subsection (a) of this section shall apply to any loan that is originated, refinanced, increased, extended, or renewed on or after January 1, 2016.

(B) **OPTIONAL APPLICATION.**—

(i) **DEFINITIONS.**—In this subparagraph—

(I) the terms “Federal entity for lending regulation”, “improved real estate”, “regulated lending institution”, and “servicer” have the meanings given the terms in section 3 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003);

(II) the term “outstanding loan” means a loan that—

(aa) is outstanding as of January 1, 2016;

(bb) is not subject to the requirement to escrow premiums and fees for flood insurance under section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)) as in effect on July 5, 2012; and

(cc) would, if the loan had been originated, refinanced, increased, extended, or renewed on or after January 1, 2016, be subject to the requirements under section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended; and

(III) the term “section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended” means section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)(A)), as amended by—

(aa) section 100209(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 920); and

(bb) subsection (a) of this section.

(ii) **OPTION TO ESCROW FLOOD INSURANCE PAYMENTS.**—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that each regulated lending institution or servicer of an outstanding loan shall offer and make available to a borrower the option to have the borrower’s payment of premiums and fees for flood insurance under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), including the escrow of such payments, be treated in the same manner provided under section 102(d)(1)(A) of the Flood Disaster Protection Act of 1973, as amended.

(2) **REPEAL OF 2-YEAR DELAY ON APPLICABILITY.**—Subsection (b) of section 100209 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112-141; 126 Stat. 920) is repealed.

(3) **RULE OF CONSTRUCTION.**—Nothing in this section or the amendments made by this section shall be construed to supersede, during the period beginning on July 6, 2012 and ending on December 31, 2015, the requirements under section 102(d)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1)), as in effect on July 5, 2012.

#### **SEC. 111. MONTHLY INSTALLMENT PAYMENTS FOR PREMIUMS.**

Section 1308(g) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(g)) is amended by striking “either annually or in more frequent installments” and inserting “annually, monthly, or in other installments that are more frequent than annually”.

#### **SEC. 112. ACCOUNTING FOR FLOOD MITIGATION ACTIVITIES IN ESTIMATES OF PREMIUM RATES.**

Section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) is amended by amending subparagraph (A) to read as follows:

“(A) based on consideration of—

“(i) the risk involved and accepted actuarial principles; and

“(ii) the flood mitigation activities that an owner or lessee has undertaken on a property, including differences in the risk involved due to land use measures, floodproofing, flood forecasting, and similar measures.”.

#### **SEC. 113. HOME IMPROVEMENT FAIRNESS.**

Section 1307(a)(2)(E)(ii) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(2)(E)(ii)) is amended by striking “30 percent” and inserting “50 percent”.

#### **SEC. 114. STUDY OF VOLUNTARY COMMUNITY-BASED FLOOD INSURANCE OPTIONS.**

(a) **STUDY.**—

(1) **STUDY REQUIRED.**—The Administrator shall conduct a study to assess options, methods, and strategies for making available voluntary community-based flood insurance policies through the National Flood Insurance Program.

(2) **CONSIDERATIONS.**—The study conducted under paragraph (1) shall—

(A) take into consideration and analyze how voluntary community-based flood insurance policies—

(i) would affect communities having varying economic bases, geographic locations, flood hazard characteristics or classifications, and flood management approaches; and

(ii) could satisfy the applicable requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a); and

(B) evaluate the advisability of making available voluntary community-based flood insurance policies to communities, subdivisions of communities, and areas of residual risk.

(3) **CONSULTATION.**—In conducting the study required under paragraph (1), the Administrator may consult with the Comptroller General of the United States, as the Administrator determines is appropriate.

(b) **REPORT BY THE ADMINISTRATOR.**—

(1) **REPORT REQUIRED.**—Not later than 18 months after the date of enactment of this Act, the Administrator 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 that contains the results and conclusions of the study conducted under subsection (a).

(2) **CONTENTS.**—The report submitted under paragraph (1) shall include recommendations for—

(A) the best manner to incorporate voluntary community-based flood insurance policies into the National Flood Insurance Program; and

(B) a strategy to implement voluntary community-based flood insurance policies that would encourage communities to undertake flood mitigation activities, including the construction, reconstruction, or improvement of levees, dams, or other flood control structures.

(c) **REPORT BY COMPTROLLER GENERAL.**—Not later than 6 months after the date on which the Administrator submits the report required under subsection (b), the Comptroller General of the United States shall—

(1) review the report submitted by the Administrator; and

(2) 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 that contains—

(A) an analysis of the report submitted by the Administrator;

(B) any comments or recommendations of the Comptroller General relating to the report submitted by the Administrator; and

(C) any other recommendations of the Comptroller General relating to community-based flood insurance policies.

#### **SEC. 115. EXEMPTION FROM FEES FOR CERTAIN MAP CHANGE REQUESTS.**

Notwithstanding any other provision of law, a requester shall be exempt from submitting a review or processing fee for a request for a flood insurance rate map change based on a habitat restoration project that is funded in whole or in part with Federal or State funds, including dam removal, culvert redesign or installation, or the installation of fish passage.

#### **SEC. 116. FLOOD MITIGATION METHODS FOR URBAN BUILDINGS.**

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue guidelines for property owners that—

(1) provide alternative methods of mitigation, other than building elevation, to reduce flood risk to urban residential buildings that cannot be elevated due to their structural characteristics, including—

(A) types of building materials; and

(B) types of floodproofing; and

(2) inform property owners about how the implementation of mitigation methods described in paragraph (1) may affect risk premium rates for flood insurance coverage under the National Flood Insurance Program.

