

116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To reauthorize the National Flood Insurance Program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mr. MENENDEZ (for himself, Mr. CASSIDY, and Mrs. HYDE-SMITH) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## A BILL

To reauthorize the National Flood Insurance Program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Flood Insur-  
5 ance Program Reauthorization and Reform Act of 2019”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Definitions.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

## 2

- Sec. 101. Reauthorization.
- Sec. 102. Cap on annual premium increases.
- Sec. 103. Means tested affordability voucher.
- Sec. 104. Optional monthly installment premium payment plans.
- Sec. 105. Study on business interruption coverage.
- Sec. 106. Cooperative coverage fairness.
- Sec. 107. Coverage limits.
- Sec. 108. Study on participation rates.

## TITLE II—MITIGATION AND MAPPING

- Sec. 201. Mitigation for high-risk properties.
- Sec. 202. Increased cost of compliance coverage.
- Sec. 203. Flood mitigation assistance grants.
- Sec. 204. Urban mitigation opportunities.
- Sec. 205. Community Rating System Regional Coordinator.
- Sec. 206. Mitigation loan program.
- Sec. 207. Revolving loan funds.
- Sec. 208. Mapping modernization.
- Sec. 209. Protected areas.
- Sec. 210. Community-wide flood mitigation activities.

## TITLE III—SOLVENCY

- Sec. 301. Forbearance on NFIP interest payments.
- Sec. 302. Cap on Write Your Own company compensation.
- Sec. 303. Taxpayer protection.
- Sec. 304. Vendor costs; transparency.
- Sec. 305. Availability of NFIP claims data.
- Sec. 306. Refusal of mitigation assistance.

## TITLE IV—POLICYHOLDER PROTECTION AND FAIRNESS

- Sec. 401. Earth movement fix and engineer standards.
- Sec. 402. Coverage of pre-FIRM condominium basements and study on street raising.
- Sec. 403. Guidance on remediation and policyholder duties.
- Sec. 404. Appeal of decisions relating to flood insurance coverage.
- Sec. 405. Accountability for underpayments and overpayments by Write Your Own companies.
- Sec. 406. Policyholders' right to know.
- Sec. 407. Increasing statute of limitations for lawsuits.
- Sec. 408. Authority to terminate contractors and vendors.
- Sec. 409. Easing proof of loss requirements.
- Sec. 410. Deadline for claim processing.
- Sec. 411. No manipulation of engineer reports.
- Sec. 412. Improved training of floodplain managers, agents, and adjusters.
- Sec. 413. Attorney fee shifting.
- Sec. 414. DOJ defense against policyholder lawsuits.
- Sec. 415. Pilot program for pre-existing structural conditions.
- Sec. 416. Agent Advisory Council.
- Sec. 417. Disclosure of flood risk information upon transfer of property.

1 **SEC. 3. DEFINITIONS.**

2 In this Act:

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

4           (2) FEDERAL FLOOD INSURANCE.—The term  
5           “Federal flood insurance” means an insurance policy  
6           made available under the National Flood Insurance  
7           Act of 1968 (42 U.S.C. 4001 et seq.).

8           (3) NATIONAL FLOOD INSURANCE PROGRAM.—  
9           The term “National Flood Insurance Program”  
10          means the program established under the National  
11          Flood Insurance Act of 1968 (42 U.S.C. 4001 et  
12          seq.).

13          (4) NATIONAL FLOOD MITIGATION FUND.—The  
14          term “National Flood Mitigation Fund” means the  
15          fund established under section 1367 of the National  
16          Flood Insurance Act of 1968 (42 U.S.C. 4104d).

17          (5) WRITE YOUR OWN COMPANY.—The term  
18          “Write Your Own Company” means a private prop-  
19          erty insurance company that participates in the  
20          Write Your Own Program.

21          (6) WRITE YOUR OWN PROGRAM.—The term  
22          “Write Your Own Program” means the program  
23          under which the Federal Emergency Management  
24          Agency enters into a standard arrangement with pri-  
25          vate property insurance companies to—

1 (A) sell contracts for Federal flood insur-  
2 ance under their own business lines of insur-  
3 ance; and

4 (B) adjust and pay claims arising under  
5 the contracts described in subparagraph (A).

6 **TITLE I—REAUTHORIZATION**  
7 **AND AFFORDABILITY**

8 **SEC. 101. REAUTHORIZATION.**

9 (a) **FINANCING.**—Section 1309(a) of the National  
10 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is  
11 amended by striking “September 30, 2019” and inserting  
12 “September 30, 2024”.

13 (b) **PROGRAM EXPIRATION.**—Section 1319 of the Na-  
14 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is  
15 amended by striking “September 30, 2019” and inserting  
16 “September 30, 2024”.

17 (c) **PROGRAM CONTINUATION.**—

18 (1) **IN GENERAL.**—Section 1310 of the Na-  
19 tional Flood Insurance Act of 1968 (42 U.S.C.  
20 4017) is amended by adding at the end the fol-  
21 lowing:

22 “(g) Amounts in the National Flood Insurance Re-  
23 serve Fund established under section 1310A may be cred-  
24 ited to the National Flood Insurance Fund to enter into,

1 and renew, contracts for flood insurance under this title  
2 during any lapse in appropriations.”.

3 (2) TECHNICAL AND CONFORMING AMEND-  
4 MENTS.—Section 1310A(a)(2) of the National Flood  
5 Insurance Act of 1968 (42 U.S.C. 4017A(a)(2)) is  
6 amended—

7 (A) in subparagraph (B), by striking  
8 “and” at the end;

9 (B) in subparagraph (C), by striking the  
10 period at the end and inserting “; and”; and

11 (C) by adding at the end the following:

12 “(D) for the purpose described in section  
13 1310(g).”.

14 **SEC. 102. CAP ON ANNUAL PREMIUM INCREASES.**

15 (a) DEFINITION.—In this section, the term “covered  
16 cost” means—

17 (1) the amount of an annual premium with re-  
18 spect to any policy for flood insurance under the Na-  
19 tional Flood Insurance Program;

20 (2) any surcharge imposed with respect to a  
21 policy described in paragraph (1), including a sur-  
22 charge imposed under—

23 (A) section 1304(b) of the National Flood  
24 Insurance Act of 1968 (42 U.S.C. 4011(b)); or

1 (B) section 1308A(a) of the National  
2 Flood Insurance Act of 1968 (42 U.S.C.  
3 4015a(a)); and

4 (3) a fee described in paragraph (1)(B)(iii) or  
5 (2) of section 1307(a) of the National Flood Insur-  
6 ance Act of 1968 (42 U.S.C. 4014(a)).

7 (b) LIMITATION ON INCREASES.—During the 5-year  
8 period beginning on the date of enactment of this Act, and  
9 notwithstanding section 1308(e) of the National Flood In-  
10 surance Act of 1968 (42 U.S.C. 4015(e)), the Adminis-  
11 trator may not, in any year, increase the amount of any  
12 covered cost by an amount that is more than 9 percent,  
13 as compared with the amount of the covered cost during  
14 the previous year.

15 (c) RULE OF CONSTRUCTION.—Nothing in sub-  
16 section (b) may be construed as prohibiting the Adminis-  
17 trator from reducing, in any year, the amount of any cov-  
18 ered cost, as compared with the amount of the covered  
19 cost during the previous year.

20 (d) AVERAGE HISTORICAL LOSS YEAR.—Section  
21 1308 of the National Flood Insurance Act of 1968 (42  
22 U.S.C. 4015) is amended by striking subsection (h) and  
23 inserting the following:

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

1 shall be computed in accordance with generally accepted  
2 actuarial principles.”.

3 (e) DISCLOSURE WITH RESPECT TO THE AFFORD-  
4 ABILITY STANDARD.—Section 1308(j) of the National  
5 Flood Insurance Act of 1968 (42 U.S.C. 4015(j)) is  
6 amended, in the second sentence, by inserting “and shall  
7 include in the report the number of those exceptions as  
8 of the date on which the Administrator submits the report  
9 and the location of each policyholder insured under those  
10 exceptions, organized by county and State” after “of the  
11 Senate”.

12 **SEC. 103. MEANS TESTED AFFORDABILITY VOUCHER.**

13 Chapter I of the National Flood Insurance Act of  
14 1968 (42 U.S.C. 4011 et seq.) is amended by adding at  
15 the end the following:

16 **“SEC. 1326. AFFORDABILITY ASSISTANCE.**

17 “(a) AFFORDABILITY ASSISTANCE FUND.—

18 “(1) ESTABLISHMENT.—The Administrator  
19 shall establish in the Treasury of the United States  
20 an Affordability Assistance Fund (referred to in this  
21 section as the ‘Fund’), which shall be—

22 “(A) an account separate from any other  
23 accounts or funds available to the Adminis-  
24 trator; and





1 greater than 120 percent of the area me-  
2 dian income for the area in which the  
3 household is located, the amount of pre-  
4 miums, surcharges, and fees for a flood in-  
5 surance policy provided under this title in  
6 a year for the household exceeds 1 percent  
7 of the coverage limit of that policy under  
8 section 1306(b); and

9 “(C) the term ‘housing expenses’ means,  
10 with respect to a household, the total amount  
11 that the household spends in a year on—

12 “(i) mortgage payments;

13 “(ii) property taxes;

14 “(iii) homeowners insurance; and

15 “(iv) premiums for flood insurance  
16 under the national flood insurance pro-  
17 gram.

18 “(2) AUTHORITY.—

19 “(A) OTHER FINANCIAL ASSISTANCE.—

20 The Administrator shall provide a voucher,  
21 grant, or premium credit to an eligible house-  
22 hold for a year in an amount that, subject to  
23 subparagraph (B), is equal to the lesser of—

24 “(i) the difference between—

1                   “(I) the housing expenses of the  
2                   household for the year; and

3                   “(II) 30 percent of the adjusted  
4                   gross income of the household for the  
5                   year; and

6                   “(ii) the cost of premiums for the  
7                   household for flood insurance under the  
8                   national flood insurance program for the  
9                   year.

10                  “(B) REDUCTION.—The amount of the as-  
11                  sistance provided under subparagraph (A) to an  
12                  eligible household shall be reduced by 1 percent  
13                  for each percent that the income of the eligible  
14                  household exceeds 120 percent of the median  
15                  household income for the State in which the  
16                  property that is the subject of the assistance is  
17                  located.

18                  “(3) RELATIONSHIPS WITH OTHER AGEN-  
19                  CIES.—The Administrator may enter into a memo-  
20                  randum of understanding with the head of any other  
21                  Federal agency to administer the paragraph  
22                  (2)(A).”.

1 **SEC. 104. OPTIONAL MONTHLY INSTALLMENT PREMIUM**  
2 **PAYMENT PLANS.**

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

5 (1) by striking “With respect to” and inserting  
6 the following:

7 “(1) ANNUAL OR MONTHLY OPTION.—Subject  
8 to paragraph (2), with respect to”; and

9 (2) by adding at the end the following:

10 “(2) MONTHLY INSTALLMENT.—With respect  
11 to a policyholder that opts under paragraph (1) to  
12 pay premiums on a monthly basis, the Administrator  
13 may charge the policyholder an annual fee of not  
14 more than \$15.

15 “(3) EXEMPTION FROM RULE MAKING; PILOT  
16 PROGRAM.—During the period beginning on the date  
17 of enactment of this paragraph and ending on the  
18 date on which the Administrator promulgates regu-  
19 lations carrying out paragraph (1), the Adminis-  
20 trator may, notwithstanding any other provision of  
21 law—

22 “(A) adopt policies and procedures to carry  
23 out that paragraph without—

24 “(i) undergoing notice and comment  
25 rule making under section 553 of title 5,  
26 United States Code; or

1                   “(ii) conducting regulatory analyses  
2                   otherwise required by statute, regulation,  
3                   or Executive order; or

4                   “(B) carry out that paragraph by estab-  
5                   lishing a pilot program that gradually imple-  
6                   ments the requirements of that paragraph.”.

7 **SEC. 105. STUDY ON BUSINESS INTERRUPTION COVERAGE.**

8           (a) IN GENERAL.—The Administrator shall conduct  
9 a study on the feasibility and soundness of offering cov-  
10 erage for interruption business losses caused by a flood  
11 under the National Flood Insurance Program (referred to  
12 in this section as “business interruption coverage”).

13           (b) CONTENTS.—In conducting the study under sub-  
14 section (a), the Administrator shall, at a minimum—

15               (1) evaluate insurance industry best practices  
16               for offering business interruption coverage, including  
17               the types of coverage provided and the utilization  
18               rate;

19               (2) estimate the potential risk premium rates  
20               for business interruption coverage based on the flood  
21               risk reflected in the flood insurance rate map or  
22               other risk metrics in effect at the time of purchase;

23               (3) analyze the operational and administrative  
24               expenses associated with providing business inter-  
25               ruption coverage and adjusting claims;

1           (4) identify potential obstacles that may prevent  
2           the Administrator from offering business interrup-  
3           tion coverage;

4           (5) evaluate the benefits of providing business  
5           interruption coverage;

6           (6) analyze any potential impacts on the finan-  
7           cial position of the National Flood Insurance Pro-  
8           gram; and

9           (7) develop a feasibility implementation plan  
10          and projected timelines for offering business inter-  
11          ruption coverage.

12          (c) AVAILABILITY OF EXPERTS.—In conducting the  
13          study under subsection (a), the Administrator may accept  
14          and utilize the personnel and services of any other Federal  
15          agency, and appoint and fix the compensation of tem-  
16          porary personnel without regard to the provisions of title  
17          5, United States Code, governing appointments in the  
18          competitive service, or employ experts and consultants in  
19          accordance with the provisions of section 3109 of such  
20          title, without regard to the provisions of chapter 51 and  
21          subchapter III of chapter 53 of such title relating to classi-  
22          fication and General Schedule pay rates.

23          (d) DEADLINE.—The Administrator shall complete  
24          the study required under subsection (a) not later than

1 September 30 of the second full fiscal year after the date  
2 of enactment of this Act.

3 **SEC. 106. COOPERATIVE COVERAGE FAIRNESS.**

4 (a) IN GENERAL.—Section 1306 of the National  
5 Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended  
6 by adding at the end the following:

7 “(e) COOPERATIVES.—

8 “(1) DEFINITION.—In this subsection, the term  
9 ‘cooperative building’ has the meaning given the  
10 term in section 1312(d).

11 “(2) EQUAL TREATMENT WITH CONDOMINIUMS.—Notwithstanding any other provision of law,  
12 an owner of a share of a cooperative building shall  
13 be eligible to purchase flood insurance coverage  
14 under the national flood insurance program on the  
15 same terms as a condominium owner.”.

17 (b) PAYMENT OF CLAIMS.—Section 1312 of the Na-  
18 tional Flood Insurance Act of 1968 (42 U.S.C. 4019) is  
19 amended—

20 (1) in subsection (c)—

21 (A) in the subsection heading, by inserting  
22 “AND COOPERATIVE” after “CONDOMINIUM”;

23 (B) by inserting “or owners of a share of  
24 a cooperative building” after “condominium  
25 owners”; and

1 (C) by inserting “or cooperative associa-  
2 tion” after “condominium association” each  
3 place that term appears; and

4 (2) by adding at the end the following:

5 “(d) DEFINITIONS.—In this section, the terms ‘coop-  
6 erative association’ and ‘cooperative building’ have the  
7 meanings given the terms by the Administrator.”.

8 **SEC. 107. COVERAGE LIMITS.**

9 (a) IN GENERAL.—Section 1306 of the National  
10 Flood Insurance Act of 1968 (42 U.S.C. 4013), as amend-  
11 ed by section 106(a), is amended—

12 (1) in subsection (b)—

13 (A) in the matter preceding paragraph (1),  
14 by striking “In addition to any other terms and  
15 conditions under subsection (a), such regula-  
16 tions” and inserting “The Administrator”;

17 (B) in paragraph (2)—

18 (i) by striking “shall be made” and  
19 inserting “may be made”; and

20 (ii) by striking “\$250,000” and in-  
21 serting “the baseline amount”;

22 (C) in paragraph (3)—

23 (i) by striking “shall be made” and  
24 inserting “may be made”; and

1 (ii) by striking “\$100,000” and in-  
2 serting “50 percent of the baseline  
3 amount”; and

4 (D) in paragraph (4)—

5 (i) by striking “shall be made” each  
6 place that term appears and inserting  
7 “may be made”; and

8 (ii) by striking “\$500,000” each place  
9 that term appears and inserting “200 per-  
10 cent of the baseline amount”; and

11 (2) by adding at the end the following:

12 “(f) DEFINITION.—

13 “(1) IN GENERAL.—Subject to paragraph (2),  
14 in this section, the term ‘baseline amount’, with re-  
15 spect to a property, means the maximum original  
16 principal obligation of a conventional mortgage that  
17 may be purchased by the Federal National Mortgage  
18 Association in the area in which the property as lo-  
19 cated, as established under section 302(b)(2) of the  
20 Federal National Mortgage Association Charter Act  
21 (12 U.S.C. 1717(b)(2)).

22 “(2) CLARIFICATION.—If, after the date of en-  
23 actment of this subsection, the baseline amount, as  
24 defined in paragraph (1), decreases as compared  
25 with the baseline amount in effect on the day before



1 the date of enactment of this subsection, the base-  
2 line amount that was in effect on the day before the  
3 date of enactment of this subsection shall be deemed  
4 to be the baseline amount for the purposes of para-  
5 graphs (2), (3), and (4) of subsection (b).”.

6 (b) **AUTHORITY OF ADMINISTRATOR TO SELL POLI-**  
7 **CIES.**—The Administrator may sell a policy for flood in-  
8 surance under the National Flood Insurance Program that  
9 meets the requirements of paragraphs (2), (3), and (4)  
10 of section 1306(b) of the National Flood Insurance Act  
11 of 1968 (42 U.S.C. 4013(b)), as amended by subsection  
12 (a), without regard to—

13 (1) section 61.6 of title 44, Code of Federal  
14 Regulations, as in effect on the day before the date  
15 of enactment of this Act; or

16 (2) any other provision of law.

