

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5114

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## AN ACT

To extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the 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,*

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

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Flood Insurance Reform Priorities Act of 2010”.

4 (b) **TABLE OF CONTENTS.**—The table of contents for  
5 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Extension of national flood insurance program.
- Sec. 4. Maximum coverage limits.
- Sec. 5. Phase-in of actuarial rates for certain pre-firm properties, severe repetitive loss properties, and properties substantially damaged or substantially improved.
- Sec. 6. 5-year delay in effective date of mandatory purchase requirement for new flood hazard areas.
- Sec. 7. 5-year phase-in of flood insurance rates for newly mapped areas.
- Sec. 8. Increase in annual limitation on premium increases.
- Sec. 9. Consideration of construction, reconstruction, and improvement of flood protection systems in determination of flood insurance rates.
- Sec. 10. Discounted flood insurance rates for properties protected by a flood-protection system from less than a 100-year frequency flood.
- Sec. 11. Treatment of certain flood protection projects.
- Sec. 12. Prohibition of extension of subsidized rates to lapsed policies.
- Sec. 13. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.
- Sec. 14. Community outreach plan for updating floodplain areas and flood-risk zones.
- Sec. 15. Notification of establishment of flood elevations.
- Sec. 16. Coverage for additional living expenses and business interruption.
- Sec. 17. Exception to waiting period for effective date of policies.
- Sec. 18. Minimum deductibles for claims.
- Sec. 19. Payment of premiums in installments for residential properties.
- Sec. 20. Termination of force-placed insurance.
- Sec. 21. Enforcement.
- Sec. 22. Notification to tenants of availability of contents insurance.
- Sec. 23. Grants for direct funding of mitigation activities for individual repetitive claims properties.
- Sec. 24. Flood insurance outreach.
- Sec. 25. Treatment of swimming pool enclosures outside of hurricane season.
- Sec. 26. Requirements relating to windstorm and flood.
- Sec. 27. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 28. Authorization of additional FEMA staff.
- Sec. 29. Plan to verify maintenance of flood insurance on Mississippi and Louisiana properties receiving emergency supplemental funds.
- Sec. 30. Flood insurance advocate.
- Sec. 31. Treatment of previously mapped areas.
- Sec. 32. Remapping of areas with improved levees.
- Sec. 33. Appeals.

- Sec. 34. Eligibility of property demolition and rebuilding under flood mitigation assistance program.
- Sec. 35. Study regarding mandatory purchase requirement for non-federally related loans.
- Sec. 36. Study of methods to increase flood insurance program participation by low-income families and families in rural communities and on Indian reservations.
- Sec. 37. Report on inclusion of building codes in floodplain management criteria.
- Sec. 38. Study on repaying flood insurance debt.
- Sec. 39. Study regarding certain harbor areas.
- Sec. 40. Study regarding hazard modeling.
- Sec. 41. Study regarding impact of rate increases on pre-FIRM properties.
- Sec. 42. Study of effects of Act.
- Sec. 43. Reimbursement for costs incurred by homeowners obtaining letters of map amendment.
- Sec. 44. Interim final rulemaking.
- Sec. 45. Study on private insurance market, community participation in the National Flood Insurance Program, and the regionalization of the National Flood Insurance Program.
- Sec. 46. Ethics compliance.

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

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

3 (1) since the enactment of National Flood In-  
 4 surance Act of 1968, the national flood insurance  
 5 program has been the primary source of reliable,  
 6 reasonably priced, flood insurance coverage for mil-  
 7 lions of American homes and businesses;

8 (2) today over 5,500,000 homes and businesses  
 9 in the United States rely on the national flood insur-  
 10 ance program to provide a degree of financial secu-  
 11 rity;

12 (3) although participation in the national flood  
 13 insurance program has, in the past, largely been lim-  
 14 ited to properties required to participate in the pro-  
 15 gram because of the program's mandatory purchase

1 requirement for properties in special flood hazard  
2 areas with loans from federally regulated lenders, re-  
3 cent annual and extraordinary flooding has resulted  
4 in the program enjoying its highest voluntary par-  
5 ticipation since the establishment of the mandatory  
6 flood insurance purchase requirement;

7 (4) several years of below-average flood claims  
8 losses and increased voluntary participation in the  
9 national flood insurance program have allowed the  
10 program to fully service the debt incurred following  
11 Hurricanes Katrina and Rita and allowed the pro-  
12 gram to pay \$598,000,000 of the principal of that  
13 outstanding debt;