(b) **CALCULATION OF RISK PREMIUM RATES.**—In calculating the risk premium rate charged for flood insurance for a property under section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), the Administrator shall take into account the implementation of any mitigation method identified by the Administrator in the guidance issued under subsection (a) of this section.

### **TITLE II—NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS**

#### **SEC. 201. SHORT TITLE.**

This title may be cited as the “National Association of Registered Agents and Brokers Reform Act of 2014”.

#### **SEC. 202. REESTABLISHMENT OF THE NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

(a) **IN GENERAL.**—Subtitle C of title III of the Gramm-Leach-Bliley Act (15 U.S.C. 6751 et seq.) is amended to read as follows:

##### **“Subtitle C—National Association of Registered Agents and Brokers**

#### **“SEC. 321. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

“(a) **ESTABLISHMENT.**—There is established the National Association of Registered Agents and Brokers (referred to in this subtitle as the Association).

“(b) **STATUS.**—The Association shall—

“(1) be a nonprofit corporation;

“(2) not be an agent or instrumentality of the Federal Government;

“(3) be an independent organization that may not be merged with or into any other private or public entity; and

“(4) except as otherwise provided in this subtitle, be subject to, and have all the powers conferred upon, a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29-301.01 et seq.) or any successor thereto.

#### **“SEC. 322. PURPOSE.**

“The purpose of the Association shall be to provide a mechanism through which licensing, continuing education, and other non-resident insurance producer qualification requirements and conditions may be adopted and applied on a multi-state basis without affecting the laws, rules, and regulations, and preserving the rights of a State, pertaining to—

“(1) licensing, continuing education, and other qualification requirements of insurance producers that are not members of the Association;

“(2) resident or nonresident insurance producer appointment requirements;

“(3) supervising and disciplining resident and nonresident insurance producers;

“(4) establishing licensing fees for resident and nonresident insurance producers so that there is no loss of insurance producer licensing revenue to the State; and

“(5) prescribing and enforcing laws and regulations regulating the conduct of resident and nonresident insurance producers.

**“SEC. 323. MEMBERSHIP.****“(a) ELIGIBILITY.—**

“(1) **IN GENERAL.**—Any insurance producer licensed in its home State shall, subject to paragraphs (2) and (4), be eligible to become a member of the Association.

“(2) **INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.**—Subject to paragraph (3), an insurance producer is not eligible to become a member of the Association if a State insurance regulator has suspended or revoked the insurance license of the insurance producer in that State.

“(3) **RESUMPTION OF ELIGIBILITY.**—Paragraph (2) shall cease to apply to any insurance producer if—

“(A) the State insurance regulator reissues or renews the license of the insurance producer in the State in which the license was suspended or revoked, or otherwise terminates or vacates the suspension or revocation; or

“(B) the suspension or revocation expires or is subsequently overturned by a court of competent jurisdiction.

**“(4) CRIMINAL HISTORY RECORD CHECK REQUIRED.—**

“(A) **IN GENERAL.**—An insurance producer who is an individual shall not be eligible to become a member of the Association unless the insurance producer has undergone a criminal history record check that complies with regulations prescribed by the Attorney General of the United States under subparagraph (K).

“(B) **CRIMINAL HISTORY RECORD CHECK REQUESTED BY HOME STATE.**—An insurance producer who is licensed in a State and who has undergone a criminal history record check during the 2-year period preceding the date of submission of an application to become a member of the Association, in compliance with a requirement to undergo such criminal history record check as a condition for such licensure in the State, shall be deemed to have undergone a criminal history record check for purposes of subparagraph (A).

**“(C) CRIMINAL HISTORY RECORD CHECK REQUESTED BY ASSOCIATION.—**

“(i) **IN GENERAL.**—The Association shall, upon request by an insurance producer licensed in a State, submit identification information obtained from the insurance producer, and a request for a criminal history record check of the insurance producer, to the Federal Bureau of Investigation.

“(ii) **PROCEDURES.**—The board of directors of the Association (referred to in this subtitle as the Board) shall prescribe procedures for obtaining and utilizing identification information and criminal history record information, including the establishment of reasonable fees required to perform a criminal history record check and appropriate safeguards for maintaining confidentiality and security of the information.

“(D) **FORM OF REQUEST.**—A submission under subparagraph (C)(i) shall include such identification information as is required by the Attorney General concerning the person about whom the criminal history record check is requested, and a statement signed by the person authorizing the Attorney General to provide the information to the Association and for the Association to receive the information.

“(E) **PROVISION OF INFORMATION BY ATTORNEY GENERAL.**—Upon receiving a submission under subparagraph (C)(i) from the Association, the Attorney General shall search all criminal history records of the Federal Bureau of Investigation, including records of the Criminal Justice Information Services Division of the Federal Bureau of Investigation, that the Attorney General determines appropriate for criminal history records corresponding to the identification information provided under subparagraph (D) and provide

all criminal history record information included in the request to the Association.

“(F) **LIMITATION ON PERMISSIBLE USES OF INFORMATION.**—Any information provided to the Association under subparagraph (E) may only—

“(i) be used for purposes of determining compliance with membership criteria established by the Association;

“(ii) be disclosed to State insurance regulators, or Federal or State law enforcement agencies, in conformance with applicable law; or

“(iii) be disclosed, upon request, to the insurance producer to whom the criminal history record information relates.

“(G) **PENALTY FOR IMPROPER USE OR DISCLOSURE.**—Whoever knowingly uses any information provided under subparagraph (E) for a purpose not authorized in subparagraph (F), or discloses any such information to anyone not authorized to receive it, shall be fined under title 18, United States Code, imprisoned for not more than 2 years, or both.