17 **SEC. 108. STUDY ON PARTICIPATION RATES.**

18 (a) **DEFINITIONS.**—In this section—

19 (1) the term “500-year floodplain” has the  
20 meaning given the term in section 100202(a) of the  
21 Biggert-Waters Flood Insurance Reform Act of  
22 2012 (40 U.S.C. 4004(a));

23 (2) the terms “Federal agency lender”, “im-  
24 proved real estate”, and “regulated lending institu-  
25 tion” have the meanings given those terms in section

1       3(a) of the Flood Disaster Protection Act of 1973  
2       (42 U.S.C. 4003(a)); and

3             (3) the term “property with a Federally backed  
4       mortgage” means improved real estate or a mobile  
5       home securing a loan that was—

6             (A) made by a regulated lending institu-  
7       tion or Federal agency lender; or

8             (B) purchased by the Federal National  
9       Mortgage Association or the Federal Home  
10       Loan Mortgage Corporation.

11       (b) STUDY.—The Comptroller General of the United  
12       States shall conduct a study that proposes to address,  
13       through programmatic and regulatory changes, how to in-  
14       crease the rate at which properties in the United States  
15       are covered by flood insurance.

16       (c) CONSIDERATIONS.—In conducting the study re-  
17       quired under subsection (b), the Comptroller General of  
18       the United States shall—

19             (1) consider—

20             (A) expanding participation in the Na-  
21       tional Flood Insurance Program beyond areas  
22       having special flood hazards to areas of mod-  
23       erate or minimum risk with respect to flooding;

24             (B) automatically enrolling consumers in  
25       the National Flood Insurance Program and

1 providing those consumers with the opportunity  
2 to decline such enrollment; and

3 (C) bundling flood insurance coverage that  
4 diversifies risk across all or multiple forms of  
5 peril; and

6 (2) determine—

7 (A) the percentage of properties with Fed-  
8 erally backed mortgages located in an area hav-  
9 ing special flood hazards that are covered by  
10 flood insurance that satisfies the requirement  
11 under section 102(b) of the Flood Disaster Pro-  
12 tection Act of 1973 (42 U.S.C. 4012a(b)); and

13 (B) the percentage of properties with Fed-  
14 erally backed mortgages located in the 500-year  
15 floodplain that are covered by flood insurance  
16 that would satisfy the requirement described in  
17 subparagraph (A) if that requirement applied to  
18 such properties.

19 (d) REPORT.—Not later than 18 months after the  
20 date of enactment of this Act, the Comptroller General  
21 of the United States shall submit to the Committee on  
22 Banking, Housing, and Urban Affairs of the Senate and  
23 the Committee on Financial Services of the House of Rep-  
24 resentatives a report regarding the results of the study  
25 conducted under subsection (b).



1 (c) TECHNICAL AND CONFORMING AMENDMENT.—  
2 Effective on October 5, 2023, section 203 of the Robert  
3 T. Stafford Disaster Relief and Emergency Assistance Act  
4 (42 U.S.C. 5133) is amended by redesignating subsection  
5 (n), as added by subsection (a) of this section, as sub-  
6 section (m).

7 **SEC. 202. INCREASED COST OF COMPLIANCE COVERAGE.**

8 Section 1304(b) of the National Flood Insurance Act  
9 of 1968 (42 U.S.C. 4011(b)) is amended—

10 (1) in paragraph (4), by redesignating subpara-  
11 graphs (A) through (D) as clauses (i) through (iv),  
12 respectively, and adjusting the margins accordingly;

13 (2) by redesignating paragraphs (1) through  
14 (3) as subparagraphs (A) through (C), respectively,  
15 and adjusting the margins accordingly;

16 (3) in subparagraph (C), as so redesignated, by  
17 striking the period at the end and inserting a semi-  
18 colon;

19 (4) by redesignating paragraph (4) as subpara-  
20 graph (F), and adjusting the margins accordingly;

21 (5) by inserting after subparagraph (C), as so  
22 redesignated, the following:

23 “(D) properties identified by the Adminis-  
24 trator as priorities for mitigation activities be-

1 fore the occurrence of damage to or loss of  
2 property which is covered by flood insurance;

3 “(E) properties outside an area having  
4 special flood hazards if the communities in  
5 which the properties are located have, under  
6 section 1361, established land use and control  
7 measures for the areas in which the properties  
8 are located; and”;

9 (6) by inserting before “The national flood in-  
10 surance program” the following: “(1) IN GEN-  
11 ERAL.—”;

12 (7) in the flush text following subparagraph  
13 (F)(iv), by striking “The Administrator” and insert-  
14 ing the following:

15 “(2) PREMIUM.—The Administrator”; and

16 (8) by adding at the end the following:

17 “(3) AMOUNT OF COVERAGE.—Each policy for flood  
18 insurance coverage made available under this title shall  
19 provide coverage under this subsection having an aggre-  
20 gate liability for any single property of \$60,000.

21 “(4) ELIGIBLE MITIGATION ACTIVITIES.—

22 “(A) IN GENERAL.—Eligible mitigation meth-  
23 ods the cost of which is covered by coverage provided  
24 under this subsection shall include—

1           “(i) alternative methods of mitigation iden-  
2           tified in the guidelines issued pursuant to sec-  
3           tion 1361(d);

4           “(ii) pre-disaster mitigation projects for el-  
5           igible structures; and

6           “(iii) costs associated with the purchase,  
7           clearing, and stabilization of property that is  
8           part of an acquisition or relocation project that  
9           complies with subparagraph (B).

10          “(B) ACQUISITION AND RELOCATION PROJECT  
11          ELIGIBILITY AND REQUIREMENTS.—

12           “(i) IN GENERAL.—An acquisition or relo-  
13           cation project shall be eligible to receive assist-  
14           ance pursuant to subparagraph (A)(iii) only  
15           if—

16           “(I) any property acquired, accepted,  
17           or from which a structure will be removed  
18           shall be dedicated and maintained in per-  
19           petuity for a use that is compatible with  
20           open space, recreational, or wetland and  
21           natural floodplain management practices;  
22           and

23           “(II) any new structure erected on  
24           such property will be—





1                   ance with Federal law, for the life of such  
2                   structure.

3                   “(II) TRANSFER OF PROPERTY.—

4                   “(aa) DUTY TO NOTIFY.—If any  
5                   part of a property on which an as-  
6                   sisted structure is located is trans-  
7                   ferred, the transferor shall, not later  
8                   than the date on which such transfer  
9                   occurs, notify the transferee in writ-  
10                  ing, including in all documents evi-  
11                  dencing the transfer of ownership of  
12                  the property, that such transferee is  
13                  required to—

14                  “(AA) obtain flood insur-  
15                  ance in accordance with applica-  
16                  ble Federal law with respect to  
17                  such assisted structure, if such  
18                  structure is not so insured on the  
19                  date on which the structure is  
20                  transferred; and

21                  “(BB) maintain flood insur-  
22                  ance in accordance with applica-  
23                  ble Federal law with respect to  
24                  such structure.

1                   “(bb) FAILURE TO NOTIFY.—If a  
2                   transferor fails to make a notification  
3                   in accordance with item (aa) and such  
4                   assisted structure is damaged by a  
5                   flood disaster, the transferor shall pay  
6                   the Federal Government an amount  
7                   equal to the amount of any disaster  
8                   relief provided by the Federal Govern-  
9                   ment with respect to such assisted  
10                  structure.

11                  “(III) ASSISTED STRUCTURE DE-  
12                  FINED.—For the purposes of this clause,  
13                  the term ‘assisted structure’ means a  
14                  structure on property that is part of an ac-  
15                  quisition or relocation project assisted pur-  
16                  suant to subparagraph (A) that was, as  
17                  part of such acquisition or relocation  
18                  project—

19                                 “(aa) altered;

20                                 “(bb) improved;

21                                 “(cc) replaced;

22                                 “(dd) repaired; or

23                                 “(ee) restored.

1           “(C) ELIGIBLE STRUCTURE DEFINED.—For  
2           purposes of this paragraph, the term ‘eligible struc-  
3           ture’ means any structure that—

4                   “(i) was constructed in compliance with  
5                   the Flood Insurance Rate Map and local build-  
6                   ing and zoning codes in effect on the date of  
7                   construction of the structure; and

8                   “(ii) has not previously been altered, im-  
9                   proved, replaced, or repaired using assistance  
10                  provided under this subsection.

11          “(5) TREATMENT OF COVERAGE LIMITS.—Any  
12          amount of coverage provided for a property pursuant to  
13          this subsection shall not be considered or counted for pur-  
14          poses of any limitation on coverage applicable to such  
15          property under section 1306(b) and any claim on such cov-  
16          erage shall not be considered a claim for purposes of sec-  
17          tion 1307(h) or subsection (a)(3) or (h)(3) of section  
18          1366.

19          “(6) IMPLEMENTATION.—Notwithstanding any other  
20          provision of law, the Administrator may implement this  
21          subsection by adopting 1 or more standard endorsements  
22          to the Standard Flood Insurance Policy by publication of  
23          such standards in the Federal Register, or by comparable  
24          means.”.

1 **SEC. 203. FLOOD MITIGATION ASSISTANCE GRANTS.**

2 (a) FLOOD MITIGATION ASSISTANCE GRANT PRO-  
3 GRAM PRIORITY.—Section 1366 of the National Flood In-  
4 surance Act (42 U.S.C. 4104c) is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (1), (2),  
7 and (3) as subparagraphs (A), (B), and (C), re-  
8 spectively, and adjusting the margins accord-  
9 ingly;

10 (B) in the second sentence of the matter  
11 preceding subparagraph (A), as so redesign-  
12 ated, by striking “assistance shall be” and in-  
13 serting the following: “assistance shall—  
14 “(1) be”;

15 (C) in paragraph (1)(C), as so redesign-  
16 ated, by striking the period at the end and in-  
17 serting “; and”; and

18 (D) by adding at the end the following:

19 “(2) in addition to the requirement under para-  
20 graph (1)(C), give priority to properties—

21 “(A) that are repetitive loss structures;

22 “(B) with respect to which the Adminis-  
23 trator makes a determination that the premium  
24 rates with respect to a policy for flood insur-  
25 ance coverage under this title—

26 “(i) are unaffordable; or

1                   “(ii) will soon become unaffordable as  
2                   a result of a risk adjustment under Risk  
3                   Rating 2.0, as in effect on the date of that  
4                   determination; and

5                   “(C) for which aggregate losses exceed the  
6                   replacement value of the properties.”; and

7                   (2) in subsection (h), by adding at the end the  
8                   following:

9                   “(4)           UNAFFORDABLE.—The           term  
10                  ‘unaffordable’ means, with respect to the premium  
11                  rates for a policy for flood insurance coverage under  
12                  this title, that, in a year, those rates are in an such  
13                  an amount that the housing expenses (as defined in  
14                  section 1326(b)(1)) of the household that is the sub-  
15                  ject of the policy are, for that year, more than 30  
16                  percent of the adjusted gross income (as defined in  
17                  section 1326(b)(1)) of the household for that year.”.

18                  (b) ADDITIONAL MITIGATION ASSISTANCE.—

19                  (1) APPROPRIATIONS FROM GENERAL FUND OF  
20                  TREASURY.—For each of the first 5 full fiscal years  
21                  after the date of enactment of this Act, there is au-  
22                  thorized to be appropriated \$1,000,000,000 to the  
23                  National Flood Mitigation Fund to provide mitiga-  
24                  tion assistance under this subsection.

1           (2) **RULE OF CONSTRUCTION.**—The authoriza-  
2           tion of appropriations under subparagraph (A) shall  
3           not be construed to authorize the transfer or cred-  
4           iting to the National Flood Mitigation Fund of any  
5           amounts from the National Flood Insurance Fund.

6 **SEC. 204. URBAN MITIGATION OPPORTUNITIES.**

7           (a) **MITIGATION STRATEGIES.**—Section 1361(d)(1)  
8           of the National Flood Insurance Act of 1968 (42 U.S.C.  
9           4102(d)(1)) is amended—

10           (1) in subparagraph (A), by striking “and” at  
11           the end;

12           (2) in subparagraph (B), by striking “and” at  
13           the end; and

14           (3) by inserting after subparagraph (B) the fol-  
15           lowing:

16                   “(C) with respect to buildings in dense  
17                   urban environments, methods that can be de-  
18                   ployed on a block or neighborhood scale; and

19                   “(D) elevation of mechanical systems;  
20                   and”.

21           (b) **MITIGATION CREDIT.**—Section 1308(k) of the  
22           National Flood Insurance Act of 1968 (42 U.S.C.  
23           4015(k)) is amended—

24           (1) by striking “shall take into account” and  
25           inserting “shall—

1 “(1) take into account”;

2 (2) in paragraph (1), as so designated, by strik-  
3 ing the period at the end and inserting “; and”; and

4 (3) by adding at the end the following:

5 “(2) offer a reduction of the risk premium rate  
6 charged to a policyholder in an amount that is not  
7 less than 10 percent of that rate if the policyholder  
8 implements any mitigation method described in  
9 paragraph (1).”.

10 **SEC. 205. COMMUNITY RATING SYSTEM REGIONAL COORDI-**  
11 **NATOR.**

12 Section 1315(b) of the National Flood Insurance Act  
13 of 1968 (42 U.S.C. 4022(b)) is amended by adding at the  
14 end the following:

15 “(5) REGIONAL COORDINATOR.—

16 “(A) IN GENERAL.—The Administrator  
17 shall appoint a regional coordinator in each re-  
18 gion served by a Regional Office (as defined in  
19 section 501 of the Homeland Security Act of  
20 2002 (6 U.S.C. 311)) to provide technical as-  
21 sistance to small communities to enable those  
22 communities to effectively participate in and  
23 benefit from the community rating system pro-  
24 gram.

1                   “(B) AUTHORIZATION OF APPROPRIA-  
2                   TIONS.—There are authorized to be appro-  
3                   priated such sums as may be necessary to carry  
4                   out this paragraph, which shall remain available  
5                   until expended.”.

6 **SEC. 206. MITIGATION LOAN PROGRAM.**

7           (a) DEFINITION.—In this section, the term “mitiga-  
8           tion measure” means, with respect to a structure, a meas-  
9           ure undertaken to reduce the risk of flood damage to the  
10          structure.

11          (b) ESTABLISHMENT.—The Administrator may es-  
12          tablish a pilot program through which the Administrator  
13          may provide low-interest loans to policyholders under the  
14          National Flood Insurance Program for the purposes de-  
15          scribed in subsection (c).

16          (c) PURPOSES OF LOANS.—A loan provided to a pol-  
17          icyholder under the pilot program established under sub-  
18          section (b) shall be used to undertake mitigation measures  
19          with respect to the insured property that cost less than  
20          the cost of the estimated amount of premiums that would  
21          be paid with respect to the property during the 50-year  
22          period beginning in the year in which the loan is made  
23          and if those mitigation measures were not undertaken.



1 (d) SALE OF PROPERTY.—If a property with respect  
2 to which a loan has been made under this section is sold,  
3 upon that sale, the outstanding loan balance shall—

4 (1) be repaid using the proceeds of the sale; or

5 (2) carry over to the purchaser of the property  
6 if the purchaser so consents before the execution of  
7 the sale.

8 **SEC. 207. REVOLVING LOAN FUNDS.**

9 (a) IN GENERAL.—Chapter I of the National Flood  
10 Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as  
11 amended by section 103, is amended by adding at the end  
12 the following:

13 **“SEC. 1327. STATE REVOLVING LOAN FUNDS FOR FLOOD**  
14 **MITIGATION.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) COMMUNITY RATING SYSTEM.—The term  
17 ‘Community Rating System’ means the community  
18 rating system program carried out under section  
19 1315(b).

20 “(2) ELIGIBLE STATE.—The term ‘eligible  
21 State’ means a State, the District of Columbia, and  
22 the Commonwealth of Puerto Rico.

23 “(3) INSULAR AREA.—The term ‘insular area’  
24 means—

25 “(A) Guam;

1 “(B) American Samoa;

2 “(C) the Commonwealth of the Northern  
3 Mariana Islands;

4 “(D) the Federated States of Micronesia;

5 “(E) the Republic of the Marshall Islands;

6 “(F) the Republic of Palau; and

7 “(G) the United States Virgin Islands.

8 “(4) INTENDED USE PLAN.—The term ‘in-  
9 tended use plan’ means a plan prepared under sub-  
10 section (d)(1).

11 “(5) LOW-INCOME GEOGRAPHIC AREA.—The  
12 term ‘low-income geographic area’ means an area  
13 described in paragraph (1) or (2) of section 301(a)  
14 of the Public Works and Economic Development Act  
15 of 1965 (42 U.S.C. 3161(a)).

16 “(6) LOW-INCOME HOMEOWNER.—The term  
17 ‘low-income homeowner’ means the owner of a pri-  
18 mary residence, the household income of which in a  
19 taxable year is not more than 80 percent of the me-  
20 dian income for the area in which the residence is  
21 located.

22 “(7) PARTICIPATING STATE.—The term ‘par-  
23 ticipating State’ means an eligible State that—

24 “(A) has entered into an agreement under  
25 subsection (b)(1); and

1           “(B) agrees to comply with the require-  
2           ments of this section.

3           “(8) PRE-FIRM BUILDING.—The term ‘pre-  
4           FIRM building’ means a building for which con-  
5           struction or substantial improvement occurred before  
6           the effective date of the initial Flood Insurance Rate  
7           Map published by the Administrator under section  
8           1360 for the area in which the building is located.

9           “(9) REPETITIVE LOSS STRUCTURE.—The term  
10          ‘repetitive loss structure’ has the meaning given the  
11          term in section 1370(a).