14 (5) though significant reforms are needed to  
15 further improve the financial outlook of the national  
16 flood insurance program, long-term and reliable au-  
17 thorization of the program is an essential element to  
18 stabilizing the already fragile United States housing  
19 market;

20 (6) increased flooding in areas outside des-  
21 ignated special flood hazard areas prompted the Ex-  
22 ecutive and the Congress in 2002 to begin calling for  
23 the national flood insurance program to develop and  
24 disseminate revised, updated flood insurance rate  
25 maps that reflect the real risk of flooding for prop-

1       erties not previously identified as being located with-  
2       in a special flood hazard area;

3           (7) dissemination of accurate, up-to-date, flood-  
4       risk information remains a primary goal of the na-  
5       tional flood insurance program and such information  
6       should be disseminated as soon as such information  
7       is collected and available;

8           (8) communities should be encouraged to make  
9       their residents aware of updated flood-risk data  
10      while communities are assessing and incorporating  
11      updated flood-risk data into long-term community  
12      planning;

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

16          (10) phasing out flood insurance premium sub-  
17      sidies currently extended to vacation homes, second  
18      homes, and commercial properties would result in  
19      significant average annual savings to the national  
20      flood insurance program.

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

22          (1) to identify priorities essential to the reform  
23      and ongoing stable functioning of the national flood  
24      insurance program;

1           (2) to increase incentives for homeowners and  
2           communities to participate in the national flood in-  
3           surance program and to improve oversight to ensure  
4           better accountability of the national flood insurance  
5           program and the Federal Emergency Management  
6           Agency; and

7           (3) to increase awareness of homeowners of  
8           flood risks and improve the information regarding  
9           such risks provided to homeowners.

10 **SEC. 3. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-**  
11 **GRAM.**

12           (a) PROGRAM EXTENSION.—Section 1319 of the Na-  
13           tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is  
14           amended by striking “September 30, 2008” and inserting  
15           “September 30, 2015”.

16           (b) FINANCING.—Section 1309(a) of such Act (42  
17           U.S.C. 4016(a)) is amended by striking “September 30,  
18           2008” and inserting “September 30, 2015”.

19           (c) EXTENSION OF PILOT PROGRAM FOR MITIGA-  
20           TION OF SEVERE REPETITIVE LOSS PROPERTIES.—Sec-  
21           tion 1361A of the National Flood Insurance Act of 1968  
22           (42 U.S.C. 4102a) is amended—

23           (1) in subsection (k)(1), by striking “2005,  
24           2006, 2007, 2008, and 2009” and inserting “2011,  
25           2012, 2013, 2014, and 2015”; and

1 (2) by striking subsection (l).

2 **SEC. 4. MAXIMUM COVERAGE LIMITS.**

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

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

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

9 (3) in paragraph (4)—

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

13 (B) by inserting before “; and” the fol-  
14 lowing: “; except that, in the case of any non-  
15 residential property that is a structure con-  
16 taining more than one dwelling unit that is  
17 made available for occupancy by rental (not-  
18 withstanding the provisions applicable to the  
19 determination of the risk premium rate for such  
20 property), additional flood insurance in excess  
21 of such limits shall be made available to every  
22 insured upon renewal and every applicant for  
23 insurance so as to enable any such insured or  
24 applicant to receive coverage up to a total  
25 amount that is equal to the product of the total

1           number of such rental dwelling units in such  
2           property and the maximum coverage limit per  
3           dwelling unit specified in paragraph (2); except  
4           that in the case of any such multi-unit, nonresi-  
5           dential rental property that is a pre-FIRM  
6           structure (as such term is defined in section  
7           578(b) of the National Flood Insurance Reform  
8           Act of 1994 (42 U.S.C. 4014 note)), the risk  
9           premium rate for the first \$500,000 of coverage  
10          shall be determined in accordance with section  
11          1307(a)(2) and the risk premium rate for any  
12          coverage in excess of such amount shall be de-  
13          termined in accordance with section  
14          1307(a)(1)”.