“(H) **RELIANCE ON INFORMATION.**—Neither the Association nor any of its Board members, officers, or employees shall be liable in any action for using information provided under subparagraph (E) as permitted under subparagraph (F) in good faith and in reasonable reliance on its accuracy.

“(I) **FEES.**—The Attorney General may charge a reasonable fee for conducting the search and providing the information under subparagraph (E), and any such fee shall be collected and remitted by the Association to the Attorney General.

“(J) **RULE OF CONSTRUCTION.**—Nothing in this paragraph shall be construed as—

“(i) requiring a State insurance regulator to perform criminal history record checks under this section; or

“(ii) limiting any other authority that allows access to criminal history records.

“(K) **REGULATIONS.**—The Attorney General shall prescribe regulations to carry out this paragraph, which shall include—

“(i) appropriate protections for ensuring the confidentiality of information provided under subparagraph (E); and

“(ii) procedures providing a reasonable opportunity for an insurance producer to contest the accuracy of information regarding the insurance producer provided under subparagraph (E).

**“(L) INELIGIBILITY FOR MEMBERSHIP.—**

“(i) **IN GENERAL.**—The Association may, under reasonably consistently applied standards, deny membership to an insurance producer on the basis of criminal history record information provided under subparagraph (E), or where the insurance producer has been subject to disciplinary action, as described in paragraph (2).

“(ii) **RIGHTS OF APPLICANTS DENIED MEMBERSHIP.**—The Association shall notify any insurance producer who is denied membership on the basis of criminal history record information provided under subparagraph (E) of the right of the insurance producer to—

“(I) obtain a copy of all criminal history record information provided to the Association under subparagraph (E) with respect to the insurance producer; and

“(II) challenge the denial of membership based on the accuracy and completeness of the information.

“(M) **DEFINITION.**—For purposes of this paragraph, the term criminal history record check means a national background check of criminal history records of the Federal Bureau of Investigation.

“(b) **AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.**—The Association may establish membership criteria that bear a reasonable relationship to the purposes for which the Association was established.

“(c) **ESTABLISHMENT OF CLASSES AND CATEGORIES OF MEMBERSHIP.—**

“(1) **CLASSES OF MEMBERSHIP.**—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, experience, or other qualifications.

“(2) **BUSINESS ENTITIES.**—The Association shall establish a class of membership and membership criteria for business entities. A business entity that applies for membership shall be required to designate an individual Association member responsible for the compliance of the business entity with Association standards and the insurance laws, rules, and regulations of any State in which the business entity seeks to do business on the basis of Association membership.

**“(3) CATEGORIES.—**

“(A) **SEPARATE CATEGORIES FOR INSURANCE PRODUCERS PERMITTED.**—The Association may establish separate categories of membership for insurance producers and for other persons or entities within each class, based on the types of licensing categories that exist under State laws.

“(B) **SEPARATE TREATMENT FOR DEPOSITORY INSTITUTIONS PROHIBITED.**—No special categories of membership, and no distinct membership criteria, shall be established for members that are depository institutions or for employees, agents, or affiliates of depository institutions.

**“(d) MEMBERSHIP CRITERIA.—**

“(1) **IN GENERAL.**—The Association may establish criteria for membership which shall include standards for personal qualifications, education, training, and experience. The Association shall not establish criteria that unfairly limit the ability of a small insurance producer to become a member of the Association, including imposing discriminatory membership fees.

“(2) **QUALIFICATIONS.**—In establishing criteria under paragraph (1), the Association shall not adopt any qualification less protective to the public than that contained in the National Association of Insurance Commissioners (referred to in this subtitle as the NAIC) Producer Licensing Model Act in effect as of the date of enactment of the National Association of Registered Agents and Brokers Reform Act of 2014, and shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

**“(3) ASSISTANCE FROM STATES.—**

“(A) **IN GENERAL.**—The Association may request a State to provide assistance in investigating and evaluating the eligibility of a prospective member for membership in the Association.

“(B) **AUTHORIZATION OF INFORMATION SHARING.**—A submission under subsection (a)(4)(C)(i) made by an insurance producer licensed in a State shall include a statement signed by the person about whom the assistance is requested authorizing—

“(i) the State to share information with the Association; and

“(ii) the Association to receive the information.

“(C) **RULE OF CONSTRUCTION.**—Subparagraph (A) shall not be construed as requiring or authorizing any State to adopt new or additional requirements concerning the licensing or evaluation of insurance producers.

“(4) **DENIAL OF MEMBERSHIP.**—The Association may, based on reasonably consistently applied standards, deny membership to any State-licensed insurance producer for failure to meet the membership criteria established by the Association.

**“(e) EFFECT OF MEMBERSHIP.—**

“(1) **AUTHORITY OF ASSOCIATION MEMBERS.**—Membership in the Association shall—

“(A) authorize an insurance producer to sell, solicit, or negotiate insurance in any State for which the member pays the licensing fee set by the State for any line or lines of insurance specified in the home State license of the insurance producer, and exercise all such incidental powers as shall be necessary to carry out such activities, including claims adjustments and settlement to the extent permissible under the laws of the State, risk management, employee benefits advice, retirement planning, and any other insurance-related consulting activities;

“(B) be the equivalent of a nonresident insurance producer license for purposes of authorizing the insurance producer to engage in the activities described in subparagraph (A) in any State where the member pays the licensing fee; and

“(C) be the equivalent of a nonresident insurance producer license for the purpose of subjecting an insurance producer to all laws, regulations, provisions or other action of any State concerning revocation, suspension, or other enforcement action related to the ability of a member to engage in any activity within the scope of authority granted under this subsection and to all State laws, regulations, provisions, and actions preserved under paragraph (5).