12          “(10) SEVERE REPETITIVE LOSS PROPERTY.—  
13          The term ‘severe repetitive loss property’ has the  
14          meaning given the term in section 1307(h).

15          “(11) STATE LOAN FUND.—The term ‘State  
16          loan fund’ means a flood mitigation assistance re-  
17          volving loan fund established by an eligible State  
18          under this section.

19          “(12) TRIBAL GOVERNMENT.—The term ‘tribal  
20          government’ means the recognized government of an  
21          Indian tribe, or the governing body of an Alaska Na-  
22          tive regional or village corporation, that has been de-  
23          termined eligible to receive services from the Bureau  
24          of Indian Affairs.

25          “(b) GENERAL AUTHORITY.—

1           “(1) IN GENERAL.—The Administrator may  
2           enter into an agreement with an eligible State to  
3           provide a capitalization grant for the eligible State  
4           to establish a revolving fund that will provide fund-  
5           ing assistance to help homeowners, businesses, non-  
6           profit organizations, and communities reduce flood  
7           risk in order to decrease—

8                   “(A) the loss of life and property;

9                   “(B) the cost of flood insurance; and

10                  “(C) Federal disaster payments.

11           “(2) TIMING OF DEPOSIT AND AGREEMENTS  
12           FOR DISTRIBUTION OF FUNDS.—

13                   “(A) IN GENERAL.—Not later than the  
14           last day of the fiscal year following the fiscal  
15           year in which a capitalization grant is made to  
16           a participating State under paragraph (1), the  
17           participating State shall—

18                           “(i) deposit the grant in the State  
19           loan fund of the State; and

20                           “(ii) enter into 1 or more binding  
21           agreements that provide for the State to  
22           distribute the grant funds for purposes au-  
23           thorized under subsection (c) such that—

24                                   “(I) in the case of the initial  
25           grant made to a State under this sec-

1                   tion, not less than 75 percent of the  
2                   amount of the grant shall be distrib-  
3                   uted before the end of the 2-year pe-  
4                   riod beginning on the date on which  
5                   the funds are deposited in the State  
6                   loan fund of the State; and

7                   “(II) in the case of any subse-  
8                   quent grant made to a State under  
9                   this section, not less than 90 percent  
10                  of the amount of the grant shall be  
11                  distributed before the end of the 1-  
12                  year period beginning on the date on  
13                  which the funds are deposited in the  
14                  State loan fund of the State.

15                  “(B) NONCOMPLIANCE.—Except as pro-  
16                  vided in subparagraph (C), if a participating  
17                  State does not comply with subparagraph (A)  
18                  with respect to a grant, the Administrator shall  
19                  reallocate the grant in accordance with para-  
20                  graph (3)(B).

21                  “(C) EXCEPTION.—The Administrator  
22                  may not reallocate any funds under subpara-  
23                  graph (B) to a participating State that violated  
24                  subparagraph (A) with respect to a grant made

1 during the same fiscal year in which the funds  
2 to be reallocated were originally made available.

3 “(3) ALLOCATION.—

4 “(A) IN GENERAL.—The Administrator  
5 shall allocate amounts made available to carry  
6 out this section to participating States—

7 “(i) for the participating States to de-  
8 posit in the State loan funds established by  
9 the participating States; and

10 “(ii) except as provided in paragraph  
11 (6), in accordance with the requirements  
12 described in subparagraph (B).

13 “(B) REQUIREMENTS.—The requirements  
14 described in this subparagraph are as follows:

15 “(i) Fifty percent of the total amount  
16 made available under subparagraph (A)  
17 shall be allocated so that each partici-  
18 pating State receives the percentage  
19 amount that is obtained by dividing the  
20 number of properties that were insured  
21 under the national flood insurance pro-  
22 gram in that State in the fiscal year pre-  
23 ceding the fiscal year in which the amount  
24 is allocated by the total number of prop-  
25 erties that were insured under the national

1 flood insurance program in the fiscal year  
2 preceding the fiscal year in which the  
3 amount is allocated.

4 “(ii) Fifty percent of the total amount  
5 made available under subparagraph (A)  
6 shall be allocated so that each partici-  
7 pating State receives a percentage of funds  
8 that is equal to the product obtained under  
9 clause (iii)(IV) with respect to that partici-  
10 pating State after following the procedures  
11 described in clause (iii).

12 “(iii) The procedures described in this  
13 clause are as follows:

14 “(I) Divide the total amount col-  
15 lected in premiums for properties in-  
16 sured under the national flood insur-  
17 ance program in each participating  
18 State during the previous fiscal year  
19 by the number of properties insured  
20 under the national flood insurance  
21 program in that State for that fiscal  
22 year.

23 “(II) Add together each quotient  
24 obtained under subclause (I).

1                   “(III) For each participating  
2 State, divide the quotient obtained  
3 under subclause (I) with respect to  
4 that State by the sum obtained under  
5 subclause (II).

6                   “(IV) For each participating  
7 State, multiply the amount that is 50  
8 percent of the total amount made  
9 available under subparagraph (A) by  
10 the quotient obtained under subclause  
11 (III).

12                   “(iv) Except as provided in paragraph  
13 (5), in a fiscal year—

14                   “(I) a participating State may  
15 not receive more than 15 percent of  
16 the total amount that is made avail-  
17 able under subparagraph (A) in that  
18 fiscal year; and

19                   “(II) if a participating State,  
20 based on the requirements under  
21 clauses (i) through (iii), would, but  
22 for the limitation under subclause (I)  
23 of this clause, receive an amount that  
24 is greater than the amount that the  
25 State is authorized to receive under



1 that subclause, the difference between  
2 the authorized amount and the  
3 amount otherwise due to the State  
4 under clauses (i) through (iii) shall be  
5 allocated to other participating  
6 States—

7 “(aa) that, in that fiscal  
8 year, have not received an  
9 amount under subparagraph (A)  
10 that is more than the authorized  
11 amount under subclause (I) of  
12 this clause; and

13 “(bb) by using the require-  
14 ments under clauses (i) through  
15 (iii), except that a participating  
16 State may receive an allocation  
17 under this subclause only if the  
18 allocation does not result in the  
19 State receiving a total amount  
20 for the fiscal year under subpara-  
21 graph (A) that is greater than  
22 the authorized amount under  
23 subclause (I).

24 “(4) NO REVOLVING FUND REQUIRED.—

1           “(A) IN GENERAL.—Notwithstanding any  
2 other provision of this section, and subject to  
3 subparagraph (B), a participating State that  
4 receives less than \$4,000,000 under paragraph  
5 (3)(B) in a fiscal year may distribute the funds  
6 directly in the form of grants or technical as-  
7 sistance for a purpose described in subsection  
8 (c)(2), without regard to whether the State has  
9 established a State loan fund.

10           “(B) STATE MATCHING.—A participating  
11 State that exercises the authority under sub-  
12 paragraph (A) in a fiscal year shall provide  
13 matching funds from non-Federal sources in an  
14 amount that is equal to 25 percent of the  
15 amount that the State receives under paragraph  
16 (3)(B) in that fiscal year for purposes described  
17 in subparagraph (A).

18           “(5) ALLOCATION OF REMAINING FUNDS.—  
19 After allocating amounts made available to carry out  
20 this section for a fiscal year in accordance with  
21 paragraph (3), the Administrator shall allocate any  
22 remaining amounts made available for that fiscal  
23 year to participating States, using the procedures  
24 described in clauses (i) through (iii) of paragraph  
25 (3)(B).

1           “(6) RESERVATION OF FUNDS.—The Adminis-  
2           trator shall reserve not more than 1.5 percent of the  
3           amount made available to carry out this section in  
4           a fiscal year—

5                   “(A) for administrative costs incurred in  
6                   carrying out this section;

7                   “(B) to provide technical assistance to re-  
8                   cipients of grants under this section; and

9                   “(C) to enter into grant agreements with  
10                  tribal governments and insular areas, with the  
11                  grant funds to be distributed—

12                           “(i) according to criteria established  
13                           by the Administrator; and

14                           “(ii) for a purpose described in sub-  
15                           section (c)(2).

16           “(c) USE OF FUNDS.—

17                   “(1) IN GENERAL.—Amounts deposited in a  
18                   State loan fund, including repayments of loans made  
19                   from the fund and interest earned on the amounts  
20                   in the fund, shall be used—

21                           “(A) consistent with paragraph (2) and  
22                           subsection (g), to provide financial assistance  
23                           for—

24                                   “(i) homeowners, businesses, and non-  
25                                   profit organizations that are eligible to

1           participate in the national flood insurance  
2           program; and

3                   “(ii) any local government that par-  
4           ticipates in the national flood insurance  
5           program;

6                   “(B) as a source of revenue and security  
7           for leveraged loans, the proceeds of which shall  
8           be deposited in the State loan fund; or

9                   “(C) for the sale of bonds as security for  
10          payment of the principal and interest on rev-  
11          enue or general obligation bonds issued by the  
12          participating State to provide matching funds  
13          under subsection (f), if the proceeds from the  
14          sale of the bonds are deposited in the State  
15          loan fund.

16                  “(2) PURPOSES.—A recipient of financial as-  
17          sistance provided through amounts from a State  
18          loan fund—

19                          “(A) shall use the amounts to reduce—

20                                  “(i) flood risk; or

21                                  “(ii) potential claims for losses cov-  
22          ered under the national flood insurance  
23          program;

24                          “(B) shall use the amounts in a cost-effec-  
25          tive manner under requirements established by

1 the State, which may require an applicant for  
2 financial assistance to submit any information  
3 that the State considers relevant or necessary  
4 before the date on which the applicant receives  
5 the assistance;

6 “(C) shall use the amounts for projects  
7 that—

8 “(i) meet design and construction  
9 standards established by the Adminis-  
10 trator;

11 “(ii) are located in communities  
12 that—

13 “(I) participate in the national  
14 flood insurance program; and

15 “(II) have developed a State or  
16 community flood risk mitigation plan  
17 that has been approved by the Admin-  
18 istrator under section 1366;

19 “(iii) address—

20 “(I) a repetitive loss structure or  
21 a severe repetitive loss property; or

22 “(II) flood risk in the 500-year  
23 floodplain, areas of residual flood risk,  
24 or other areas of potential flood risk,

1 as identified by the Administrator;

2 and

3 “(iv) address current risk and antici-

4 pate future risk, such as sea-level rise;

5 “(D) may use the amounts—

6 “(i) for projects relating to—

7 “(I) structural elevation;

8 “(II) floodproofing;

9 “(III) the relocation or removal

10 of buildings from the 100-year flood-

11 plain or other areas of flood risk, in-

12 cluding the acquisition of properties

13 for such a purpose;

14 “(IV) environmental restoration

15 activities that directly reduce flood

16 risk;

17 “(V) any eligible activity de-

18 scribed in subparagraphs (A) through

19 (G) of section 1366(e)(3); or

20 “(VI) other activities determined

21 appropriate by the Administrator;

22 “(ii) with respect to a project de-

23 scribed in clause (i), only for expenditures

24 directly related to a project described in

25 that clause, including expenditures for

1 planning, design, and associated pre-con-  
2 struction activities; and

3 “(iii) to acquire, for the purposes of  
4 permanent protection, land, buildings, or a  
5 conservation easement from a willing seller  
6 or grantor;

7 “(E) may not use the amounts—

8 “(i) to construct buildings or expand  
9 existing buildings, unless the activity is for  
10 the purpose of flood mitigation;

11 “(ii) to improve any structure, unless  
12 the recipient has obtained flood insurance  
13 coverage, which shall be maintained for the  
14 useful life of the structure, in an amount  
15 that is not less than the lesser of—

16 “(I) the eligible project costs with  
17 respect to the structure; and

18 “(II) the maximum insurable  
19 limit for the structure under the na-  
20 tional flood insurance program cov-  
21 erage for the structure;

22 “(iii) to improve a residential property  
23 with an appraised value that is not less  
24 than 125 percent of the limitation on the  
25 maximum original principal obligation of a

1 conventional mortgage that may be pur-  
2 chased by the Federal National Mortgage  
3 Association or the Federal Home Loan  
4 Mortgage Corporation in the area in which  
5 the property is located, as established  
6 under section 302(b)(2) of the Federal Na-  
7 tional Mortgage Association Charter Act  
8 (12 U.S.C. 1717(b)(2)) and section  
9 305(a)(2) of the Federal Home Loan  
10 Mortgage Corporation Act (12 U.S.C.  
11 1454(a)(2));

12 “(iv) for the direct benefit of a home-  
13 owner if the annual household adjusted  
14 gross income of the homeowner during the  
15 previous fiscal year was not less than  
16 \$200,000, as annually adjusted by the Ad-  
17 ministrator to reflect changes in the Con-  
18 sumer Price Index for All Urban Con-  
19 sumers, as published by the Bureau of  
20 Labor Statistics of the Department of  
21 Labor and rounded to the nearest \$25; or

22 “(v) to acquire real property or an in-  
23 terest in real property unless the property  
24 is purchased from a willing seller; and



1           “(F) to the maximum extent practicable,  
2           shall, in using those amounts, give priority to  
3           projects that assist low-income homeowners and  
4           low-income geographical areas.

5           “(d) INTENDED USE PLANS.—

6           “(1) IN GENERAL.—After providing the oppor-  
7           tunity for public review and comment, each partici-  
8           pating State shall annually prepare a plan that iden-  
9           tifies, for the year following the date of issuance of  
10          the intended use plan, the intended uses of the  
11          amounts available in the State loan fund of the par-  
12          ticipating State.

13          “(2) CONSULTATION DURING PREPARATION.—  
14          Each participating State, in preparing an intended  
15          use plan, shall ensure that the State agency with  
16          primary responsibility for floodplain management—

17                 “(A) provides oversight with respect to the  
18                 preparation of the intended use plan; and

19                 “(B) consults with any other appropriate  
20                 State agency, including agencies responsible for  
21                 coastal and environmental management.

22          “(3) CONTENTS.—A participating State shall,  
23          in each intended use plan—

24                 “(A) include—

1                   “(i) an explanation of the mitigation  
2 and resiliency benefits the State intends to  
3 achieve, including by—

4                   “(I) reducing future damage and  
5 loss associated with flooding;

6                   “(II) reducing the number of se-  
7 vere repetitive loss properties and re-  
8 petitive loss structures in the State;

9                   “(III) decreasing the number of  
10 flood insurance claims in the State;  
11 and

12                   “(IV) increasing the rating under  
13 the Community Rating System for  
14 communities in the State;

15                   “(ii) information with respect to the  
16 availability of, and the application process  
17 for receiving, financial assistance from the  
18 State loan fund of the State;

19                   “(iii) the criteria and methods estab-  
20 lished for the distribution of amounts from  
21 the State loan fund of the State;

22                   “(iv) the amount of financial assist-  
23 ance that the State anticipates providing  
24 to—

1                   “(I) local government projects;

2                   and

3                   “(II) projects for homeowners,

4                   business, or nonprofit organizations;

5                   “(v) the expected terms of the assist-

6                   ance provided under clause (iv); and

7                   “(vi) a description of the financial sta-

8                   tus of the State loan fund and the short-

9                   term and long-term goals of the State loan

10                  fund; and

11                  “(B) provide, to the maximum extent prac-

12                  ticable, that priority for the use of amounts

13                  from the State loan fund shall be given to

14                  projects that—

15                   “(i) address severe repetitive loss

16                   properties and repetitive loss structures;

17                   “(ii) assist low-income homeowners

18                   and low-income geographic areas; and

19                   “(iii) address flood risk for pre-FIRM

20                   buildings.

21                  “(4) PUBLICATION.—Each participating State

22                  shall publish and periodically update a list of all

23                  projects receiving funding from the State loan fund

24                  of the State, which shall include identification of—

1           “(A) the community in which the project is  
2           located;

3           “(B) the type and amount of assistance  
4           provided for each project; and

5           “(C) the expected funding schedule and  
6           date of completion of each project.

7           “(e) FUND MANAGEMENT.—Amounts in a State loan  
8 fund shall—

9           “(1) remain available for providing financial as-  
10          sistance under this section until distributed;

11          “(2) if the amounts are not required for imme-  
12          diate distribution or expenditure, be invested in in-  
13          terest-bearing obligations; and

14          “(3) except as provided in subsection (i), in-  
15          clude only—

16                 “(A) amounts received from capitalization  
17                 grants made under this section;

18                 “(B) repayments of loans made from the  
19                 fund; and

20                 “(C) interest earned on amounts in the  
21                 fund.

22          “(f) MATCHING FUNDS.—

23                 “(1) FULL GRANT.—On or before the date on  
24                 which a participating State receives a capitalization  
25                 grant, the State shall deposit into the State loan

1 fund of the State, in addition to the amount of the  
2 capitalization grant, an amount from non-Federal  
3 sources that is not less than 20 percent of the total  
4 amount of the capitalization grant.

5 “(2) REDUCED GRANT.—If, with respect to a  
6 capitalization grant, a participating State deposits in  
7 the State loan fund of the State an amount from  
8 non-Federal sources that is less than 20 percent of  
9 the total amount of the capitalization grant that the  
10 participating State would otherwise receive, the Ad-  
11 ministrator shall—

12 “(A) reduce the amount of the capitaliza-  
13 tion grant received by the State to the amount  
14 that is 5 times the amount so deposited; and

15 “(B) in accordance with subsection (b)(5),  
16 allocate the difference between the amount that  
17 the participating State would have received if  
18 the State had complied with paragraph (1) and  
19 the amount of the reduced grant that the par-  
20 ticipating State receives under subparagraph  
21 (A).