15 **SEC. 5. PHASE-IN OF ACTUARIAL RATES FOR CERTAIN PRE-**  
16 **FIRM PROPERTIES, SEVERE REPETITIVE**  
17 **LOSS PROPERTIES, AND PROPERTIES SUB-**  
18 **STANTIALLY DAMAGED OR SUBSTANTIALLY**  
19 **IMPROVED.**

20           (a) IN GENERAL.—Section 1308(c) of the National  
21 Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is  
22 amended—

23           (1) by redesignating paragraph (2) as para-  
24           graph (7); and



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

3           “(2) NONRESIDENTIAL PROPERTIES.—Any non-  
4           residential property, which term shall not include  
5           any multifamily rental property that consists of four  
6           or more dwelling units.

7           “(3) NON-PRIMARY RESIDENCES.—Any residen-  
8           tial property that is not the primary residence of any  
9           individual, including the owner of the property or  
10          any other individual who resides in the property as  
11          a tenant.

12          “(4) RECENTLY PURCHASED PRE-FIRM SINGLE-  
13          FAMILY PROPERTIES.—Any single family property  
14          that—

15                 “(A) has been constructed or substantially  
16                 improved and for which such construction or  
17                 improvement was started, as determined by the  
18                 Director, before December 31, 1974, or before  
19                 the effective date of the initial rate map pub-  
20                 lished by the Director under paragraph (2) of  
21                 section 1360 for the area in which such prop-  
22                 erty is located, whichever is later; and

23                 “(B) is purchased after the effective date  
24                 of this paragraph, pursuant to section 5(c)(1)

1 of the Flood Insurance Reform Priorities Act of  
2 2010.

3 “(5) SEVERE REPETITIVE LOSS PROPERTIES.—  
4 Any severe repetitive loss property, as such term is  
5 defined in section 1361A(b), that is so designated as  
6 such as a result of losses occurring on or after the  
7 date of the enactment of the Flood Insurance Re-  
8 form Priorities Act of 2010.

9 “(6) PROPERTIES SUBSTANTIALLY DAMAGED  
10 OR SUBSTANTIALLY IMPROVED.—Any property that,  
11 on or after the date of the enactment of the Flood  
12 Insurance Reform and Priorities Act of 2010, has  
13 experienced or sustained—

14 “(A) substantial damage exceeding 50 per-  
15 cent of the fair market value of such property;

16 or

17 “(B) substantial improvement exceeding  
18 30 percent of the fair market value of such  
19 property.”.

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

23 (1) in subsection (c)—

24 (A) in the matter preceding paragraph (1),  
25 by striking “the limitations provided under

1 paragraphs (1) and (2)” and inserting “sub-  
2 section (e)”;

3 (B) in paragraph (1), by striking “, ex-  
4 cept” and all that follows through “subsection  
5 (e)”;

6 (2) in subsection (e), by striking “paragraph  
7 (2) or (3)” and inserting “paragraph (7)”.

8 (c) EFFECTIVE DATE AND TRANSITION.—

9 (1) EFFECTIVE DATE.—The amendments made  
10 by subsections (a) and (b) shall apply beginning  
11 upon the expiration of the 3-year period that begins  
12 on the date of the enactment of this Act, except as  
13 provided in paragraph (2) of this subsection.

14 (2) TRANSITION FOR PROPERTIES COVERED BY  
15 FLOOD INSURANCE UPON EFFECTIVE DATE.—

16 (A) INCREASE OF RATES OVER TIME.—In  
17 the case of any property described in paragraph  
18 (2), (3), (4), (5), or (6) of section 1308(c) of  
19 the National Flood Insurance Act of 1968, as  
20 amended by subsection (a) of this section, that,  
21 as of the effective date under paragraph (1) of  
22 this subsection, is covered under a policy for  
23 flood insurance made available under the na-  
24 tional flood insurance program for which the  
25 chargeable premium rates are less than the ap-

1 applicable estimated risk premium rate under sec-  
2 tion 1307(a)(1) for the area in which the prop-  
3 erty is located, the Director of the Federal  
4 Emergency Management Agency shall increase  
5 the chargeable premium rates for such property  
6 over time to such applicable estimated risk pre-  
7 mium rate under section 1307(a)(1).

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

21 (C) PROPERTIES SUBJECT TO PHASE-IN  
22 AND ANNUAL INCREASES.—In the case of any  
23 pre-FIRM property (as such term is defined in  
24 section 578(b) of the National Flood Insurance  
25 Reform Act of 1974), the aggregate increase,

1 during any 12-month period, in the chargeable  
 2 premium rate for the property that is attrib-  
 3 utable to this paragraph or to an increase de-  
 4 scribed in section 1308(e) of the National Flood  
 5 Insurance Act of 1968 may not exceed 20 per-  
 6 cent.