“(2) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Nothing in this subtitle shall be construed to alter, modify, or supercede any requirement established by section 1033 of title 18, United States Code.

“(3) AGENT FOR REMITTING FEES.—The Association shall act as an agent for any member for purposes of remitting licensing fees to any State pursuant to paragraph (1).

“(4) NOTIFICATION OF ACTION.—

“(A) IN GENERAL.—The Association shall notify the States (including State insurance regulators) and the NAIC when an insurance producer has satisfied the membership criteria of this section. The States (including State insurance regulators) shall have 10 business days after the date of the notification in order to provide the Association with evidence that the insurance producer does not satisfy the criteria for membership in the Association.

“(B) ONGOING DISCLOSURES REQUIRED.—On an ongoing basis, the Association shall disclose to the States (including State insurance regulators) and the NAIC a list of the States in which each member is authorized to operate. The Association shall immediately notify the States (including State insurance regulators) and the NAIC when a member is newly authorized to operate in one or more States, or is no longer authorized to operate in one or more States on the basis of Association membership.

“(5) PRESERVATION OF CONSUMER PROTECTION AND MARKET CONDUCT REGULATION.—

“(A) IN GENERAL.—No provision of this section shall be construed as altering or affecting the applicability or continuing effectiveness of any law, regulation, provision, or other action of any State, including those described in subparagraph (B), to the extent that the State law, regulation, provision, or other action is not inconsistent with the provisions of this subtitle related to market entry for nonresident insurance producers, and then only to the extent of the inconsistency.

“(B) PRESERVED REGULATIONS.—The laws, regulations, provisions, or other actions of any State referred to in subparagraph (A) include laws, regulations, provisions, or other actions that—

“(i) regulate market conduct, insurance producer conduct, or unfair trade practices;

“(ii) establish consumer protections; or

“(iii) require insurance producers to be appointed by a licensed or authorized insurer.

“(f) BIENNIAL RENEWAL.—Membership in the Association shall be renewed on a biennial basis.

“(g) CONTINUING EDUCATION.—

“(1) IN GENERAL.—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to the continuing education requirements under the licensing laws of a majority of the States.

“(2) STATE CONTINUING EDUCATION REQUIREMENTS.—A member may not be required to satisfy continuing education requirements imposed under the laws, regulations, provisions, or actions of any State other than the home State of the member.

“(3) RECIPROCITY.—The Association shall not require a member to satisfy continuing education requirements that are equivalent to any continuing education requirements of the home State of the member that have been satisfied by the member during the applicable licensing period.

“(4) LIMITATION ON THE ASSOCIATION.—The Association shall not directly or indirectly offer any continuing education courses for insurance producers.

“(h) PROBATION, SUSPENSION AND REVOCATION.—

“(1) DISCIPLINARY ACTION.—The Association may place an insurance producer that is a member of the Association on probation or suspend or revoke the membership of the insurance producer in the Association, or assess monetary fines or penalties, as the Association determines to be appropriate, if—

“(A) the insurance producer fails to meet the applicable membership criteria or other standards established by the Association;

“(B) the insurance producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator;

“(C) an insurance license held by the insurance producer has been suspended or revoked by a State insurance regulator; or

“(D) the insurance producer has been convicted of a crime that would have resulted in the denial of membership pursuant to subsection (a)(4)(L)(i) at the time of application, and the Association has received a copy of the final disposition from a court of competent jurisdiction.

“(2) VIOLATIONS OF ASSOCIATION STANDARDS.—The Association shall have the power to investigate alleged violations of Association standards.

“(3) REPORTING.—The Association shall immediately notify the States (including State insurance regulators) and the NAIC when the membership of an insurance producer has been placed on probation or has been suspended, revoked, or otherwise terminated, or when the Association has assessed monetary fines or penalties.

“(i) CONSUMER COMPLAINTS.—

“(1) IN GENERAL.—The Association shall—

“(A) refer any complaint against a member of the Association from a consumer relating to alleged misconduct or violations of State insurance laws to the State insurance regulator where the consumer resides and, when appropriate, to any additional State insurance regulator, as determined by standards adopted by the Association; and

“(B) make any related records and information available to each State insurance regulator to whom the complaint is forwarded.

“(2) TELEPHONE AND OTHER ACCESS.—The Association shall maintain a toll-free number for purposes of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet webpage.

“(3) FINAL DISPOSITION OF INVESTIGATION.—State insurance regulators shall provide the Association with information regarding the

final disposition of a complaint referred pursuant to paragraph (1)(A), but nothing shall be construed to compel a State to release confidential investigation reports or other information protected by State law to the Association.

“(j) INFORMATION SHARING.—The Association may—

“(1) share documents, materials, or other information, including confidential and privileged documents, with a State, Federal, or international governmental entity or with the NAIC or other appropriate entity referenced in paragraphs (3) and (4), provided that the recipient has the authority and agrees to maintain the confidentiality or privileged status of the document, material, or other information;

“(2) limit the sharing of information as required under this subtitle with the NAIC or any other non-governmental entity, in circumstances under which the Association determines that the sharing of such information is unnecessary to further the purposes of this subtitle;

“(3) establish a central clearinghouse, or utilize the NAIC or another appropriate entity, as determined by the Association, as a central clearinghouse, for use by the Association and the States (including State insurance regulators), through which members of the Association may disclose their intent to operate in 1 or more States and pay the licensing fees to the appropriate States; and

“(4) establish a database, or utilize the NAIC or another appropriate entity, as determined by the Association, as a database, for use by the Association and the States (including State insurance regulators) for the collection of regulatory information concerning the activities of insurance producers.

“(k) EFFECTIVE DATE.—The provisions of this section shall take effect on the later of—

“(1) the expiration of the 2-year period beginning on the date of enactment of the National Association of Registered Agents and Brokers Reform Act of 2014; and

“(2) the date of incorporation of the Association.