22 “(g) TYPES OF ASSISTANCE.—Unless otherwise pro-  
23 hibited by State law, a participating State may use the  
24 amounts deposited into a State loan fund under this sec-  
25 tion only—

1 “(1) to make a loan, on the condition that—

2 “(A) the interest rate for the loan is not  
3 more than the market interest rate;

4 “(B) the recipient of the loan will begin  
5 making principal and interest payments on the  
6 loan not later than 1 year after the date on  
7 which the project for which the loan was made  
8 is completed;

9 “(C) the loan will be fully amortized not  
10 later than 20 years after the date on which the  
11 project for which the loan was made is com-  
12 pleted, except that, in the case of a loan made  
13 for a project in a low-income geographic area or  
14 to a low-income homeowner, the State may pro-  
15 vide a longer amortization period for the loan if  
16 that longer period—

17 “(i) ends on a date that is not later  
18 than 30 years after the date on which the  
19 project is completed; and

20 “(ii) is not longer than the expected  
21 design life of the project;

22 “(D) the recipient of the loan dem-  
23 onstrates, based on verified and documented in-  
24 formation that, as of the date on which the loan  
25 is made, the recipient has a reasonable ability

1 to repay the loan, according to the terms of the  
2 loan, except that this subparagraph may not be  
3 construed to authorize any reduction or limita-  
4 tion in efforts to comply with the requirements  
5 of subsection (c)(2)(F); and

6 “(E) payments of principal and interest  
7 with respect to the loan will be deposited into  
8 the State loan fund;

9 “(2) to buy or refinance the debt obligation of  
10 a local government at an interest rate that is not  
11 more than the market interest rate;

12 “(3) to guarantee, or purchase insurance for, a  
13 local obligation, the proceeds of which finance a  
14 project eligible for assistance under this section, if  
15 the guarantee or purchase, as applicable, would—

16 “(A) improve credit market access; or

17 “(B) reduce the interest rate with respect  
18 to the obligation;

19 “(4) as a source of revenue or as security for  
20 the payment of principal and interest on revenue or  
21 general obligation bonds issued by the State if the  
22 proceeds of the sale of the bonds will be deposited  
23 into the State loan fund; or

24 “(5) to earn interest on those amounts.

1       “(h) ASSISTANCE FOR LOW-INCOME HOMEOWNERS  
2 AND LOW-INCOME GEOGRAPHIC AREAS.—

3           “(1) IN GENERAL.—Notwithstanding any other  
4 provision of this section, if a participating State uses  
5 amounts from a State loan fund to provide financial  
6 assistance under subsection (c) in a low-income geo-  
7 graphic area or to a low-income homeowner, the  
8 State may provide additional subsidization to the re-  
9 cipient of the assistance, including forgiveness of the  
10 principal of a loan.

11           “(2) LIMITATION.—For each fiscal year, the  
12 total amount of additional subsidization provided by  
13 a participating State under paragraph (1) may not  
14 exceed 30 percent of the amount of the capitaliza-  
15 tion grant allocated to the State for that fiscal year.

16       “(i) ADMINISTRATION OF FUND.—

17           “(1) IN GENERAL.—A participating State may  
18 combine the financial administration of a State loan  
19 fund with the financial administration of any other  
20 revolving fund established by the State if—

21           “(A) combining the administration of the  
22 funds would—

23           “(i) be convenient and avoid adminis-  
24 trative costs; and



1 “(ii) not violate the law of the State;

2 and

3 “(B) the Administrator determines that—

4 “(i) amounts obtained from a grant

5 made under this section, amounts obtained

6 from the repayment of a loan made from

7 a State loan fund, and interest earned on

8 amounts in a State loan fund will be—

9 “(I) accounted for separately

10 from amounts from other revolving

11 funds; and

12 “(II) used only for purposes au-

13 thorized under this section; and

14 “(ii) after consulting with the appro-

15 priate State agencies, the authority to es-

16 tablish assistance priorities and carry out

17 oversight and related activities, other than

18 financial administration, with respect to

19 flood assistance remains with the State

20 agency with primary responsibility for

21 floodplain management.

22 “(2) ADMINISTRATIVE AND TECHNICAL

23 COSTS.—

1           “(A) IN GENERAL.—For each fiscal year, a  
2 participating State may use the amount de-  
3 scribed in subparagraph (B) to—

4           “(i) pay the reasonable costs of ad-  
5 ministration of the programs under this  
6 section, including the recovery of reason-  
7 able costs incurred in establishing a State  
8 loan fund;

9           “(ii) provide appropriate oversight of  
10 projects authorized under this section; and

11           “(iii) provide technical assistance and  
12 outreach to recipients in the State of  
13 amounts under this section, including with  
14 respect to updating hazard mitigation  
15 plans and participating in the Community  
16 Rating System, in an amount that is not  
17 more than 4 percent of the funds made  
18 available to the State under this section.

19           “(B) DESCRIPTION.—The amount de-  
20 scribed in this subparagraph is an amount  
21 equal to the sum of—

22           “(i) any fees collected by a partici-  
23 pating State to recover the costs described  
24 in subparagraph (A)(i), regardless of the  
25 source; and

1 “(ii) the greatest of—

2 “(I) \$400,000;

3 “(II) 0.2 percent of the value of  
4 the State loan fund of a State, as of  
5 the date on which the valuation is  
6 made; and

7 “(III) an amount equal to 7 per-  
8 cent of all grant awards made to a  
9 participating State for the State loan  
10 fund of the State under this section  
11 for the fiscal year.

12 “(3) AUDIT AND REPORT.—

13 “(A) AUDIT REQUIREMENT.—Not less fre-  
14 quently than biennially, each participating State  
15 shall conduct an audit of the State loan fund of  
16 the State.

17 “(B) REPORT.—Each participating State  
18 shall submit to the Administrator a biennial re-  
19 port regarding the activities of the State under  
20 this section during the period covered by the re-  
21 port, including—

22 “(i) the result of any audit conducted  
23 by the State under subparagraph (A); and

1                   “(ii) a review of the effectiveness of  
2                   the State loan fund of the State with re-  
3                   spect to—

4                   “(I) the intended use plans of the  
5                   State; and

6                   “(II) meeting the objectives de-  
7                   scribed in subsection (b)(1).

8                   “(4) OVERSIGHT.—In conducting oversight with  
9                   respect to State loan funds established under this  
10                  section, the Administrator—

11                  “(A) shall—

12                  “(i) periodically audit the funds in ac-  
13                  cordance with procedures established by  
14                  the Comptroller General of the United  
15                  States; and

16                  “(ii) not less frequently than once  
17                  every 4 years, review each State loan fund  
18                  to determine the effectiveness of the fund  
19                  in reducing flood risk; and

20                  “(B) may, at any time—

21                  “(i) make recommendations to a par-  
22                  ticipating State with respect to the admin-  
23                  istration of the State loan fund of the  
24                  State; or

1                   “(ii) require specific changes with re-  
2                   spect to a State loan fund in order to im-  
3                   prove the effectiveness of the fund.

4           “(j) LIABILITY PROTECTIONS.—The Federal Emer-  
5   gency Management Agency shall not be liable for any  
6   claim based on the exercise or performance of, or the fail-  
7   ure to exercise or perform, a discretionary function or duty  
8   by the Agency, or an employee of the Agency, in carrying  
9   out this section.

10          “(k) REGULATIONS.—The Administrator shall pro-  
11   mulgate such guidance or regulations as may be necessary  
12   to carry out this section, including guidance or regulations  
13   that—

14               “(1) ensure that each participating State to  
15   which funds are allocated under this section uses the  
16   funds as efficiently as possible;

17               “(2) reduce, to the maximum extent prac-  
18   ticable, waste, fraud, and abuse with respect to the  
19   implementation of this section; and

20               “(3) require any party that receives funds di-  
21   rectly or indirectly under this section, including a  
22   participating State and a recipient of amounts from  
23   a State loan fund, to use procedures with respect to  
24   the management of the funds that conform to gen-  
25   erally accepted accounting standards.

1       “(1) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated such sums as may be  
3 necessary to carry out this section for fiscal years 2020  
4 through 2029.”.

5       (b) CONSIDERATION OF MITIGATION MEASURES  
6 FUNDED BY STATE LOAN FUNDS IN FLOOD INSURANCE  
7 PREMIUM RATES.—

8           (1) ESTIMATED RATES.—Section  
9 1307(a)(1)(A)(ii) of the National Flood Insurance  
10 Act of 1968 (42 U.S.C. 4014(a)(1)(A)(ii)) is amend-  
11 ed by striking “and similar measures” and inserting  
12 “similar measures, and any activities funded  
13 through amounts from a State loan fund established  
14 under section 1326”.

15           (2) CHARGEABLE RATES.—Section 1308(b)(1)  
16 of the National Flood Insurance Act of 1968 (42  
17 U.S.C. 4015(b)(1)) is amended by striking “and  
18 similar measures” and inserting “similar measures,  
19 and any activities funded through amounts from a  
20 State loan fund established under section 1326”.

21 **SEC. 208. MAPPING MODERNIZATION.**

22       (a) AMENDMENTS TO THE BIGGERT-WATERS FLOOD  
23 INSURANCE REFORM ACT OF 2012.—The Biggert-Waters  
24 Flood Insurance Reform Act of 2012 (42 U.S.C. 4004 et  
25 seq.) is amended—

1 (1) in section 100215 (42 U.S.C. 4101a)—

2 (A) in subsection (b)(1)—

3 (i) by redesignating subparagraphs

4 (A) through (E) as subparagraphs (B)

5 through (F), respectively;

6 (ii) by inserting before subparagraph

7 (B), as so redesignated, the following:

8 “(A) the Director of the United States Ge-  
9 ological Survey;”; and

10 (iii) in subparagraph (F), as so redesi-  
11 gnated—

12 (I) in the matter preceding clause

13 (i), by striking “16” and inserting  
14 “17”;

15 (II) in clause (xiii), by striking  
16 “and” at the end;

17 (III) in clause (xiv), by striking  
18 the period at the end and inserting “;  
19 and”; and

20 (IV) by adding at the end the fol-  
21 lowing:

22 “(xv) an expert in the field of cata-  
23 strophic risk modeling.”; and

24 (B) by adding at the end the following:

25 “(m) PRIVATE OR COMMUNITY FLOOD MAPS.—

1           “(1) STANDARDS AND PROCEDURES.—In addi-  
2           tion to the other duties of the Council under this  
3           section, not later than 1 year after the date of enact-  
4           ment of this subsection, the Council shall develop  
5           and establish a set of standards, guidelines, and pro-  
6           cedures for—

7                   “(A) State and local governments, feder-  
8                   ally or State-recognized metropolitan planning  
9                   organizations (commonly known as ‘MPOs’),  
10                  federally or State-recognized councils of local  
11                  governments, and federally or State-recognized  
12                  rural transportation planning organizations to  
13                  use in mapping flood risks and developing alter-  
14                  native maps to the flood insurance rate maps  
15                  developed by the Administrator; and

16                   “(B) certification, by the Administrator  
17                   not later than 90 days after the date on which  
18                   a map developed under subparagraph (A) is  
19                   submitted to the Administrator, for use under  
20                   the National Flood Insurance Program in the  
21                   case of any area covered by a flood insurance  
22                   rate map developed or approved by the Admin-  
23                   istrator that has not been updated or reissued  
24                   during the preceding 3-year period.



1           “(2) TREATMENT.—On and after the date on  
2           which the Administrator certifies a map under para-  
3           graph (1)(B), the map—

4                   “(A) shall be considered the flood insur-  
5                   ance rate map in effect for all purposes of the  
6                   National Flood Insurance Program with respect  
7                   to the area covered by the map; and

8                   “(B) may not be revised, updated, or re-  
9                   placed in accordance with the standards, guide-  
10                  lines, and procedures established under para-  
11                  graph (1) before the expiration of the 3-year  
12                  period beginning on that date of certification.

13           “(3) EXEMPTION FROM RULEMAKING.—Until  
14           the date on which the Administrator promulgates  
15           regulations implementing paragraphs (1) and (2),  
16           the Administrator may adopt policies and proce-  
17           dures, notwithstanding any other provision of law,  
18           necessary to implement those paragraphs without re-  
19           gard to section 553 of title 5, United States Code,  
20           and without conducting regulatory analyses other-  
21           wise required by statute, regulation, or Executive  
22           order.”; and

23                   (2) in section 100216 (42 U.S.C. 4101b)—

24                           (A) in subsection (b)—

25                                   (i) in paragraph (1)—

1 (I) in subparagraph (A), by strik-  
2 ing “to—” and all that follows  
3 through the end of clause (vi) and in-  
4 serting “to all areas of the United  
5 States;”;

6 (II) in subparagraph (B), by  
7 striking “and” at the end;

8 (III) in subparagraph (C), by  
9 striking “accurate topography” and  
10 all that follows through the period at  
11 the end and inserting “current and  
12 best remote sensing technology;”;

13 (IV) by adding at the end the fol-  
14 lowing:

15 “(D) when appropriate, partner with other  
16 Federal agencies and private entities in order to  
17 meet the objectives of the program; and

18 “(E) consult and coordinate with the Sec-  
19 retary of Defense, the Director of the United  
20 States Geological Survey, and the Adminis-  
21 trator of the National Oceanic and Atmospheric  
22 Administration to obtain the most up-to-date  
23 maps and other information of those agencies,  
24 including information relating to topography,  
25 water flow, watershed characteristics, and any

1 other issues that are relevant to identifying, re-  
2 viewing, updating, maintaining, and publishing  
3 National Flood Insurance Program rate  
4 maps.”; and

5 (ii) in paragraph (3)—

6 (I) in subparagraph (A), by re-  
7 designating clauses (i) and (ii) as sub-  
8 clauses (I) and (II), respectively, and  
9 adjusting the margins accordingly;

10 (II) by redesignating subpara-  
11 graphs (A) through (E) as clauses (i)  
12 through (v), respectively, and adjust-  
13 ing the margins accordingly;

14 (III) in the matter preceding  
15 clause (i), as so redesignated, by  
16 striking “Administrator shall in-  
17 clude—” and inserting the following:

18 “Administrator—

19 “(A) shall include—”;

20 (IV) in subparagraph (A)(v), as  
21 so redesignated, by striking the period  
22 at the end and inserting “; and”; and

23 (V) by adding at the end the fol-  
24 lowing:

25 “(B) may include—

1                   “(i) any relevant information that is  
2                   obtained under paragraph (1)(D); and

3                   “(ii) cadastral features, including, for  
4                   each cadastral feature—

5                   “ (I) the associated parcel identi-  
6                   fication data for that feature; and

7                   “ (II) to the maximum extent  
8                   practicable, using public and private  
9                   sector address data, the address of  
10                  that feature.”;

11                  (B) in subsection (c)(2)—

12                  (i) in subparagraph (B), by striking  
13                  “and” at the end;

14                  (ii) in subparagraph (C), by striking  
15                  the period at the end and inserting “;  
16                  and”; and

17                  (iii) by adding at the end the fol-  
18                  lowing:

19                  “(D) not later than 5 years after the date  
20                  on which the National Geodetic Survey com-  
21                  pletes the modernization of the National Spatial  
22                  Reference System in 2022, updated to conform  
23                  with the geospatial data provided by that sys-  
24                  tem; and

1           “(E) spatially accurate in accordance with  
2 the common protocols for geographic informa-  
3 tion systems under section 216 of the E-Gov-  
4 ernment Act of 2002 (44 U.S.C. 3501 note).”.

5           (C) by redesignating subsection (f) as sub-  
6 section (g);

7           (D) by inserting after subsection (e) the  
8 following:

9           “(f) INCORPORATING BUILDING-SPECIFIC FLOOD  
10 RISK INFORMATION.—

11           “(1) ESTABLISHMENT.—

12           “(A) IN GENERAL.—Not later than 5 years  
13 after the date of enactment of the National  
14 Flood Insurance Program Reauthorization and  
15 Reform Act of 2019, the Administrator, in co-  
16 ordination with, and as recommended by, the  
17 Technical Mapping Advisory Council, shall es-  
18 tablish a dynamic, database-derived digital dis-  
19 play environment for flood hazard risk produc-  
20 tion and dissemination.

21           “(B) CONSULTATION WITH STATES AND  
22 COMMUNITIES.—In designing and constructing  
23 the environment under subparagraph (A), the  
24 Administrator shall—

1                   “(i) leverage and partner with States  
2                   and communities that have successfully im-  
3                   plemented the same approach; and

4                   “(ii) consider adopting the techniques  
5                   and technologies used by States and com-  
6                   munities described in clause (i) and apply-  
7                   ing them nationwide.

8                   “(2) DIGITAL DISPLAY.—

9                   “(A) IN GENERAL.—In carrying out para-  
10                  graph (1), the Administrator shall create a dig-  
11                  ital display prompted through dynamic querying  
12                  of a spatial, relational building database that  
13                  includes—

14                  “(i) special flood hazard areas and  
15                  base flood elevations for purposes of lender  
16                  compliance with the requirements under  
17                  section 102 of the Flood Disaster Protec-  
18                  tion Act of 1973 (42 U.S.C. 4012a); and

19                  “(ii) structure-specific flood risk infor-  
20                  mation, including, for each property ad-  
21                  dress—

22                  “(I) the spatial footprint and ele-  
23                  vation of the structure relative to spe-  
24                  cial flood hazard areas and base flood  
25                  elevations;

1 “(II) the most current elevation  
2 certificate applicable to the property;

3 “(III) any letter of map changes;

4 “(IV) the full risk premium rate  
5 estimated for the structure under sec-  
6 tion 1307(a)(1) of the National Flood  
7 Insurance Act of 1968 (42 U.S.C.  
8 4014(a)(1)) based on elevation data;

9 “(V) the disclosure described in  
10 section 1308(l) of the National Flood  
11 Insurance Act of 1968 (42 U.S.C.  
12 4015(l)), which shall include—

13 “(aa) the extent to which, if  
14 any, the chargeable premium rate  
15 applicable to the property is less  
16 than the full risk premium rate  
17 under section 1307(a)(1) of that  
18 Act (42 U.S.C. 4014(a)(1)); and

19 “(bb) an explanation of the  
20 difference described in item (aa)  
21 and the methodology used to rate  
22 the property;

23 “(VI) the estimated cost to re-  
24 pair the structure in the case of dam-  
25 age from floods with recurrence inter-

1                   vals ranging from the 10 percent an-  
2                   nual chance event to the 0.2 percent  
3                   annual chance event;

4                   “(VII) the cost-effectiveness of  
5                   mitigating the structure using com-  
6                   mon methods and how the chargeable  
7                   premium rate would change based on  
8                   each mitigation method; and

9                   “(VIII) the claims history of the  
10                  structure, including the amount and  
11                  date of each loss.