7 (D) FULL ACTUARIAL RATES.—The provi-  
 8 sions of paragraphs (2), (3), (4), (5), and (6)  
 9 of such section 1308(e) shall apply to such a  
 10 property upon the accomplishment of the in-  
 11 crease under this paragraph and thereafter.

12 **SEC. 6. 5-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY**  
 13 **PURCHASE REQUIREMENT FOR NEW FLOOD**  
 14 **HAZARD AREAS.**

15 (a) IN GENERAL.—Section 102 of the Flood Disaster  
 16 Protection Act of 1973 (42 U.S.C. 4012a) is amended by  
 17 adding at the end the following new subsections:

18 “(i) DELAYED EFFECTIVE DATE OF MANDATORY  
 19 PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD  
 20 AREAS.—

21 “(1) IN GENERAL.—In the case of any area  
 22 that was not previously designated as an area having  
 23 special flood hazards and that, pursuant to any  
 24 issuance, revision, updating, or other change in flood  
 25 insurance maps that takes effect on or after Sep-

1       tember 30, 2007, becomes designated as an area  
2       having special flood hazards, if each State and local  
3       government having jurisdiction over any portion of  
4       the geographic area has complied with paragraph  
5       (2), such designation shall not take effect for pur-  
6       poses of subsection (a), (b), or (e) of this section, or  
7       section 202(a) of this Act, until the expiration of the  
8       5-year period beginning upon the date that such  
9       maps, as issued, revised, update, or otherwise  
10      changed, become effective.

11           “(2) NOTICE REQUIREMENTS.—A State or local  
12      government shall be considered to have complied  
13      with this paragraph with respect to any geographic  
14      area described in paragraph (1) only if the State or  
15      local government has, before the effective date of the  
16      issued, revised, updated, or changed maps, and in  
17      accordance with such standards as shall be estab-  
18      lished by the Director—

19           “(A) developed an evacuation plan to be  
20      implemented in the event of flooding in such  
21      portion of the geographic area; and

22           “(B) developed and implemented an out-  
23      reach and communication plan to advise occu-  
24      pants in such portion of the geographic area of  
25      potential flood risks, appropriate evacuation

1 routes under the evacuation plan referred to in  
2 subparagraph (A), the opportunity to purchase  
3 flood insurance, and the consequences of failure  
4 to purchase flood insurance.

5 “(3) RULE OF CONSTRUCTION.—Nothing in  
6 paragraph (1) may be construed to affect the appli-  
7 cability of a designation of any area as an area hav-  
8 ing special flood hazards for purposes of the avail-  
9 ability of flood insurance coverage, criteria for land  
10 management and use, notification of flood hazards,  
11 eligibility for mitigation assistance, or any other pur-  
12 pose or provision not specifically referred to in para-  
13 graph (1).

14 “(j) AVAILABILITY OF PREFERRED RISK RATING  
15 METHOD PREMIUMS.—The preferred risk rate method  
16 premium shall be available for flood insurance coverage  
17 for properties located in areas referred to in subsection  
18 (i)(1) and during the time period referred to in subsection  
19 (i)(1).”.

20 (b) CONFORMING AMENDMENT.—The second sen-  
21 tence of subsection (h) of section 1360 of the National  
22 Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is  
23 amended by striking “Such” and inserting “Except for no-  
24 tice regarding a change described in section 102(i)(1) of

1 the Flood Disaster Protection Act of 1973 (42 U.S.C.  
2 4012a(i)(1)), such”.

3 (c) NO REFUNDS.—Nothing in this section or the  
4 amendments made by this section may be construed to au-  
5 thorize or require any payment or refund for flood insur-  
6 ance coverage purchased for any property that covered any  
7 period during which such coverage is not required for the  
8 property pursuant to the applicability of the amendment  
9 made by subsection (a).