#### “SEC. 324. BOARD OF DIRECTORS.

“(a) ESTABLISHMENT.—There is established a board of directors of the Association, which shall have authority to govern and supervise all activities of the Association.

“(b) POWERS.—The Board shall have such of the powers and authority of the Association as may be specified in the bylaws of the Association.

“(c) COMPOSITION.—

“(1) IN GENERAL.—The Board shall consist of 13 members who shall be appointed by the President, by and with the advice and consent of the Senate, in accordance with the procedures established under Senate Resolution 116 of the 112th Congress, of whom—

“(A) 8 shall be State insurance commissioners appointed in the manner provided in paragraph (2), 1 of whom shall be designated by the President to serve as the chairperson of the Board until the Board elects one such State insurance commissioner Board member to serve as the chairperson of the Board;

“(B) 3 shall have demonstrated expertise and experience with property and casualty insurance producer licensing; and

“(C) 2 shall have demonstrated expertise and experience with life or health insurance producer licensing.

“(2) STATE INSURANCE REGULATOR REPRESENTATIVES.—

“(A) RECOMMENDATIONS.—Before making any appointments pursuant to paragraph (1)(A), the President shall request a list of recommended candidates from the States through the NAIC, which shall not be binding on the President. If the NAIC fails to



submit a list of recommendations not later than 15 business days after the date of the request, the President may make the requisite appointments without considering the views of the NAIC.

“(B) POLITICAL AFFILIATION.—Not more than 4 Board members appointed under paragraph (1)(A) shall belong to the same political party.

“(C) FORMER STATE INSURANCE COMMISSIONERS.—

“(i) IN GENERAL.—If, after offering each currently serving State insurance commissioner an appointment to the Board, fewer than 8 State insurance commissioners have accepted appointment to the Board, the President may appoint the remaining State insurance commissioner Board members, as required under paragraph (1)(A), of the appropriate political party as required under subparagraph (B), from among individuals who are former State insurance commissioners.

“(ii) LIMITATION.—A former State insurance commissioner appointed as described in clause (i) may not be employed by or have any present direct or indirect financial interest in any insurer, insurance producer, or other entity in the insurance industry, other than direct or indirect ownership of, or beneficial interest in, an insurance policy or annuity contract written or sold by an insurer.

“(D) SERVICE THROUGH TERM.—If a Board member appointed under paragraph (1)(A) ceases to be a State insurance commissioner during the term of the Board member, the Board member shall cease to be a Board member.

“(3) PRIVATE SECTOR REPRESENTATIVES.—In making any appointment pursuant to subparagraphs (B) and (C) of paragraph (1), the President may seek recommendations for candidates from groups representing the category of individuals described, which shall not be binding on the President.

“(4) STATE INSURANCE COMMISSIONER DEFINED.—For purposes of this subsection, the term State insurance commissioner means a person who serves in the position in State government, or on the board, commission, or other body that is the primary insurance regulatory authority for the State.

“(d) TERMS.—

“(1) IN GENERAL.—Except as provided under paragraph (2), the term of service for each Board member shall be 2 years.

“(2) EXCEPTIONS.—

“(A) 1-YEAR TERMS.—The term of service shall be 1 year, as designated by the President at the time of the nomination of the subject Board members for—

“(i) 4 of the State insurance commissioner Board members initially appointed under paragraph (1)(A), of whom not more than 2 shall belong to the same political party;

“(ii) 1 of the Board members initially appointed under paragraph (1)(B); and

“(iii) 1 of the Board members initially appointed under paragraph (1)(C).

“(B) EXPIRATION OF TERM.—A Board member may continue to serve after the expiration of the term to which the Board member was appointed for the earlier of 2 years or until a successor is appointed.

“(C) MID-TERM APPOINTMENTS.—A Board member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the Board member was appointed shall be appointed only for the remainder of that term.

“(3) SUCCESSIVE TERMS.—Board members may be reappointed to successive terms.

“(e) INITIAL APPOINTMENTS.—The appointment of initial Board members shall be made no later than 90 days after the date of enactment of the National Association of Registered Agents and Brokers Reform Act of 2014.

“(f) MEETINGS.—

“(1) IN GENERAL.—The Board shall meet—

“(A) at the call of the chairperson;

“(B) as requested in writing to the chairperson by not fewer than 5 Board members; or

“(C) as otherwise provided by the bylaws of the Association.

“(2) QUORUM REQUIRED.—A majority of all Board members shall constitute a quorum.

“(3) VOTING.—Decisions of the Board shall require the approval of a majority of all Board members present at a meeting, a quorum being present.

“(4) INITIAL MEETING.—The Board shall hold its first meeting not later than 45 days after the date on which all initial Board members have been appointed.

“(g) RESTRICTION ON CONFIDENTIAL INFORMATION.—Board members appointed pursuant to subparagraphs (B) and (C) of subsection (c)(1) shall not have access to confidential information received by the Association in connection with complaints, investigations, or disciplinary proceedings involving insurance producers.

“(h) ETHICS AND CONFLICTS OF INTEREST.—The Board shall issue and enforce an ethical conduct code to address permissible and prohibited activities of Board members and Association officers, employees, agents, or consultants. The code shall, at a minimum, include provisions that prohibit any Board member or Association officer, employee, agent or consultant from—

“(1) engaging in unethical conduct in the course of performing Association duties;

“(2) participating in the making or influencing the making of any Association decision, the outcome of which the Board member, officer, employee, agent, or consultant knows or had reason to know would have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the person or a member of the immediate family of the person;

“(3) accepting any gift from any person or entity other than the Association that is given because of the position held by the person in the Association;

“(4) making political contributions to any person or entity on behalf of the Association; and

“(5) lobbying or paying a person to lobby on behalf of the Association.