12                  “(B) PRIVACY REQUIREMENTS.—With re-  
13                  spect to the database described in subparagraph  
14                  (A), including any data used to create that  
15                  database, the Administrator may not dissemi-  
16                  nate the database to any person other than the  
17                  owner or leaseholder of a property identified in  
18                  the database.

19                  “(3) DATABASE.—

20                  “(A) IN GENERAL.—The Administrator  
21                  shall—

22                  “(i) develop a spatial, relational data-  
23                  base of buildings in the National Flood In-  
24                  surance Program; and



1                   “(ii) obtain the data necessary to sup-  
2                   port the digital display created under para-  
3                   graph (2).

4                   “(B) DATA.—The data obtained under  
5                   subparagraph (A) shall include, at a min-  
6                   imum—

7                   “(i) footprints and elevations (includ-  
8                   ing lowest adjacent grade and first floor)  
9                   from Light Detection and Ranging (com-  
10                  monly known as ‘LiDAR’) data collections  
11                  or other data collection methods that meet  
12                  or exceed the standards for buildings, as  
13                  determined by the Administrator;

14                  “(ii) elevation certificates;

15                  “(iii) parcel, address, and imagery  
16                  data necessary for the identification, as-  
17                  sessment, and reduction of flood hazards  
18                  for individual properties;

19                  “(iv) flood insurance rate maps, stud-  
20                  ies, and supporting data;

21                  “(v) letters of map change; and

22                  “(vi) any other data that the Adminis-  
23                  trator determines necessary to collect to  
24                  meet the objectives of this section.

1           “(4) DATA PROCUREMENT.—The Administrator  
2 shall obtain any data necessary to establish the envi-  
3 ronment under paragraph (1), including by—

4           “(A) directing communities participating  
5 in the National Flood Insurance Program, by  
6 regulation, to collect and supply information,  
7 including elevation data, for each structure that  
8 obtains a construction or other development  
9 permit within—

10           “(i) a special flood hazard area; or

11           “(ii) an advisory special flood hazard  
12 area adopted by the community;

13           “(B) issuing guidelines and standards, as  
14 determined by the Administrator;

15           “(C) partnering with other Federal, State,  
16 local, and private stakeholders to the greatest  
17 extent possible to obtain and share existing  
18 data that meets or exceeds the standards deter-  
19 mined by the Administrator under subpara-  
20 graph (B); and

21           “(D) contracting with private companies to  
22 obtain new LiDAR data collections or elevation  
23 certificates.

1           “(5) NFIP PREMIUM CREDIT.—The Adminis-  
2           trator shall provide a 1-time premium credit of not  
3           more than \$500 to a policyholder for—

4                   “(A) the purchase of an elevation certifi-  
5           cate; or

6                   “(B) the purposes of appealing the charge-  
7           able premium rate with respect to the property  
8           to which the premium applies.

9           “(6) MASS LETTERS OF MAP CHANGE.—In co-  
10          ordination with States and communities that have  
11          successfully implemented a dynamic, database-de-  
12          rived digital display environment for flood hazard  
13          risk production and dissemination, the Adminis-  
14          trator shall issue guidelines for the adoption and in-  
15          tegration into the program established under sub-  
16          section (a) of LiDAR-based letter of map amend-  
17          ment approaches.

18          “(7) ANNUAL REPORT.—The Administrator  
19          shall submit to the Committee on Banking, Housing,  
20          and Urban Affairs of the Senate and the Committee  
21          on Financial Services of the House of Representa-  
22          tives an annual progress report on the implementa-  
23          tion of this subsection, which shall include rec-  
24          ommendations to reduce the cost and improve the  
25          implementation of this subsection.”; and

1 (E) in subsection (g), as so redesignated—

2 (i) by striking “this section  
3 \$400,000,000” and inserting the following:

4 “this section—

5 “(1) \$400,000,000”; and

6 (ii) by striking the period at the end

7 and inserting the following: “; and

8 “(2) \$400,000,000 for each of fiscal years 2020  
9 through 2025.”.

10 (b) APPEALS.—

11 (1) IN GENERAL.—

12 (A) RIGHT TO APPEAL.—Section 1360 of  
13 the National Flood Insurance Act of 1968 (42  
14 U.S.C. 4101) is amended by adding at the end  
15 the following:

16 “(k) APPEALS OF EXISTING MAPS.—

17 “(1) RIGHT TO APPEAL.—Subject to paragraph  
18 (6), a State or local government, or the owner or les-  
19 see of real property, that makes a formal request to  
20 the Administrator to update a flood insurance rate  
21 map that the Administrator denies may at any time  
22 appeal the denial in accordance with this subsection.

23 “(2) BASIS FOR APPEAL.—The basis for an ap-  
24 peal under this subsection shall be the possession of  
25 knowledge or information that—

1           “(A) the base flood elevation level or des-  
2           ignation of any aspect of a flood insurance rate  
3           map is scientifically or technically inaccurate; or

4           “(B) factors exist that mitigate the risk of  
5           flooding, including ditches, banks, walls, vegeta-  
6           tion, levees, lakes, dams, reservoirs, basin, re-  
7           tention ponds, and other natural or manmade  
8           topographical features.

9           “(3) APPEALS PROCESS.—

10           “(A) ADMINISTRATIVE ADJUDICATION.—

11           The Administrator shall determine an appeal  
12           under this subsection by making a final adju-  
13           dication on the record, after providing an op-  
14           portunity for an administrative hearing.

15           “(B) RIGHTS UPON ADVERSE DECISION.—

16           “(i) OPTIONAL ARBITRATION.—If an  
17           appeal determined under subparagraph (A)  
18           does not result in a decision in favor of the  
19           State, local government, owner, or lessee,  
20           that party may request that an appeal of  
21           the adverse decision be heard through  
22           independent, non-binding arbitration.

23           “(ii) PROCESS.—The Administrator  
24           shall establish a process for arbitration  
25           under clause (i) under which the arbitrator

1 provides a non-binding recommendation to  
2 the Administrator.

3 “(4) RELIEF.—

4 “(A) WHOLLY SUCCESSFUL APPEALS.—If  
5 the Administrator determines, in an appeal  
6 under this subsection, that the property of a  
7 policyholder that had been included in a special  
8 flood hazard area under the flood insurance  
9 rate map is actually not in a special flood haz-  
10 ard area—

11 “(i) the policyholder may cancel the  
12 policy at any time during the year in which  
13 the Administrator makes the determina-  
14 tion; and

15 “(ii) the Administrator shall provide  
16 the policyholder a refund equal to the  
17 amount of—

18 “(I) any premiums that the pol-  
19 icyholder paid during the year de-  
20 scribed in clause (i); and

21 “(II) any premiums that the pol-  
22 icyholder paid for flood insurance cov-  
23 erage that the policyholder was re-  
24 quired to purchase or maintain during

1 the 2-year period preceding the year  
2 described in clause (i).

3 “(B) PARTIALLY SUCCESSFUL APPEALS.—

4 If the Administrator determines in an appeal  
5 under this subsection that mitigating factors  
6 have reduced, but not eliminated, the risk of  
7 flooding to a property, the Administrator  
8 shall—

9 “(i) reduce the amount of flood insur-  
10 ance coverage required to be maintained  
11 for the property by the ratio of the suc-  
12 cessful portion of the appeal as compared  
13 to the entire appeal; and

14 “(ii) provide the policyholder a refund  
15 equal to the difference between—

16 “(I) the amount of any premiums  
17 that the policyholder paid during the  
18 period—

19 “(aa) beginning on the later  
20 of—

21 “(AA) the date on  
22 which the mitigating factor  
23 was created; or

24 “(BB) January 1 of the  
25 second year preceding the

1 date on which the deter-  
2 mination is made; and

3 “(bb) ending on the date on  
4 which the reduction in the  
5 amount of flood insurance re-  
6 quired, as described in clause (i),  
7 takes effect; and

8 “(II) the amount of premiums  
9 that the policyholder would have been  
10 required to pay if the reduced amount  
11 of flood insurance coverage required,  
12 as described in clause (i), had been in  
13 effect during the period described in  
14 subclause (I) of this clause.

15 “(C) ADDITIONAL RELIEF.—The Adminis-  
16 trator may provide additional refunds in excess  
17 of the amounts required under subparagraphs  
18 (A) and (B) if the Administrator determines  
19 that such additional refunds are warranted.

20 “(5) RECOVERY OF COSTS.—

21 “(A) APPEAL EXPENSES.—If a State or  
22 local government, or the owner or lessee of real  
23 property, incurs any expense in connection with  
24 an appeal under this subsection that is based  
25 on a scientific or technical error made by the



1 Administrator and that is successful in whole or  
2 part regarding the designation of the base flood  
3 elevation or any aspect of a flood insurance rate  
4 map, including elevation or designation of a  
5 special flood hazard area, the Administrator  
6 shall reimburse the State, local government,  
7 owner, or lessee in accordance with subpara-  
8 graph (B).

9 “(B) REIMBURSABLE EXPENSES.—The  
10 Administrator—

11 “(i) may reimburse a party under  
12 subparagraph (A) for reasonable expenses  
13 described in that subparagraph—

14 “(I) including for a service pro-  
15 vided by a surveyor, engineer, or sci-  
16 entific expert; and

17 “(II) to the extent measured by  
18 the ratio of the successful portion of  
19 the appeal as compared to the entire  
20 appeal; and

21 “(ii) may not reimburse a party under  
22 subparagraph (A) for—

23 “(I) the cost of legal services; or

24 “(II) the payment of any fee or  
25 expense, the payment of which was

1                   agreed to be contingent upon the re-  
2                   sult of the appeal.

3                   “(6) GUIDANCE.—The Administrator shall  
4                   issue guidance to implement this subsection, which  
5                   shall not be subject to the notice and comment re-  
6                   quirements under section 553 of title 5, United  
7                   States Code.”.

8                   (B) TECHNICAL AND CONFORMING AMEND-  
9                   MENTS.—Section 1310(a) of the National Flood  
10                  Insurance Act of 1968 (42 U.S.C. 4017(a)) is  
11                  amended—

12                   (i) in paragraph (7), by striking  
13                   “and” at the end;

14                   (ii) in paragraph (8), by striking the  
15                   period at the end and inserting “; and”;  
16                   and

17                   (iii) by adding at the end the fol-  
18                   lowing:

19                   “(9) for providing reimbursements of expenses  
20                   of flood insurance rate map appeals under section  
21                   1360(k)(5).”.

22                   (2) DEADLINE FOR ISSUANCE OF GUIDANCE.—  
23                   Not later than 180 days after the date of enactment  
24                   of this Act, the Administrator shall issue the guid-  
25                   ance required under subsection (k)(6) of section

1       1360 of the National Flood Insurance Act of 1968  
2       (42 U.S.C. 4101), as added by paragraph (1)(A).

3       **SEC. 209. PROTECTED AREAS.**

4       Section 100216(b) of the Biggert-Waters Flood In-  
5       surance Reform Act of 2012 (42 U.S.C. 4101b(b)) is  
6       amended by adding at the end the following:

7               “(4) ZONES PROTECTED BY LEVEE SYSTEMS.—

8                       “(A) APPLICABILITY.—Subject to full im-  
9                       plementation of this section, and notwith-  
10                      standing any other provision of law, this para-  
11                      graph shall apply to a community in which the  
12                      Administrator maps or re-maps a levee-im-  
13                      pacted area in which the pertinent levee system  
14                      fails to meet the minimum design, operation,  
15                      and maintenance standards of the National  
16                      Flood Insurance Program required for levee ac-  
17                      creditation on a National Flood Insurance Pro-  
18                      gram rate map.

19                      “(B) AL ZONES.—For levee-impacted  
20                      areas described in subparagraph (A), the Ad-  
21                      ministrator shall establish flood risk zones  
22                      known as ‘AL Zones’ on the National Flood In-  
23                      surance Program rate map.

24                      “(C) ACTUARIAL RATES.—



1 (C) are consistent with mitigation plans  
2 approved by the Administrator.

3 **TITLE III—SOLVENCY**

4 **SEC. 301. FORBEARANCE ON NFIP INTEREST PAYMENTS.**

5 (a) IN GENERAL.—During the 5-year period begin-  
6 ning on the date of enactment of this Act, the Secretary  
7 of the Treasury may not charge the Administrator interest  
8 on amounts borrowed by the Administrator under section  
9 1309(a) of the National Flood Insurance Act of 1968 (42  
10 U.S.C. 4016(a)) that were outstanding as of that date of  
11 enactment.

12 (b) USE OF SAVED AMOUNTS.—There shall be depos-  
13 ited into the National Flood Mitigation Fund an amount  
14 equal to the interest that would have accrued on the bor-  
15 rowed amounts during the 5-year period described in sub-  
16 section (a), which, notwithstanding any provision of sec-  
17 tion 1367 of the National Flood Insurance Act of 1968  
18 (42 U.S.C. 4104d), the Administrator shall use to carry  
19 out the program established under section 1366 of the Na-  
20 tional Flood Insurance Act of 1968 (42 U.S.C. 4104c).

21 (c) NO RETROACTIVE ACCRUAL.—After the 5-year  
22 period described in subsection (a), the Secretary of the  
23 Treasury shall not require the Administrator to repay any  
24 interest that, but for that subsection, would have accrued

1 on the borrowed amounts described in that subsection dur-  
2 ing that 5-year period.

3 **SEC. 302. CAP ON WRITE YOUR OWN COMPANY COMPENSA-**  
4 **TION.**

5 (a) IN GENERAL.—Section 1311 of the National  
6 Flood Insurance Act of 1968 (42 U.S.C. 4018) is amend-  
7 ed—

8 (1) by redesignating subsection (b) as sub-  
9 section (c); and

10 (2) by inserting after subsection (a) the fol-  
11 lowing:

12 “(b) LIMITATION ON COMPENSATION; MINIMUM  
13 AGENT COMMISSIONS.—In negotiating with appropriate  
14 representatives of the insurance industry under subsection  
15 (a), the Administrator shall ensure that—

16 “(1) any reimbursement paid to a property and  
17 casualty insurance company for selling, writing, and  
18 servicing flood insurance policies is not more than  
19 22.46 percent of the aggregate amount of premiums  
20 charged by the insurance company; and

21 “(2) an insurance company pays a portion of  
22 the reimbursement described in paragraph (1) to  
23 agents of the company as a commission, in an  
24 amount that is not less than 15 percent of the ag-

1 gregate amount of the premiums sold by the  
2 agent.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 Section 1311 of the National Flood Insurance Act of 1968  
5 (42 U.S.C. 4018), as amended by subsection (a), is  
6 amended—

7 (1) in subsection (a), by striking “The Adminis-  
8 trator” and inserting “IN GENERAL.—The Adminis-  
9 trator”; and

10 (2) in subsection (c), as so redesignated by sub-  
11 section (a) of this section, by striking “For purposes  
12 of subsection (a)” and inserting “DEFINITIONS.—  
13 For purposes of this section”.

14 **SEC. 303. TAXPAYER PROTECTION.**

15 Section 1360(g) of the National Flood Insurance Act  
16 of 1968 (42 U.S.C. 4101(g)) is amended—

17 (1) in the first sentence, by inserting “, subject  
18 to the following sentence,” after “at a reasonable  
19 cost”; and

20 (2) by inserting after the first sentence the fol-  
21 lowing: “The Administrator shall develop a fee  
22 schedule based on recovering the actual costs of pro-  
23 viding flood insurance rate maps to such other per-  
24 sons, and shall charge a fee based on the schedule  
25 to any private entity for the use of such a map.”.

1 **SEC. 304. VENDOR COSTS; TRANSPARENCY.**

2 (a) IN GENERAL.—Section 100224(d) of the Biggert-  
3 Waters Flood Insurance Reform Act of 2012 (42 U.S.C.  
4 4081 note) is amended—

5 (1) by striking “Not later than 12 months after  
6 the date of enactment of this Act, the Adminis-  
7 trator” and inserting the following:

8 “(1) IN GENERAL.—The Administrator”; and

9 (2) by adding at the end the following:

10 “(2) VENDOR COSTS; TRANSPARENCY.—In  
11 issuing the rule under paragraph (1), the Adminis-  
12 trator shall—

13 “(A) develop a schedule to determine the  
14 actual costs of Write Your Own vendors, includ-  
15 ing claims adjusters and engineering companies;

16 “(B) provide that if a Write Your Own  
17 company requests reimbursement for the costs  
18 of a service or product provided to the company  
19 by a vendor, the Administrator only reimburses  
20 the company for the actual costs of the service  
21 or products; and

22 “(C) require that all reimbursements to  
23 Write Your Own companies be made public, in-  
24 cluding a description of the product or service  
25 provided to which the reimbursement per-  
26 tains.”.



1 (b) DEADLINE FOR REVISED RULE.—Not later than  
2 90 days after the date of enactment of this Act, the Ad-  
3 ministrator shall issue a revised rule under section  
4 100224(d) of the Biggert-Waters Flood Insurance Reform  
5 Act of 2012 (42 U.S.C. 4081 note), as amended by sub-  
6 section (a).

7 **SEC. 305. AVAILABILITY OF NFIP CLAIMS DATA.**

8 (a) STUDY REQUIRED.—

9 (1) IN GENERAL.—The Administrator shall  
10 study the feasibility of selling or licensing the use of  
11 historical structure-specific National Flood Insur-  
12 ance Program claims data (referred to in this sec-  
13 tion as “covered claims data”) to nongovernmental  
14 entities.