10 **SEC. 7. 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES**  
11 **FOR NEWLY MAPPED AREAS.**

12 (a) IN GENERAL.—Section 1308 of the National  
13 Flood Insurance Act of 1968 (42 U.S.C. 4015), as amend-  
14 ed by the preceding provisions of this Act, is further  
15 amended—

16 (1) in subsection (a), in the matter preceding  
17 paragraph (1), by inserting “or notice” after “pre-  
18 scribe by regulation”;

19 (2) in subsection (c), by inserting “and sub-  
20 section (g)” before the first comma; and

21 (3) by adding at the end the following new sub-  
22 section:

23 “(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE  
24 RATES FOR NEWLY MAPPED AREAS.—Notwithstanding  
25 any other provision of law relating to chargeable risk pre-



1 mium rates for flood insurance coverage under this title,  
2 in the case of any area that was not previously designated  
3 as an area having special flood hazards and that, pursuant  
4 to any issuance, revision, updating, or other change in  
5 flood insurance maps, becomes designated as such an  
6 area, during the 5-year period that begins upon the expira-  
7 tion of the period referred to in section 102(i)(1) of the  
8 Flood Disaster Protection Act of 1973 with respect to  
9 such area, the chargeable premium rate for flood insur-  
10 ance under this title with respect to any property that is  
11 located within such area shall be—

12           “(1) for the first year of such 5-year period, 20  
13           percent of the chargeable risk premium rate other-  
14           wise applicable under this title to the property;

15           “(2) for the second year of such 5-year period,  
16           40 percent of the chargeable risk premium rate oth-  
17           erwise applicable under this title to the property;

18           “(3) for the third year of such 5-year period, 60  
19           percent of the chargeable risk premium rate other-  
20           wise applicable under this title to the property;

21           “(4) for the fourth year of such 5-year period,  
22           80 percent of the chargeable risk premium rate oth-  
23           erwise applicable under this title to the property;  
24           and

1           “(5) for the fifth year of such 5-year period,  
2           100 percent of the chargeable risk premium rate  
3           otherwise applicable under this title to the prop-  
4           erty.”.

5           (b) REGULATION OR NOTICE.—The Administrator of  
6           the Federal Emergency Management Agency shall issue  
7           an interim final rule or notice to implement this section  
8           and the amendments made by this section as soon as prac-  
9           ticable after the date of the enactment of this Act.

10 **SEC. 8. INCREASE IN ANNUAL LIMITATION ON PREMIUM IN-**  
11 **CREASES.**

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

15 **SEC. 9. CONSIDERATION OF CONSTRUCTION, RECON-**  
16 **STRUCTION, AND IMPROVEMENT OF FLOOD**  
17 **PROTECTION SYSTEMS IN DETERMINATION**  
18 **OF FLOOD INSURANCE RATES.**

19           (a) IN GENERAL.—Section 1307 of the National  
20           Flood Insurance Act of 1968 (42 U.S.C. 4014) is amend-  
21           ed—

22                   (1) in subsection (e)—

23                           (A) in the first sentence, by striking “con-  
24                           struction of a flood protection system” and in-  
25                           serting “construction, reconstruction, or im-

1 improvement of a flood protection system (without  
2 respect to the level of Federal investment or  
3 participation)”; and

4 (B) in the second sentence—

5 (i) by striking “construction of a flood  
6 protection system” and inserting “con-  
7 struction, reconstruction, or improvement  
8 of a flood protection system”; and

9 (ii) by inserting “based on the present  
10 value of the completed system” after “has  
11 been expended”; and

12 (2) in subsection (f)—

13 (A) in the first sentence in the matter pre-  
14 ceeding paragraph (1), by inserting “(without re-  
15 spect to the level of Federal investment or par-  
16 ticipation)” before the period at the end;

17 (B) in the third sentence in the matter  
18 preceding paragraph (1), by inserting “, wheth-  
19 er coastal or riverine,” after “special flood haz-  
20 ard”; and

21 (C) in paragraph (1), by striking “a Fed-  
22 eral agency in consultation with the local  
23 project sponsor” and inserting “the entity or  
24 entities that own, operate, maintain, or repair  
25 such system”.

1 (b) REGULATIONS.—The Administrator of the Fed-  
2 eral Emergency Management Agency shall promulgate  
3 regulations to implement this section and the amendments  
4 made by this section as soon as practicable, but not more  
5 than 18 months after the date of the enactment of this  
6 Act. Section 5 may not be construed to annul, alter, affect,  
7 authorize any waiver of, or establish any exception to, the  
8 requirement under the preceding sentence.

9 (c) IMPLEMENTATION.—The Administrator of the  
10 Federal Emergency Management Agency shall implement  
11 this section and the amendments made by this section in  
12 a manner that will not materially weaken the financial po-  
13 sition of the national flood insurance program or increase  
14 the risk of financial liability to Federal taxpayers.