“(i) COMPENSATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), no Board member may receive any compensation from the Association or any other person or entity on account of Board membership.

“(2) TRAVEL EXPENSES AND PER DIEM.—Board members may be reimbursed only by the Association for travel expenses, including per diem in lieu of subsistence, at rates consistent with rates authorized for employees of Federal agencies under subchapter I of chapter 57 of title 5, United States Code, while away from home or regular places of business in performance of services for the Association.

#### “SEC. 325. BYLAWS, STANDARDS, AND DISCIPLINARY ACTIONS.

“(a) ADOPTION AND AMENDMENT OF BYLAWS AND STANDARDS.—

“(1) PROCEDURES.—The Association shall adopt procedures for the adoption of bylaws and standards that are similar to procedures under subchapter II of chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act).

“(2) COPY REQUIRED TO BE FILED.—The Board shall submit to the President, through the Department of the Treasury, and the States (including State insurance regulators), and shall publish on the website of the Association, all proposed bylaws and standards of the Association, or any pro-

posed amendment to the bylaws or standards of the Association, accompanied by a concise general statement of the basis and purpose of such proposal.

“(3) EFFECTIVE DATE.—Any proposed bylaw or standard of the Association, and any proposed amendment to the bylaws or standards of the Association, shall take effect, after notice under paragraph (2) and opportunity for public comment, on such date as the Association may designate, unless suspended under section 329(c).

“(4) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to subject the Board or the Association to the requirements of subchapter II of chapter 5 of title 5, United States Code (commonly known as the Administrative Procedure Act).

“(b) DISCIPLINARY ACTION BY THE ASSOCIATION.—

“(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed, or to determine whether a member of the Association should be placed on probation (referred to in this section as a disciplinary action) or whether to assess fines or monetary penalties, the Association shall bring specific charges, notify the member of the charges, give the member an opportunity to defend against the charges, and keep a record.

“(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

“(A) any act or practice in which the member has been found to have been engaged;

“(B) the specific provision of this subtitle or standard of the Association that any such act or practice is deemed to violate; and

“(C) the sanction imposed and the reason for the sanction.

“(3) INELIGIBILITY OF PRIVATE SECTOR REPRESENTATIVES.—Board members appointed pursuant to section 324(c)(3) may not—

“(A) participate in any disciplinary action or be counted toward establishing a quorum during a disciplinary action; and

“(B) have access to confidential information concerning any disciplinary action.

#### “SEC. 326. POWERS.

“In addition to all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, the Association shall have the power to—

“(1) establish and collect such membership fees as the Association finds necessary to impose to cover the costs of its operations;

“(2) adopt, amend, and repeal bylaws, procedures, or standards governing the conduct of Association business and performance of its duties;

“(3) establish procedures for providing notice and opportunity for comment pursuant to section 325(a);

“(4) enter into and perform such agreements as necessary to carry out the duties of the Association;

“(5) hire employees, professionals, or specialists, and elect or appoint officers, and to fix their compensation, define their duties and give them appropriate authority to carry out the purposes of this subtitle, and determine their qualification;

“(6) establish personnel policies of the Association and programs relating to, among other things, conflicts of interest, rates of compensation, where applicable, and qualifications of personnel;

“(7) borrow money; and

“(8) secure funding for such amounts as the Association determines to be necessary and appropriate to organize and begin operations of the Association, which shall be treated as loans to be repaid by the Association with interest at market rate.

**"SEC. 327. REPORT BY THE ASSOCIATION.**

"(a) IN GENERAL.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President, through the Department of the Treasury, and the States (including State insurance regulators), and shall publish on the website of the Association, a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year.

"(b) FINANCIAL STATEMENTS.—Each report submitted under subsection (a) with respect to any fiscal year shall include audited financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

**"SEC. 328. LIABILITY OF THE ASSOCIATION AND THE BOARD MEMBERS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.**

"(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

"(b) LIABILITY OF BOARD MEMBERS, OFFICERS, AND EMPLOYEES.—No Board member, officer, or employee of the Association shall be personally liable to any person for any action taken or omitted in good faith in any matter within the scope of their responsibilities in connection with the Association.

**"SEC. 329. PRESIDENTIAL OVERSIGHT.**

"(a) REMOVAL OF BOARD.—If the President determines that the Association is acting in a manner contrary to the interests of the public or the purposes of this subtitle or has failed to perform its duties under this subtitle, the President may remove the entire existing Board for the remainder of the term to which the Board members were appointed and appoint, in accordance with section 324 and with the advice and consent of the Senate, in accordance with the procedures established under Senate Resolution 116 of the 112th Congress, new Board members to fill the vacancies on the Board for the remainder of the terms.

"(b) REMOVAL OF BOARD MEMBER.—The President may remove a Board member only for neglect of duty or malfeasance in office.

"(c) SUSPENSION OF BYLAWS AND STANDARDS AND PROHIBITION OF ACTIONS.—Following notice to the Board, the President, or a person designated by the President for such purpose, may suspend the effectiveness of any bylaw or standard, or prohibit any action, of the Association that the President or the designee determines is contrary to the purposes of this subtitle.

**"SEC. 330. RELATIONSHIP TO STATE LAW.**

"(a) PREEMPTION OF STATE LAWS.—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted to the extent provided in subsection (b).