15 (2) CONTENTS.—In conducting the study re-  
16 quired under paragraph (1), the Administrator shall,  
17 at a minimum—

18 (A) investigate 1 or more methods of pro-  
19 viding the most specific covered claims data  
20 possible while reasonably protecting policyholder  
21 privacy;

22 (B) review existing means, as of the date  
23 of enactment of this Act, by which the Federal  
24 Government and nongovernmental entities pro-  
25 vide leases or licenses to private persons, and

1 the various regulations, terms, conditions, and  
2 guidance employed;

3 (C) identify potential uses for covered  
4 claims data and any known risks concerning  
5 those uses, including the risk that private insur-  
6 ance companies will use the data to issue flood  
7 insurance policies with respect to properties  
8 that have the lowest level of flood risk, which  
9 would require the National Flood Insurance  
10 Program to issue those policies with respect to  
11 properties with higher levels of flood risk;

12 (D) identify mechanisms for determining  
13 the likely market value for access to covered  
14 claims data;

15 (E) consider whether selling or licensing  
16 the use of covered claims data, as described in  
17 paragraph (1), would be in compliance with sec-  
18 tion 552a of title 5, United States Code; and

19 (F) recommend actions the Administrator  
20 could take, if any, to prevent unintended con-  
21 sequences associated with the sale or licensing  
22 for private insurance purposes covered claims  
23 data.

24 (b) REPORT BY ADMINISTRATOR.—Not later than 1  
25 year after the date of enactment of this Act, the Adminis-

1 trator shall submit to the Committee on Banking, Hous-  
2 ing, and Urban Affairs of the Senate and the Committee  
3 on Financial Services of the House of Representatives a  
4 report that contains the results and conclusions of the  
5 study conducted under subsection (a), which shall include  
6 an analysis of any recommendations made by the study.

7 **SEC. 306. REFUSAL OF MITIGATION ASSISTANCE.**

8 Section 1366 of the National Flood Insurance Act of  
9 1968 (42 U.S.C. 4104c) is amended—

10 (1) in subsection (a), in the matter preceding  
11 paragraph (1), in the first sentence, by inserting  
12 “and, with respect to financial assistance described  
13 in paragraph (2), using amounts made available  
14 from the Disaster Relief Fund in accordance with  
15 section 203(n) of the Robert T. Stafford Disaster  
16 Relief and Emergency Assistance Act (42 U.S.C.  
17 5133(n))” after “section 1367”;

18 (2) by redesignating subsection (h) as sub-  
19 section (i); and

20 (3) by inserting after subsection (g) the fol-  
21 lowing:

22 “(h) REFUSAL OF ASSISTANCE.—

23 “(1) DEFINITION.—In this subsection, the term  
24 ‘bona fide offer of assistance’ means an offer of as-

1 assistance made by the Administrator to a policyholder  
2 under the national flood insurance program that—

3 “(A) relates to mitigation activities with  
4 respect to the structure insured under that pro-  
5 gram;

6 “(B) covers 100 percent of the cost of the  
7 mitigation activities described in subparagraph  
8 (A);

9 “(C) permits the policyholder to continue  
10 to live in the structure to which the policy re-  
11 lates; and

12 “(D) is carried out under a mitigation  
13 plan.

14 “(2) PENALTY.—If, after the date of enactment  
15 of this subsection, a policyholder under the national  
16 flood insurance program refuses a bona fide offer of  
17 assistance with respect to the property so insured,  
18 the Administrator shall, notwithstanding any other  
19 provision of this title, increase the chargeable risk  
20 premium rate for flood insurance under this title for  
21 the property by 25 percent each year until—

22 “(A) the policyholder accepts the bona fide  
23 offer of assistance; or

24 “(B) that chargeable risk premium rate is  
25 actuarially sound.”.

1           **TITLE IV—POLICYHOLDER**  
2           **PROTECTION AND FAIRNESS**

3   **SEC. 401. EARTH MOVEMENT FIX AND ENGINEER STAND-**  
4                           **ARDS.**

5           (a) REBUTTABLE PRESUMPTION FOR FOUNDATION  
6 AND STRUCTURAL DAMAGE.—

7                   (1) IN GENERAL.—Section 1312 of the Na-  
8           tional Flood Insurance Act of 1968 (42 U.S.C.  
9           4019) is amended by adding at the end the fol-  
10          lowing:

11           “(d) REBUTTABLE PRESUMPTION FOR FOUNDATION  
12 AND STRUCTURAL DAMAGE.—

13                   “(1) IN GENERAL.—For the purposes of the  
14          Administrator determining coverage under the  
15          standard flood insurance policy under the national  
16          flood insurance program, a rebuttable presumption  
17          that physical damage to the foundation of, or struc-  
18          tural damage to, a structure was not caused by  
19          earth movement shall apply if—

20                           “(A) flood caused direct physical change to  
21          the structure; and

22                           “(B) there is damage to the foundation of,  
23          or structural damage to, the structure that was  
24          not present before the flood, as demonstrated  
25          by a certification from the policyholder.

1           “(2) REBUTTAL.—In determining coverage as a  
2 result of the rebuttable presumption under para-  
3 graph (1), an insurance company may rebut the pre-  
4 sumption only by providing the Administrator with  
5 an engineering report that—

6           “(A) meets standards issued by the Ad-  
7 ministrator under paragraph (3); and

8           “(B) clearly demonstrates that the physical  
9 damage to the foundation of, or structural dam-  
10 age to, a structure described in paragraph (1)  
11 was caused directly by earth movement that  
12 was not caused by—

13           “(i) the horizontal pressure from  
14 standing or slow-moving floodwater (com-  
15 monly known as ‘hydrostatic pressure’);

16           “(ii) the force of floodwater that  
17 causes the vertical uplift from the under-  
18 side of a horizontal foundation component,  
19 such as a concrete slab, footer, or a struc-  
20 tural floor assembly (commonly known as  
21 ‘buoyancy’);

22           “(iii) pressure imposed on an object,  
23 such as a wall of a building, by high-veloc-  
24 ity floodwater or waves flowing against and

1 around the building (commonly known as  
2 ‘hydrodynamic force’);

3 “(iv) floodwater moving along the sur-  
4 face of the ground causing soil to suddenly  
5 erode or undermine, resulting in failure of  
6 a foundation or to one of the structural  
7 components of the foundation (commonly  
8 known as ‘scouring’); or

9 “(v) earth movement otherwise caused  
10 by flood.

11 “(3) IN GENERAL.—The Administrator shall  
12 issue minimum standards—

13 “(A) regarding the form and content of en-  
14 gineering reports used to assist insurance  
15 claims adjusters with respect to carrying out  
16 this subsection; and

17 “(B) which shall—

18 “(i) include a requirement that any  
19 such engineering report shall be signed and  
20 have a seal affixed by an engineer who is  
21 licensed in the State in which the property  
22 to which the claim relates is located; and

23 “(ii) be consistent with generally ac-  
24 cepted practices in—

1                   “(I) the field of forensic engi-  
2                   neering; and

3                   “(II) the insurance industry.

4                   “(4) RULE OF CONSTRUCTION.—Nothing in  
5                   this subsection may be construed to modify the  
6                   terms and conditions of the standard flood insurance  
7                   policy.”.

8                   (2) APPLICATION.—The amendments made by  
9                   paragraph (1) shall apply with respect to a claim  
10                  with a date of loss that is on or after the date that  
11                  is 90 days after the date of enactment of this Act.

12                  (b) REGULATIONS.—Not later than 90 days after the  
13                  date of enactment of this Act, the Administrator shall  
14                  issue the standards required under subsection (d)(3) of  
15                  section 1312 of the National Flood Insurance Act of 1968  
16                  (42 U.S.C. 4019), as added by subsection (a)(1).

17 **SEC. 402. COVERAGE OF PRE-FIRM CONDOMINIUM BASE-**  
18 **MENTS AND STUDY ON STREET RAISING.**

19                  (a) BASEMENT CLARIFICATION.—

20                  (1) IN GENERAL.—Section 1305 of the Na-  
21                  tional Flood Insurance Act of 1968 (42 U.S.C.  
22                  4012) is amended by adding at the end the fol-  
23                  lowing:

24                  “(e) AVAILABILITY OF INSURANCE FOR PRE-FIRM  
25                  CONDOMINIUM BASEMENTS.—



1           “(1) DEFINITION.—In this subsection, the term  
2           ‘pre-FIRM condominium building’ means a condo-  
3           minium building that was not constructed or sub-  
4           stantially improved after the later of—

5                   “(A) December 31, 1974; or

6                   “(B) the effective date of the initial flood  
7           insurance rate map published by the Adminis-  
8           trator under section 1360 for the area in which  
9           the building is located.

10           “(2) COVERAGE.—The Administrator shall  
11           make flood insurance available to cover the base-  
12           ment of any pre-FIRM condominium building if that  
13           basement serves as a separate residential unit within  
14           that condominium building.”.

15           (2) AMENDMENTS TO REGULATIONS.—Not later  
16           than 180 days after the date of enactment of this  
17           Act, the Administrator shall make any amendments  
18           to the regulations of the Federal Emergency Man-  
19           agement Agency that are necessary as a result of the  
20           amendment made by paragraph (1).

21           (b) STUDY ON CONSEQUENCES OF STREET-RAIS-  
22           ING.—

23           (1) DEFINITION.—In this subsection, the term  
24           “affected property” means a property containing an  
25           area—

1 (A) the floor of which was located at or  
2 above grade before the community raised the  
3 street adjacent to the property; and

4 (B) after the street-raising described in  
5 subparagraph (A), that was designated as a  
6 basement because of the street-raising.

7 (2) STUDY; REPORT.—Not later than 1 year  
8 after the date of enactment of this Act, the Adminis-  
9 trator shall study and submit to Congress a report  
10 on the consequences of street-raising on flood insur-  
11 ance coverage for an affected property under the  
12 National Flood Insurance Program, including the  
13 cost implications for the property owner.

14 **SEC. 403. GUIDANCE ON REMEDIATION AND POLICY-**  
15 **HOLDER DUTIES.**

16 (a) IN GENERAL.—Section 1312 of the National  
17 Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-  
18 ed by section 401(a)(1), is amended by adding at the end  
19 the following:

20 “(e) GUIDANCE ON MOLD REMEDIATION.—

21 “(1) IN GENERAL.—The Administrator shall  
22 issue guidance relating to the identification of rea-  
23 sonable actions that a policyholder of coverage for  
24 flood insurance made available under this title may

1 take to inspect and maintain the property to which  
2 that coverage applies—

3 “(A) after a flood recedes; and

4 “(B) in order to avoid damage to the prop-  
5 erty that is caused by mold, mildew, moisture,  
6 or water.

7 “(2) CONSIDERATIONS.—In developing guid-  
8 ance under paragraph (1), the Administrator shall  
9 consider—

10 “(A) any applicable laws and regulations;

11 “(B) the terms and conditions of the  
12 standard flood insurance policy;

13 “(C) technical best practices;

14 “(D) the costs of remediation in relation to  
15 the condition of a property described in that  
16 paragraph; and

17 “(E) the actions that the Administrator  
18 may reasonably expect a policyholder described  
19 in that paragraph to take, given the likely chal-  
20 lenges faced by the policyholder after a flood.

21 “(3) REGULAR REVIEW.—The Administrator  
22 shall—

23 “(A) regularly review the guidance issued  
24 under paragraph (1); and

1           “(B) revise the guidance issued under  
2           paragraph (1) as the Administrator determines  
3           appropriate.

4           “(4) ANNUAL DISTRIBUTION.—The Adminis-  
5           trator shall provide a copy of the guidance issued  
6           under paragraph (1) to a policyholder at the time of  
7           the purchase or renewal of a flood insurance policy  
8           sold under this title.”.

9           (b) INITIAL ISSUANCE.—Not later than 1 year after  
10          the date of enactment of this Act, the Administrator shall  
11          issue the guidance required under subsection (e) of section  
12          1312 of the National Flood Insurance Act of 1968 (42  
13          U.S.C. 4019), as added by subsection (a) of this section.

14          (c) ACCESSIBILITY, REASONABLENESS AND DEGREE  
15          OF DAMAGE.—Section 1312 of the National Flood Insur-  
16          ance Act of 1968 (42 U.S.C. 4019), as amended by sub-  
17          section (a), is amended by adding at the end the following:

18          “(f) EXCLUSION OF CERTAIN DAMAGE.—For pur-  
19          poses of determining whether damage caused by mold, mil-  
20          dew, moisture, or water to a property shall be excluded  
21          from coverage under the standard flood insurance policy—

22                 “(1) subject to paragraph (2), only the degree  
23                 of damage caused by mold, mildew, moisture, or  
24                 water that could have been avoided through inspec-

1       tion and maintenance may be excluded from that  
2       coverage; and

3               “(2) the condition of the property to which the  
4       damage relates may not be considered to be attrib-  
5       utable to the policyholder with respect to the prop-  
6       erty, including any failure by the policyholder to in-  
7       spect and maintain the property after a flood re-  
8       cedes, if—

9               “(A) the policyholder was denied access to  
10       the property after the flood receded because  
11       of—

12                       “(i) a lawful government order;

13                       “(ii) a determination by local authori-  
14       ties that the property—

15                               “(I) is unsafe or unstable; or

16                               “(II) shall be condemned; or

17                               “(iii) otherwise unsafe conditions;

18               “(B) a reasonable individual exercising  
19       reasonable judgment could not be expected to  
20       inspect, maintain, or mitigate the damage to  
21       the property under the circumstances; or

22               “(C) the policyholder faced particular chal-  
23       lenges, including—

24                       “(i) practical or financial difficulty in  
25       inspecting or maintaining the property;

1 “(ii) the need to address other more  
2 immediate priorities, including—

3 “(I) the health and well-being of  
4 the policyholder and the family of the  
5 policyholder;

6 “(II) the preservation of basic  
7 items;

8 “(III) displacement; and

9 “(IV) other issues that make in-  
10 spection and maintenance of the prop-  
11 erty a near-term challenge for the pol-  
12 icyholder; and

13 “(iii) the unavailability of contractors  
14 or other individuals to perform any re-  
15 quired inspection and maintenance.”.

16 **SEC. 404. APPEAL OF DECISIONS RELATING TO FLOOD IN-**  
17 **SURANCE COVERAGE.**

18 (a) IN GENERAL.—Section 205 of the Bunning-Be-  
19 reuter-Blumenauer Flood Insurance Reform Act of 2004  
20 (42 U.S.C. 4011 note) is amended—

21 (1) in the matter preceding paragraph (1), by  
22 striking “Not later” and inserting the following:

23 “(a) IN GENERAL.—Not later”; and

24 (2) by adding at the end the following:

1           “(b) DEADLINE TO FILE APPEAL.—The Director  
2 shall establish a deadline for filing an appeal under this  
3 section that is not less than 1 year after the date on which  
4 the decision being appealed was made.

5           “(c) NOTIFICATION UPON INITIAL DENIAL OF  
6 CLAIM.—The Director shall ensure that a claimant is pro-  
7 vided with the rules, forms, and deadlines for an appeal  
8 under this section at the time a claim is first denied in  
9 full or in part, including—

10               “(1) the effective date of the denial;

11               “(2) a justification for the denial, including  
12 supporting documentation;

13               “(3) the date on which the period of limitation  
14 for instituting an action on the claim under section  
15 1333 or 1341 of the National Flood Insurance Act  
16 of 1968 (42 U.S.C. 4053 and 4072), as applicable,  
17 will end; and

18               “(4) a point of contact through which the  
19 claimant can directly discuss an appeal with a rep-  
20 resentative of the Federal Emergency Management  
21 Agency.

22           “(d) DEADLINE TO RESOLVE APPEAL.—

23               “(1) IN GENERAL.—Not later than 90 days  
24 after the date on which a policyholder has submitted  
25 all necessary information relating to an appeal under

1       this section, the Director shall provide an appeal de-  
2       cision in writing to the policyholder and insurer, in-  
3       cluding specific information for the resolution of the  
4       appeal.

5               “(2) ENFORCEMENT.—If the Director does not  
6       comply with the deadline under paragraph (1) with  
7       respect to an appeal, and the policyholder that  
8       brought the appeal is ultimately successful, the Di-  
9       rector shall pay to the policyholder interest on the  
10      claim that is the subject of the appeal, which shall—

11               “(A) begin accruing on the date on which  
12      the policyholder files the appeal; and

13               “(B) be calculated using the rate of return  
14      on a 3-year Treasury bill, as in effect on the  
15      date described in subparagraph (A).

16               “(3) NOTIFICATION UPON DENIAL OF AP-  
17      PEAL.—If the Director denies an appeal filed by a  
18      policyholder under this section, the Director shall in-  
19      clude with the notice of denial—

20               “(A) an explanation of the legal options of  
21      the policyholder for further challenging the de-  
22      nial; and

23               “(B) the date on which the period of limi-  
24      tation for instituting an action on the claim  
25      under section 1333 or 1341 of the National



1 Flood Insurance Act of 1968 (42 U.S.C. 4053  
2 and 4072), as applicable, will end.

3 “(e) OPTIONAL ARBITRATION.—

4 “(1) IN GENERAL.—Not later than 180 days  
5 after the date of enactment of this subsection, the  
6 Director shall, by regulation, establish a process  
7 through which a flood insurance policyholder, in-  
8 stead of submitting an appeal under this section,  
9 may request that the appeal be heard through inde-  
10 pendent, binding arbitration.

11 “(2) RULE OF CONSTRUCTION.—Nothing in  
12 paragraph (1) may be construed to—

13 “(A) require a policyholder to submit to  
14 the arbitration described in that paragraph; or

15 “(B) prevent a policyholder from obtaining  
16 judicial review of the results of the arbitration  
17 described in that paragraph.”.

18 (b) RELATION TO REGULATIONS AND OTHER LAW.—

19 Nothing in the amendments made by subsection (a) may  
20 be construed to require the Administrator to repeal the  
21 regulations promulgated under section 205 of the Bun-  
22 ning-Bereuter-Blumenauer Flood Insurance Reform Act  
23 of 2004 (42 U.S.C. 4011 note), as in effect on the day  
24 before the date of enactment of this Act, or to promulgate

1 new regulations, except as necessary to implement those  
2 amendments.

3 **SEC. 405. ACCOUNTABILITY FOR UNDERPAYMENTS AND**  
4 **OVERPAYMENTS BY WRITE YOUR OWN COM-**  
5 **PANIES.**

6 Section 1348 of the National Flood Insurance Act of  
7 1968 (42 U.S.C. 4084) is amended by adding at the end  
8 the following:

9 “(c) ACCOUNTABILITY FOR UNDERPAYMENTS.—If  
10 the Administrator determines through any audit that the  
11 pool or an insurance company or other private organiza-  
12 tion described in subsection (a) has not adjusted a claim  
13 in accordance with adjusting standards that are in effect  
14 as of the date on which the adjustment is performed and,  
15 as a result of that failure, has underpaid or overpaid a  
16 claim of a policyholder, the penalty imposed by the Admin-  
17 istrator with respect to such a failure may not be less for  
18 an overpayment of a claim than for an underpayment of  
19 a claim.

20 “(d) GAO REPORT.—Not later than 2 years after the  
21 date of enactment of this subsection, and triennially there-  
22 after, the Comptroller General of the United States shall  
23 submit to the Committee on Banking, Housing, and  
24 Urban Affairs of the Senate and the Committee on Finan-  
25 cial Services of the House of Representatives a report re-

1 guarding any fines or other penalties imposed by the Ad-  
2 ministrator under subsection (c).”.

3 **SEC. 406. POLICYHOLDERS’ RIGHT TO KNOW.**

4 (a) USE.—Section 1312 of the National Flood Insur-  
5 ance Act of 1968 (42 U.S.C. 4019), as amended by section  
6 403(c), is amended by adding at the end the following:

7 “(g) USE OF TECHNICAL ASSISTANCE REPORTS.—  
8 When adjusting claims for any damage to or loss of prop-  
9 erty that is covered by flood insurance made available  
10 under this title, the Administrator may rely upon technical  
11 assistance reports, as defined in section 1312A(a), only  
12 if the reports are final and are prepared in compliance  
13 with applicable State and Federal laws regarding profes-  
14 sional licensure and conduct.”.

15 (b) DISCLOSURE.—Chapter I of the National Flood  
16 Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amend-  
17 ed by inserting after section 1312 (42 U.S.C. 4019) the  
18 following:

19 **“SEC. 1312A. DISCLOSURE OF CLAIMS DOCUMENTS AND**  
20 **TECHNICAL ASSISTANCE REPORTS.**

21 “(a) DEFINITIONS.—In this section—

22 “(1) the term ‘policyholder’ means any person  
23 listed as a named or additional insured on the dec-  
24 larations page of a policy for flood insurance cov-  
25 erage made available under this title; and

1           “(2) the term ‘technical assistance report’  
2 means a report created for the purpose of furnishing  
3 technical assistance to an insurance claims adjuster  
4 assigned under the national flood insurance pro-  
5 gram, including any report created by an engineer,  
6 a surveyor, a salvor, an architect, or a certified pub-  
7 lic accountant.

8           “(b) PROVISION OF COPIES.—

9           “(1) IN GENERAL.—Notwithstanding section  
10 552a of title 5, United States Code, not later than  
11 1 week after the date on which the Administrator re-  
12 ceives a written request, or a request submitted on-  
13 line, from a policyholder, and with respect to a claim  
14 for loss submitted by the policyholder for any dam-  
15 age to or loss of property that is covered by the pol-  
16 icy, the Administrator shall provide a true, complete,  
17 and unredacted copy of—

18           “(A) all documents that constitute the  
19 claims file of the insurance company with re-  
20 spect to the claim;

21           “(B) any document created by any ad-  
22 juster in scoping the loss, including measure-  
23 ments, photographs, and notes;

24           “(C) any estimates of damages with re-  
25 spect to the claim;

1           “(D) any draft and final technical assist-  
2           ance report relating to adjusting and paying or  
3           denying the claim;

4           “(E) any proof of loss, supplemental proofs  
5           of loss, or any equivalent notices, together with  
6           supporting documentation, with respect to the  
7           claim; and

8           “(F) any document relating to the denial  
9           or partial denial of the claim.

10          “(2) RULE OF CONSTRUCTION.—Nothing in  
11          paragraph (1) may be construed to limit the right of  
12          a policyholder to receive a disclosure under section  
13          552a of title 5, United States Code, or any other  
14          provision of law.

15          “(c) DIRECT DISCLOSURE BY WRITE YOUR OWN  
16          COMPANIES AND DIRECT SERVICING AGENTS.—

17                 “(1) IN GENERAL.—A Write Your Own com-  
18                 pany or direct servicing agent in possession of any  
19                 technical assistance report that is subject to disclo-  
20                 sure under subsection (b) may disclose such tech-  
21                 nical assistance report without further review or ap-  
22                 proval by the Administrator.

23                 “(2) AFFIRMATIVE NOTIFICATION.—A Write  
24                 Your Own company, or any other entity servicing a  
25                 claim under the national flood insurance program,

1 shall, not later than 30 days after the date on which  
2 the company or entity receives notice of a claim, no-  
3 tify the claimant that the claimant or an authorized  
4 representative of the claimant may obtain, upon re-  
5 quest, a copy of any claim-related document de-  
6 scribed in subsection (b)(1) that pertains to the  
7 claimant.”.

8 (c) TRANSMISSION OF REPORT WITHOUT AP-  
9 PROVAL.—

10 (1) DEFINITION.—In this subsection, the term  
11 “final engineering report” means an engineering re-  
12 port, survey, or other document in connection with  
13 a claim for losses covered by a policy for flood insur-  
14 ance coverage made available under the National  
15 Flood Insurance Act of 1968 (42 U.S.C. 4001 et  
16 seq.) that—

17 (A) is based on an on-site inspection;

18 (B) contains final conclusions with respect  
19 to an engineering issue or issues involved in the  
20 claim; and

21 (C) is signed by the responsible in charge  
22 or affixed with the seal of the responsible in  
23 charge, or both.

24 (2) TRANSMISSION.—A Write Your Own com-  
25 pany or a National Flood Insurance Program direct

1       servicer may, without obtaining further review or ap-  
2       proval by the Administrator, transmit to a policy-  
3       holder a final engineering report in the possession of  
4       the Write Your Own company or the direct servicer  
5       in connection with a claim submitted by the policy-  
6       holder.

7       **SEC. 407. INCREASING STATUTE OF LIMITATIONS FOR LAW-**  
8                                   **SUITS.**

9       (a) GOVERNMENT PROGRAM WITH INDUSTRY AS-  
10      SISTANCE.—Section 1341 of the National Flood Insurance  
11      Act of 1968 (42 U.S.C. 4072) is amended to read as fol-  
12      lows:

13      **“SEC. 1341. ADJUSTMENT AND PAYMENT OF CLAIMS AND**  
14                                   **JUDICIAL REVIEW.**

15           “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—If  
16      the program is carried out as provided in section 1340,  
17      the Administrator may adjust and make payment of any  
18      claims for proved and approved losses covered by flood in-  
19      surance made available under this title.

20           “(b) JUDICIAL REVIEW.—

21                   “(1) RIGHT OF ACTION.—Upon the denial or  
22      partial denial by the Administrator of a claim de-  
23      scribed in subsection (a), or upon the refusal of a  
24      policyholder to accept the amount allowed upon a  
25      claim described in that subsection, the policyholder

1       may institute an action against the Administrator on  
2       the claim in the United States district court for the  
3       district in which the insured property or the major  
4       part thereof shall have been situated if filed not  
5       later than 2 years after the date on which the policy-  
6       holder receives notice of denial or partial denial of  
7       the claim.

8               “(2) TOLLING.—In the case of a denial or par-  
9       tial denial of a claim for losses that is appealed  
10       under section 205 of the Bunning-Bereuter-Blu-  
11       menauer Flood Insurance Reform Act of 2004 (42  
12       U.S.C. 4011 note), including through arbitration re-  
13       quested under subsection (e) of that section, the lim-  
14       itation to institute an action under this subsection  
15       shall be tolled until the date on which the policy-  
16       holder receives notice of a final determination of  
17       that appeal or arbitration denying the claim in whole  
18       or in part.

19               “(3) JURISDICTION.—A court described in  
20       paragraph (1) shall have original exclusive jurisdic-  
21       tion to hear and determine an action under that  
22       paragraph without regard to the amount in con-  
23       troversy.”.

24       (b) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL  
25       ASSISTANCE.—Section 1333 of the National Flood Insur-



1   ance Act of 1968 (42 U.S.C. 4053) is amended to read  
2   as follows:

3   **“SEC. 1333. ADJUSTMENT AND PAYMENT OF CLAIMS AND**  
4                                   **JUDICIAL REVIEW.**

5           “(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—The  
6   insurance companies and other insurers that form, asso-  
7   ciate, or otherwise join together in the pool under this part  
8   may adjust and pay all claims for proved and approved  
9   losses covered by flood insurance in accordance with the  
10   provisions of this title.

11           “(b) JUDICIAL REVIEW.—

12                   “(1) RIGHT OF ACTION.—Upon the denial or  
13   partial denial by any company or other insurer de-  
14   scribed in subsection (a) of a claim described in that  
15   subsection, or upon the refusal of a policyholder to  
16   accept the amount allowed upon a claim described in  
17   that subsection, the policyholder may institute an ac-  
18   tion on the claim against the company or other in-  
19   surer, as applicable, in the United States district  
20   court for the district in which the insured property  
21   or the major part thereof shall have been situated  
22   not later than 2 years after the date on which the  
23   policyholder receives notice of denial or partial denial  
24   of the claim.

1           “(2) TOLLING.—In the case of a denial or par-  
2           tial denial of a claim for losses that is appealed  
3           under section 205 of the Bunning-Bereuter-Blu-  
4           menauer Flood Insurance Reform Act of 2004 (42  
5           U.S.C. 4011 note), including through arbitration re-  
6           quested under subsection (e) of that section, the lim-  
7           itation to institute an action under this subsection  
8           shall be tolled until the date on which the policy-  
9           holder receives notice of a final determination of  
10          that appeal or arbitration denying the claim in whole  
11          or in part.

12           “(3) JURISDICTION.—A court described in  
13          paragraph (1) shall have original exclusive jurisdic-  
14          tion to hear and determine an action under that  
15          paragraph without regard to the amount in con-  
16          troversy.”.

17 **SEC. 408. AUTHORITY TO TERMINATE CONTRACTORS AND**  
18 **VENDORS.**

19          (a) IN GENERAL.—Part C of chapter II of the Na-  
20          tional Flood Insurance Act of 1968 (42 U.S.C. 4081 et  
21          seq.) is amended by adding at the end the following:

22 **“SEC. 1349. TERMINATION OF CONTRACTS.**

23          “(a) DEFINITION.—In this section, the term ‘covered  
24          entity’ means any attorney, law firm, consultant, or third-

1 party company that provides services to a Write Your Own  
2 company.

3 “(b) TERMINATION.—

4 “(1) IN GENERAL.—Notwithstanding any other  
5 provision of law, the Administrator may direct a  
6 Write Your Own company to terminate a contract or  
7 other agreement between a covered entity and the  
8 Write Your Own company if the Administrator—

9 “(A) determines that the covered entity  
10 has engaged in conduct that is detrimental to  
11 the national flood insurance program; and

12 “(B) not later than 14 days before direct-  
13 ing the termination of the contract or other  
14 agreement, provided notice to the covered entity  
15 and the Write Your Own company with respect  
16 to the termination.

17 “(2) APPEAL.—The Administrator shall estab-  
18 lish a process for a covered entity to appeal the ter-  
19 mination of a contract or other agreement under  
20 paragraph (1).

21 “(3) EARLY TERMINATION PAYOUTS.—The Ad-  
22 ministrator or a Write Your Own company is not re-  
23 quired to make any early termination payout to a  
24 covered entity with respect to a contract or agree-  
25 ment with the Write Your Own company with re-

1 spect to which the Administrator directs termination  
2 under paragraph (1).

3 “(4) CONTRACT TERMS.—The Administrator  
4 shall require each Write Your Own company to in-  
5 clude a reference to the authority of the Adminis-  
6 trator under this section in any contract between a  
7 covered entity and the Write Your Own company.”.

8 (b) EFFECTIVE DATE; APPLICABILITY.—The amend-  
9 ment made by subsection (a) shall apply to any contract  
10 or other agreement between a covered entity, as defined  
11 in section 1349(a) of the National Flood Insurance Act  
12 of 1968, as added by subsection (a), and a Write Your  
13 Own company that is entered into on or after the date  
14 of enactment of this Act.

15 **SEC. 409. EASING PROOF OF LOSS REQUIREMENTS.**

16 Section 1312 of the National Flood Insurance Act of  
17 1968 (42 U.S.C. 4019), as amended by section 406(a),  
18 is amended by adding at the end the following:

19 “(h) PROOF OF LOSS.—

20 “(1) DEADLINE FOR SUBMISSION OF SUPPLE-  
21 MENTAL PROOF OF LOSS.—If a policyholder submits  
22 a proof of loss, or an equivalent submission, for a  
23 claim with respect to a policy for flood insurance  
24 coverage made available under this title by the dead-  
25 line required under the standard flood insurance pol-

1       icy, the Administrator may not deny payment for  
2       any supplemental proof of loss submitted for flood  
3       damage sustained from the same flood event on the  
4       basis that the policyholder failed to include the flood  
5       damages on the initial proof of loss.

6               “(2) EFFECT OF SIGNATURE ON PROOF OF  
7       LOSS.—If a policyholder of a policy for flood insur-  
8       ance coverage made available under this title signs  
9       an initial or supplemental proof of loss described in  
10      paragraph (1), that act of signing may not preclude  
11      the policyholder from making supplemental claims  
12      to, or otherwise amending, the initial proof of loss.

13      “(i) NO CONDITION OF PAYMENT.—Notwithstanding  
14      any other provision of law, or any term or condition of  
15      a standard flood insurance policy, the Administrator may  
16      not condition payment of an undisputed claim based on  
17      the submission of a signed and sworn to proof of loss.”.

18      **SEC. 410. DEADLINE FOR CLAIM PROCESSING.**

19      (a) IN GENERAL.—Section 1312 of the National  
20      Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-  
21      ed by section 409, is amended by adding at the end the  
22      following:

23               “(j) DEADLINE FOR APPROVAL OF CLAIMS.—

24               “(1) IN GENERAL.—The Administrator shall  
25      provide that, in the case of a claim for damage to

1 or loss of property that is covered by a policy for  
2 flood insurance made available under this title—

3 “(A) except as provided in paragraph (2),  
4 not later than 60 days after the date on which  
5 a proof of loss or comparable submission is pro-  
6 vided to the Administrator—

7 “(i) an initial determination regarding  
8 approval of the claim for payment or dis-  
9 approval of the claim shall be made; and

10 “(ii) notification of the determination  
11 described in clause (i) shall be provided to  
12 the policyholder making the claim; and

13 “(B) payment of an approved claim shall  
14 be made as soon as possible after that approval.

15 “(2) EXTENSION OF DEADLINE.—The Adminis-  
16 trator shall—

17 “(A) provide that the period described in  
18 paragraph (1)(A) may be extended by an addi-  
19 tional period of 30 days under extraordinary  
20 circumstances; and

21 “(B) by regulation—

22 “(i) establish criteria for—

23 “(I) demonstrating the extraor-  
24 dinary circumstances described in sub-  
25 paragraph (A); and

1                   “(II) determining to which claims  
2                   the extraordinary circumstances de-  
3                   scribed in subparagraph (A) apply;  
4                   and

5                   “(ii) provide that, if the deadline im-  
6                   posed under paragraph (1)(A), as extended  
7                   under subparagraph (A), if applicable, is  
8                   not satisfied, the amount of the claim to  
9                   which the deadline relates shall be in-  
10                  creased with interest, which shall begin ac-  
11                  cruing on the date on which the initial  
12                  claim is filed.”.

13                  (b) **APPLICABILITY.**—The amendment made by sub-  
14                  section (a) shall apply to any claim for damage to or loss  
15                  of property that is covered by a policy for flood insurance  
16                  made available under the National Flood Insurance Pro-  
17                  gram that is made after the date of enactment of this Act.

18                  **SEC. 411. NO MANIPULATION OF ENGINEER REPORTS.**

19                  Section 1312 of the National Flood Insurance Act of  
20                  1968 (42 U.S.C. 4019), as amended by section 410(a),  
21                  is amended by adding at the end the following:

22                  “(k) **FINAL ENGINEERING REPORTS.**—

23                         “(1) **DEFINITIONS.**—In this subsection—

24                                 “(A) the term ‘covered claim’ means any  
25                                 claim for losses covered by a policy for flood in-

1           surance coverage made available under this  
2           title; and

3           “(B) the term ‘final engineering report’  
4           means an engineering report, survey, or other  
5           document in connection with a covered claim  
6           that—

7                   “(i) is based on an on-site inspection;

8                   “(ii) contains final conclusions with  
9                   respect to an engineering issue or issues  
10                  involved in the claim; and

11                  “(iii) is signed by the responsible in  
12                  charge or affixed with the seal of the re-  
13                  sponsible in charge, or both.