"(b) PROHIBITED ACTIONS.—

"(1) IN GENERAL.—No State shall—

"(A) impede the activities of, take any action against, or apply any provision of law or regulation arbitrarily or discriminatorily to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

"(B) impose any requirement upon a member of the Association that it pay fees different from those required to be paid to that

State were it not a member of the Association; or

"(C) impose any continuing education requirements on any nonresident insurance producer that is a member of the Association.

"(2) STATES OTHER THAN A HOME STATE.—No State, other than the home State of a member of the Association, shall—

"(A) impose any licensing, personal or corporate qualifications, education, training, experience, residency, continuing education, or bonding requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership;

"(B) impose any requirement upon a member of the Association that it be licensed, registered, or otherwise qualified to do business or remain in good standing in the State, including any requirement that the insurance producer register as a foreign company with the secretary of state or equivalent State official;

"(C) require that a member of the Association submit to a criminal history record check as a condition of doing business in the State; or

"(D) impose any licensing, registration, or appointment requirements upon a member of the Association, or require a member of the Association to be authorized to operate as an insurance producer, in order to sell, solicit, or negotiate insurance for commercial property and casualty risks to an insured with risks located in more than one State, if the member is licensed or otherwise authorized to operate in the State where the insured maintains its principal place of business and the contract of insurance insures risks located in that State.

"(3) PRESERVATION OF STATE DISCIPLINARY AUTHORITY.—Nothing in this section may be construed to prohibit a State from investigating and taking appropriate disciplinary action, including suspension or revocation of authority of an insurance producer to do business in a State, in accordance with State law and that is not inconsistent with the provisions of this section, against a member of the Association as a result of a complaint or for any alleged activity, regardless of whether the activity occurred before or after the insurance producer commenced doing business in the State pursuant to Association membership.

**"SEC. 331. COORDINATION WITH FINANCIAL INDUSTRY REGULATORY AUTHORITY.**

"The Association shall coordinate with the Financial Industry Regulatory Authority in order to ease any administrative burdens that fall on members of the Association that are subject to regulation by the Financial Industry Regulatory Authority, consistent with the requirements of this subtitle and the Federal securities laws.

**"SEC. 332. RIGHT OF ACTION.**

"(a) RIGHT OF ACTION.—Any person aggrieved by a decision or action of the Association may, after reasonably exhausting available avenues for resolution within the Association, commence a civil action in an appropriate United States district court, and obtain all appropriate relief.

"(b) ASSOCIATION INTERPRETATIONS.—In any action under subsection (a), the court shall give appropriate weight to the interpretation of the Association of its bylaws and standards and this subtitle.

**"SEC. 333. FEDERAL FUNDING PROHIBITED.**

"The Association may not receive, accept, or borrow any amounts from the Federal Government to pay for, or reimburse the Association for, the costs of establishing or operating the Association.

**"SEC. 334. DEFINITIONS.**

"For purposes of this subtitle, the following definitions shall apply:

"(1) BUSINESS ENTITY.—The term business entity means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

"(2) DEPOSITORY INSTITUTION.—The term depository institution has the meaning as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

"(3) HOME STATE.—The term home State means the State in which the insurance producer maintains its principal place of residence or business and is licensed to act as an insurance producer.

"(4) INSURANCE.—The term insurance means any product, other than title insurance or bail bonds, defined or regulated as insurance by the appropriate State insurance regulatory authority.

"(5) INSURANCE PRODUCER.—The term insurance producer means any insurance agent or broker, excess or surplus lines broker or agent, insurance consultant, limited insurance representative, and any other individual or entity that sells, solicits, or negotiates policies of insurance or offers advice, counsel, opinions or services related to insurance.

"(6) INSURER.—The term insurer has the meaning as in section 313(e)(2)(B) of title 31, United States Code.

"(7) PRINCIPAL PLACE OF BUSINESS.—The term principal place of business means the State in which an insurance producer maintains the headquarters of the insurance producer and, in the case of a business entity, where high-level officers of the entity direct, control, and coordinate the business activities of the business entity.

"(8) PRINCIPAL PLACE OF RESIDENCE.—The term principal place of residence means the State in which an insurance producer resides for the greatest number of days during a calendar year.

"(9) STATE.—The term State includes any State, the District of Columbia, any territory of the United States, and Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

"(10) STATE LAW.—

"(A) IN GENERAL.—The term State law includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State.

"(B) LAWS APPLICABLE IN THE DISTRICT OF COLUMBIA.—A law of the United States applicable only to or within the District of Columbia shall be treated as a State law rather than a law of the United States."

(b) TECHNICAL AMENDMENT.—The table of contents for the Gramm-Leach-Bliley Act is amended by striking the items relating to subtitle C of title III and inserting the following new items:

"Subtitle C—National Association of Registered Agents and Brokers

"Sec. 321. National Association of Registered Agents and Brokers.

"Sec. 322. Purpose.

"Sec. 323. Membership.

"Sec. 324. Board of directors.

"Sec. 325. Bylaws, standards, and disciplinary actions.

"Sec. 326. Powers.

"Sec. 327. Report by the Association.

"Sec. 328. Liability of the Association and the Board members, officers, and employees of the Association.

"Sec. 329. Presidential oversight.

"Sec. 330. Relationship to State law.

"Sec. 331. Coordination with Financial Industry Regulatory Authority.

"Sec. 332. Right of action.

"Sec. 333. Federal funding prohibited.

"Sec. 334. Definitions."



Mr. COCHRAN. Madam President, I move to reconsider the vote.

Mr. CARDIN. I move to lay that motion upon the table.

The motion to lay upon the table was agreed to.

#### AGRICULTURAL ACT OF 2014— CONFERENCE REPORT—Continued

Mr. CARDIN. Madam President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### INCOME INEQUALITY

Mr. CARDIN. Madam President, on Tuesday evening, President Obama, in his State of the Union Address, made the point that America must be the land of opportunity for all. He acknowledged, quite frankly, that for many families in this country the American dream is just that, a dream.