14           “(2) PROHIBITION ON MANIPULATION AND  
15           TRANSMISSION TO THIRD PARTIES.—The Adminis-  
16           trator shall require that, in the case of any on-site  
17           inspection of a property by an engineer for the pur-  
18           pose of assessing any covered claim, the final engi-  
19           neering report—

20                   “(A) may not—

21                   “(i) include alterations by, or at the  
22                   request of, anyone other than the person  
23                   responsible for the report; or

24                   “(ii) be transmitted to any other per-  
25                   son before the final engineering report is



1 transmitted to the policyholder who sub-  
2 mitted the covered claim; and

3 “(B) shall include a certification, signed by  
4 the person responsible for the final engineering  
5 report, that the final engineering report does  
6 not contain any alterations described in sub-  
7 paragraph (A).”.

8 **SEC. 412. IMPROVED TRAINING OF FLOODPLAIN MAN-**  
9 **AGERS, AGENTS, AND ADJUSTERS.**

10 (a) LOCAL FLOODPLAIN MANAGERS.—Each regional  
11 office of the Federal Emergency Management Agency  
12 shall—

13 (1) provide training to local floodplain man-  
14 agers, agents, and claim adjusters in the region re-  
15 garding the responsibilities and procedures of local  
16 floodplain managers with respect to conducting sub-  
17 stantial damage and substantial improvement deter-  
18 minations;

19 (2) work with applicable State agencies to pro-  
20 vide the training described in paragraph (1); and

21 (3) verify that the individuals described in para-  
22 graph (1) are completing the training described in  
23 that paragraph.

24 (b) MAJOR DISASTER TRAINING.—After a flood that  
25 is declared a major disaster by the President under section

1 401 of the Robert T. Stafford Disaster Relief and Emer-  
2 gency Assistance Act (42 U.S.C. 5170), the Administrator  
3 shall, if determined appropriate, provide—

4 (1) refresher training to prepare insurance  
5 claims adjusters for the unique circumstances of the  
6 major disaster; and

7 (2) any briefings that are necessary to prepare  
8 and inform floodplain managers, agents, and claim  
9 adjusters regarding any atypical circumstances and  
10 issues arising from the natural disaster.

11 **SEC. 413. ATTORNEY FEE SHIFTING.**

12 (a) ADMINISTRATIVE APPEALS.—Subsection (d) of  
13 section 1312 of the National Flood Insurance Act of 1968  
14 (42 U.S.C. 4019), as added by section 401(a)(1), is  
15 amended by adding at the end the following:

16 “(5) AWARDS FOR COSTS IN ADMINISTRATIVE  
17 PROCEEDINGS.—

18 “(A) IN GENERAL.—If the claimant pre-  
19 vails in any appeal to the Administrator of the  
20 disallowance or partial disallowance of a claim  
21 for losses covered by flood insurance made  
22 available under this title, the Administrator  
23 shall award costs of the appeal, including attor-  
24 ney fees, any proceeding expenses, and engi-

1           neering and other expert expenses, to the claim-  
2           ant.

3           “(B) DEFINITION.—For purposes of this  
4           paragraph, the term ‘prevail’ means to be  
5           awarded a greater amount by the Administrator  
6           than the amount of the last, best offer from the  
7           Administrator with respect to the claim of the  
8           claimant.”.

9           (b) JUDICIAL REVIEW.—

10           (1) GOVERNMENT PROGRAM WITH INDUSTRY  
11           ASSISTANCE.—Subsection (b) of section 1341 of the  
12           National Flood Insurance Act of 1968 (42 U.S.C.  
13           4072), as added by section 407(a), is amended by  
14           adding at the end the following:

15           “(4) ATTORNEY FEES AND OTHER LITIGATION  
16           COSTS.—

17           “(A) IN GENERAL.—If the claimant pre-  
18           vails in an action under this subsection, the  
19           court shall award reasonable costs of litigation,  
20           including attorney fees, litigation expenses, and  
21           engineering and other expert expenses, to the  
22           claimant.

23           “(B) SUBROGATION.—Any award under  
24           subparagraph (A) shall be paid by the Adminis-  
25           trator and, upon such payment, the Adminis-

1           trator shall be subrogated to the rights of the  
2           claimant to recover such costs for which the  
3           Administrator has compensated the claimant  
4           from any insurance company or other insurer or  
5           insurance adjustment organization that may be  
6           responsible for the disallowance or partial dis-  
7           allowance of the claim.

8           “(C) DEFINITION.—For purposes of this  
9           paragraph, the term ‘prevail’ means to be  
10          awarded a greater amount by the court than  
11          the amount of the last, best offer from the Ad-  
12          ministrator with respect to the claim of the  
13          claimant.”.

14          (2) INDUSTRY PROGRAM WITH FEDERAL FINAN-  
15          CIAL ASSISTANCE.—Subsection (b) of section 1333  
16          of the National Flood Insurance Act of 1968 (42  
17          U.S.C. 4053), as amended by section 407(b), is  
18          amended by adding at the end the following:

19          “(4) ATTORNEY FEES AND OTHER LITIGATION  
20          COSTS.—

21          “(A) IN GENERAL.—If the claimant pre-  
22          vails in an action under this subsection, the  
23          court shall award reasonable costs of litigation,  
24          including attorney fees, litigation expenses, and

1 engineering and other expert expenses, to the  
2 claimant.

3 “(B) SUBROGATION.—Any award under  
4 subparagraph (A) shall be paid by the Adminis-  
5 trator and, upon such payment, the Adminis-  
6 trator shall be subrogated to the rights of the  
7 claimant to recover such costs for which the  
8 Administrator has compensated the claimant  
9 from any company or other insurer responsible  
10 for the disallowance or partial disallowance of  
11 the claim.

12 “(C) DEFINITION.—For purposes of this  
13 paragraph, the term ‘prevail’ means to be  
14 awarded a greater amount by the court than  
15 the amount of the last, best offer from the in-  
16 surer or Administrator with respect to the claim  
17 of the claimant.”.

18 **SEC. 414. DOJ DEFENSE AGAINST POLICYHOLDER LAW-**  
19 **SUITS.**

20 Subsection (b) of section 1341 of the National Flood  
21 Insurance Act of 1968 (42 U.S.C. 4072), as amended by  
22 section 413(b)(1), is amended by adding at the end the  
23 following:

1           “(5) REPRESENTATION BY DEPARTMENT OF  
2 JUSTICE.—If a claimant institutes an action under  
3 this subsection—

4                   “(A) the Administrator shall refer the mat-  
5 ter to the Attorney General; and

6                   “(B) the Attorney General—

7                           “(i) shall represent the Administrator  
8 or the Write Your Own company, as appli-  
9 cable, in the action; and

10                           “(ii) may not seek to have the court  
11 dismiss an action with potentially meri-  
12 torious claims based on good faith errors  
13 or omissions by the claimant in the claim-  
14 ant’s proof of loss.”.

15 **SEC. 415. PILOT PROGRAM FOR PRE-EXISTING STRUC-**  
16 **TURAL CONDITIONS.**

17 (a) DEFINITIONS.—In this section—

18           (1) the term “covered property” means a prop-  
19 erty that is or may be covered by flood insurance  
20 under the National Flood Insurance Program; and

21           (2) the term “covered policyholder” means a  
22 policyholder or potential policyholder of flood insur-  
23 ance under the National Flood Insurance Program  
24 for a covered property.

1 (b) PILOT PROGRAM.—Not later than 180 days after  
2 the date of enactment of this Act, the Administrator shall  
3 establish a pilot program under which Write Your Own  
4 companies and National Flood Insurance Program direct  
5 servicers shall, at the request of a covered policyholder and  
6 before providing or renewing insurance coverage with re-  
7 spect to a covered property under the National Flood In-  
8 surance Program, investigate the pre-existing structural  
9 condition of the covered property for any issues that could  
10 result in the denial of a claim under the National Flood  
11 Insurance Program for damage to or loss of the covered  
12 property.

13 **SEC. 416. AGENT ADVISORY COUNCIL.**

14 Part C of chapter II of the National Flood Insurance  
15 Act of 1968 (42 U.S.C. 4081 et seq.), as amended by sec-  
16 tion 408, is amended by adding at the end the following:

17 **“SEC. 1350. AGENT ADVISORY COUNCIL.**

18 “(a) ESTABLISHMENT.—There is established a coun-  
19 cil to be known as the Agent Advisory Council (in this  
20 section referred to as the ‘Council’).

21 “(b) MEMBERSHIP.—

22 “(1) MEMBERS.—The Council shall consist of—

23 “(A) the Administrator, or the designee of  
24 the Administrator; and

1           “(B) 10 additional members appointed by  
2 the Administrator or the designee of the Ad-  
3 ministrator, of whom—

4           “(i) 1 shall be a member of the Na-  
5 tional Association of Insurance Commis-  
6 sioners;

7           “(ii) 2 shall be members of the Inde-  
8 pendent Insurance Agents and Brokers of  
9 America;

10           “(iii) 1 shall be a member of United  
11 Policyholders;

12           “(iv) 1 shall be a representative of the  
13 Emergency Management Institute of the  
14 Federal Emergency Management Agency;

15           “(v) 1 shall be a representative of the  
16 Office of the Flood Insurance Advocate of  
17 the Federal Emergency Management  
18 Agency;

19           “(vi) 2 shall be members of the Na-  
20 tional Association of Professional Insur-  
21 ance Agents;

22           “(vii) 1 shall be a representative of a  
23 recognized professional association or orga-  
24 nization representing homebuilders or land  
25 developers; and



1                   “(viii) 1 shall be a representative of a  
2                   recognized professional association or orga-  
3                   nization representing the real estate indus-  
4                   try.

5                   “(2) QUALIFICATIONS.—

6                   “(A) IN GENERAL.—Each member of the  
7                   Council shall have experience with—

8                   “(i) contacting policyholders under the  
9                   national flood insurance program, includ-  
10                  ing with respect to applying for flood in-  
11                  surance and processing a claim for damage  
12                  to or loss of property that is covered by  
13                  flood insurance; and

14                  “(ii) riverine and coastal flood insur-  
15                  ance policies.

16                  “(B) CONSIDERATIONS.—The Adminis-  
17                  trator shall, to the maximum extent practicable,  
18                  ensure that the membership of the Council has  
19                  a balance of governmental and private mem-  
20                  bers, and includes geographic diversity.

21                  “(C) CONFLICTS OF INTEREST.—A mem-  
22                  ber of the Council—

23                  “(i) may not, while serving on the  
24                  Council, be employed or retained—

1                   “(I) by a Federal Emergency  
2                   Management Agency contractor or  
3                   consultant; or

4                   “(II) by a nongovernmental enti-  
5                   ty that was awarded a Federal grant  
6                   during the 5-year period preceding the  
7                   date on which the member was ap-  
8                   pointed to the Council; and

9                   “(ii) may not have been employed by  
10                  a Federal Emergency Management Agency  
11                  contractor or consultant during the 5-year  
12                  period preceding the date on which the  
13                  member was appointed to the Council.

14                  “(3) CONSULTATION.—In appointing a member  
15                  of the Council from an entity described in clauses (i)  
16                  through (viii) of paragraph (1)(B), the Adminis-  
17                  trator or the designee of the Administrator, as appli-  
18                  cable, shall consult with the entity.

19                  “(4) CHAIRPERSON.—The members of the  
20                  Council shall elect 1 member to serve as the chair-  
21                  person of the Council (in this section referred to as  
22                  the ‘Chairperson’).

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

24                  “(1) provide recommendations to the Adminis-  
25                  trator on—

1           “(A) improving the customer experience  
2           for policyholders under the national flood insur-  
3           ance program;

4           “(B) training insurance agents that issue  
5           flood insurance policies; and

6           “(C) improving the processing and han-  
7           dling of claims for damage to or loss of prop-  
8           erty that is covered by flood insurance; and

9           “(2) submit to the Administrator an annual re-  
10          port that includes—

11           “(A) a description of the activities of the  
12          Council; and

13           “(B) a summary of recommendations made  
14          by the Council to the Administrator.

15          “(d) COMPENSATION.—

16           “(1) IN GENERAL.—Except as provided in para-  
17          graph (2), a member of the Council shall receive no  
18          additional compensation for serving on the Council.

19           “(2) TRAVEL EXPENSES.—Each member of the  
20          Council may be allowed travel expenses, including  
21          per diem in lieu of subsistence, in accordance with  
22          sections 5702 and 5703 of title 5, United States  
23          Code, while away from their homes or regular places  
24          of business in performance of services for the Coun-  
25          cil.

1       “(e) MEETINGS AND ACTIONS.—

2               “(1) MEETINGS.—

3                       “(A) IN GENERAL.—The Council shall  
4                       meet not less frequently than twice each year at  
5                       the request of the Chairperson or a majority of  
6                       the members of the Council.

7                       “(B) INITIAL MEETING.—The Adminis-  
8                       trator, or a designee of the Administrator, shall  
9                       request and coordinate the initial meeting of  
10                      the Council.

11                     “(2) ACTION BY MAJORITY VOTE.—The Council  
12                     may take action by a vote of the majority of the  
13                     members.

14                     “(f) OFFICERS.—The Chairperson may appoint offi-  
15                     cers to assist in carrying out the duties of the Council  
16                     under subsection (c).

17                     “(g) STAFF.—Upon the request of the Chairperson,  
18                     the Administrator may detail, on a nonreimbursable basis,  
19                     personnel of the Office of the Flood Insurance Advocate  
20                     of the Federal Emergency Management Agency to assist  
21                     the Council in carrying out the duties of the Council.

22                     “(h) POWERS.—In carrying out this section, the  
23                     Council may hold hearings, receive evidence and assist-  
24                     ance, provide information, and conduct research as the  
25                     Council considers appropriate.

1           “(i) REPORT TO CONGRESS AND OMB.—The Admin-  
2   istrator shall submit to the Committee on Banking, Hous-  
3   ing, and Urban Affairs of the Senate, the Committee on  
4   Financial Services of the House of Representatives, and  
5   the Director of the Office of Management and Budget an  
6   annual report on—

7           “(1) the recommendations made by the Council;  
8   and

9           “(2) any recommendations made by the Council  
10   during the year covered by the report that, as of the  
11   date on which the report is submitted, have been de-  
12   ferred or not acted upon, together with an explana-  
13   tory statement with respect to those recommenda-  
14   tions.

15          “(j) APPLICABILITY OF THE FEDERAL ADVISORY  
16   COMMITTEE ACT.—Section 14 of the Federal Advisory  
17   Committee Act (5 U.S.C. App.) shall not apply to the  
18   Council.”.

19   **SEC. 417. DISCLOSURE OF FLOOD RISK INFORMATION**  
20                           **UPON TRANSFER OF PROPERTY.**

21          (a) IN GENERAL.—Chapter I of the National Flood  
22   Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as  
23   amended by section 207, is amended by adding at the end  
24   the following:

1 **“SEC. 1328. DISCLOSURE OF FLOOD RISK INFORMATION**  
2 **UPON TRANSFER OF PROPERTY.**

3 “(a) IN GENERAL.—After September 30, 2022, no  
4 new flood insurance coverage may be provided under this  
5 title for any real property unless an appropriate public  
6 body has imposed, by statute or regulation, a duty on any  
7 seller or lessor of improved real estate to provide to any  
8 purchaser or lessee (with respect to a lease for a term that  
9 is not shorter than 30 days) of the property a property  
10 flood hazard disclosure that the Administrator has deter-  
11 mined meets the requirements of subsection (b).

12 “(b) DISCLOSURE REQUIREMENTS.—

13 “(1) REQUIREMENTS FOR SELLERS.—A prop-  
14 erty flood hazard disclosure for the sale of a prop-  
15 erty shall meet the requirements of this subsection  
16 only if the disclosure—

17 “(A) is made in writing;

18 “(B) discloses any actual knowledge of the  
19 seller of any—

20 “(i) prior physical damage caused by  
21 flood to a structure located on the prop-  
22 erty;

23 “(ii) prior insurance claim for a loss  
24 covered under the national flood insurance  
25 program or private flood insurance with re-  
26 spect to the property;

1                   “(iii) previous notification regarding  
2                   the designation of the property as a repet-  
3                   itive loss structure or severe repetitive loss  
4                   structure (as defined in section 1366(h));  
5                   and

6                   “(iv) Federal legal obligation to obtain  
7                   and maintain flood insurance running with  
8                   the property; and

9                   “(C) is delivered by, or on behalf of, the  
10                  seller to the purchaser before the purchaser be-  
11                  comes obligated under any contract to purchase  
12                  the property.

13                  “(2) REQUIREMENTS FOR LESSORS.—A prop-  
14                  erty flood hazard disclosure for a rental property  
15                  with a lease for a term that is not shorter than 30  
16                  days shall meet the requirements of this subsection  
17                  only if the disclosure—

18                         “(A) is made in writing;

19                         “(B) discloses any actual knowledge of the  
20                  lessor—

21                                 “(i) of any Federal legal obligation to  
22                                 obtain and maintain flood insurance run-  
23                                 ning with the property;

1                   “(ii) regarding any prior physical  
2                   damage caused by flood with respect to the  
3                   unit being leased; and

4                   “(iii) of the availability of coverage  
5                   under this title for contents located in a  
6                   structure on the property; and

7                   “(C) is delivered by, or on behalf of, the  
8                   lessor to the lessee before the lessee becomes  
9                   obligated under any contract to lease the prop-  
10                  erty.

11                  “(3) RULE OF CONSTRUCTION.—Nothing in  
12                  this section may be construed as preventing a State  
13                  from adopting disclosure requirements in addition to  
14                  the requirements of this section.”.

15                  (b) AVAILABILITY OF FLOOD INSURANCE COV-  
16                  ERAGE.—Section 1305(c) of the National Flood Insurance  
17                  Act of 1968 (42 U.S.C. 4012(c)) is amended—

18                   (1) in paragraph (1), by striking “, and” at the  
19                   end and inserting a semicolon;

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

22                   (3) by adding at the end the following:

23                   “(3) given satisfactory assurance that, not later  
24                   than October 1, 2022, property flood hazard diselo-  
25                   sure requirements will have been adopted for the



1 area (or subdivision) that meet the requirements of  
2 section 1328.”.