Many families have lost hope that their children or grandchildren will be able to achieve the American dream. President Obama made the point that if we all work together, the outlook for this country is strong and that we can make not only the American dream something people can continue to believe but it can become a reality for more and more American families.

But he also expressed the reality of where we are. The facts indicate that intergenerational mobility, that is, for a child born into poverty, their ability to move up the economic ladder has not changed in the last several decades. The American dream has become just that for too many families.

Let me point out some of the income disparity we have seen grow in the United States. Some of this is very understandable. It is understandable that people get paid differently. Some people work a lot harder, some people come up with an incredibly ingenious way of doing something, the American way of developing new technologies, people are willing to take greater risks than others. Yes, the reward will be greater. We do expect and we do appreciate, we do look up to people who can be very successful in our economic system.

But what is not understandable is how we have seen a growth in the income disparity among Americans during good times and bad times. Between 1979 and 2007, the top 1 percent in income in America saw their income go up 275 percent, whereas the three middle quintiles—this is what we usually consider to be the middle class, those from 20 percent to 80 percent—saw their income go up only 40 percent. This is in a period of economic growth in this country from 1979. To see your income go up only 40 percent, whereas the wealthiest are going up close to 300 percent, should be of concern to people of this country.

As we all know, in 2007 we went through a recession. Since that recession, median income in this country has declined. It went down 31 percent during the recession. But for the wealthiest, it actually went up. It went

up 31 percent. The median income went down for most Americans.

We have a problem. During good times, we are seeing the income of the wealthiest get larger, in bad times we see wealthy people protected, whereas middle-income families are doing worse. We even have what is known as the birth lottery. If you are born into poverty, we know you have a hard time getting out of poverty today. If you are in certain communities, it is even much more difficult.

So President Obama was right to concentrate on America as opportunity for all. How can we get a growing middle class in this country? What can we do to help everyone do better in our country? Many countries are doing much better than we are. This disparity strikes at the heart of who we are as a nation. We believe that if you work hard, you play according to the rules, you should be able to succeed in this country. For too many families, that is not the reality.

What can we do to make a difference? I know there has been a lot of talk as to what we can do to help in that regard, what we can do to make it better. It is very important to do that for the values of our country. It is important for the families who are affected. But it is also important for our economy.

So, yes, we need to increase opportunity for middle-income families so more people can live the American dream. We need to do that because that is what we stand for as a country. Those are our values. But we also need to do this for our economy. It is very interesting that the companies that are making money today are ready to invest in the growth of our economy. They need consumers. They need people who will buy the automobiles. They need people who will eat in the restaurants. They need people who will go on vacations. They need people who will buy the clothing in the stores. If they do not have the income to do it, they do not buy the products, our economy does not grow. So a growing middle class is critically important to our economy.

What steps can we take? First, we have already taken one very important step with the passage of the Affordable Care Act. The Affordable Care Act dealt with health care costs. We have seen a reduction in the rate of health care costs over the past couple of years. It is a major cost among American families. It has been growing and growing every year. We are now starting to see a slowdown in that. Why? Because we are dealing with health delivery. We are trying to make the health care system more efficient by looking at the total care of an individual rather than just looking at a specific episode.

We are trying to reduce readmissions. We are dealing with healthy lifestyles. The Affordable Care Act rewards all of those issues. We make quality affordable insurance available to all Americans.

Last year, nearly 2 million families had to go through bankruptcy in Amer-

ica because of health care costs. Last year it was estimated that 56 million American families struggled to pay their medical bills. So this is an issue we need to look at from the point of view of helping middle-income families.

Alan Krueger, the economist, observed:

We helped the middle class and those struggling to get into the middle class by lowering the growth of health care costs, by preventing those with pre-existing conditions from being denied health insurance coverage, by creating exchanges for small businesses and lower income families to obtain health insurance at competitive rates, and by providing tax subsidies to small businesses and lower income workers to purchase insurance.

The point Mr. Krueger was making is when we eliminate preexisting conditions, when we have health exchanges that allow individuals and small businesses to be able to get competitive rates, we are helping with middle-income growth in America.

There is a lot more we need to do in addition to the health care problems we have in this country. The President mentioned during his State of the Union Address that Americans need a pay raise. I could not agree with him more. In 1968—that was 46 years ago—the minimum wage in this country was set at \$1.60 per hour. If you adjust that for inflation, the minimum wage would be \$10.77. The minimum wage in America is not \$10.77, it is \$7.25 per hour. The tipped employee minimum wage is \$2.13. For a full-time worker at the minimum wage, \$7.25 per hour wage, they would be making a little over \$15,000 a year. You cannot support your family on \$15,000 a year.

The National Low Income Housing Coalition has done a study. There is not a single State in the Union where you can afford affordable housing. They defined that as a two-bedroom housing unit on the rental market. There is not a single State in the Nation where the \$15,000-a-year income allows you to be able to afford that housing for your family.

The American dream is on life support. We need to do more about that. One thing we can easily do in this Congress this year is raise the minimum wage to \$10.10 an hour.

We also need to adjust it for inflation. What does that mean? We have only adjusted minimum wages maybe three times in the last 30-some years. We need to have the minimum wage keep up with inflation. That way we do not have to deal with abrupt increases. We will have gentle increases, which I think is better for our economy to start off with, but it also keeps the minimum wage at where we want to set it. It does not erode the year after we pass it.

I think that makes sense. Let me dispel some of the myths about the minimum wage.

I hear frequently: Well, we are only taking about teenagers or those in their early twenties, it is their first job, and it is not so serious.