15 **SEC. 10. DISCOUNTED FLOOD INSURANCE RATES FOR**  
16 **PROPERTIES PROTECTED BY A FLOOD-PRO-**  
17 **TECTION SYSTEM FROM LESS THAN A 100-**  
18 **YEAR FREQUENCY FLOOD.**

19 Section 1307 of the National Flood Insurance Act of  
20 1968 (42 U.S.C. 4014) is amended by adding at the end  
21 the following new subsection:

22 “(g) Except as provided in subsection (f) and not-  
23 withstanding any other provision of law, flood insurance  
24 coverage shall be made available for a property that the  
25 Director determines is protected by a flood-protection sys-

1 tem that does not provide protection against a 100-year  
2 frequency flood at premium rates that reflect a discount  
3 for the actual protection against flood risk afforded by  
4 such flood-protection system.”.

5 **SEC. 11. TREATMENT OF CERTAIN FLOOD PROTECTION**  
6 **PROJECTS.**

7 Section 1308 of the National Flood Insurance Act of  
8 1968 (42 U.S.C. 4015), as amended by the preceding pro-  
9 visions of this Act, is further amended by adding at the  
10 end the following new subsection:

11 “(h) TREATMENT OF CERTAIN FLOOD PROTECTION  
12 PROJECTS.—

13 “(1) INAPPLICABILITY OF MANDATORY PUR-  
14 CHASE REQUIREMENT; PREMIUM RATES.—Notwith-  
15 standing any other provision of law, upon full com-  
16 pletion, as designed, of a flood protection system  
17 that was intended to provide flood protection with  
18 respect to a covered area, such covered area—

19 “(A) shall not be considered to be an area  
20 having special flood hazards for purposes of this  
21 Act or subsections (a), (b), or (e) of section  
22 102, or section 202(a) of the Flood Disaster  
23 Protection Act of 1973; and

24 “(B) shall be eligible for flood insurance  
25 under this Act, if and to the extent that such

1 area is eligible for such insurance under the  
2 other provisions of this Act, at premium rates  
3 not exceeding those that would be applicable  
4 under this section if the flood protection system  
5 referred to in paragraph (2) for such area had  
6 been completed and accredited as providing pro-  
7 tection from floods at the level that the system  
8 was designed to provide (before construction,  
9 reconstruction, or improvement of the system,  
10 as applicable, began).

11 The flood insurance rate maps shall indicate, for  
12 each covered area, the status of the area under sub-  
13 paragraphs (A) and (B).

14 “(2) COVERED AREA.—For purposes of this  
15 subsection, a covered area is an area that was in-  
16 tended to be protected by a flood protection sys-  
17 tem—

18 “(A)(i) for which, as of April 15, 2010—

19 “(I) construction, reconstruction, or  
20 improvement has not been completed;

21 “(II) adequate progress, within the  
22 meaning of section 1307(e), has been made  
23 on such construction, reconstruction, or  
24 improvement; and

1                   “(III) is in an area having special  
2 flood hazards; or

3                   “(ii) for which, as of such date—

4                   “(I) construction, reconstruction, or  
5 improvement has been completed;

6                   “(II) a determination regarding ac-  
7 creditation has not been made; and

8                   “(III) is in an area having special  
9 flood hazards;

10                   “(B) that was designed to provide protec-  
11 tion for at least the 100-year frequency flood;  
12 and

13                   “(C) that has been determined, pursuant  
14 to waterflow data or other scientific information  
15 of a Federal agency obtained after, or that has  
16 changed since, commencement of construction,  
17 reconstruction, or improvement, will not provide  
18 protection from floods at the level referred to in  
19 subparagraph (B).”.

20 **SEC. 12. PROHIBITION OF EXTENSION OF SUBSIDIZED**  
21 **RATES TO LAPSED POLICIES.**

22                   Section 1308 of the National Flood Insurance Act of  
23 1968 (42 U.S.C. 4015), as amended by the preceding pro-  
24 visions of this Act, is further amended by adding at the  
25 end the following new subsection:

1       “(i) PROHIBITION OF EXTENSION OF SUBSIDIZED  
2 RATES TO LAPSED POLICIES.—The Director shall not  
3 provide flood insurance coverage under this title to any  
4 prospective insured at a rate less than the applicable esti-  
5 mated risk premium rates for the area (or subdivision  
6 thereof) for any policy under the flood insurance program  
7 that has lapsed in coverage, as a result of the deliberate  
8 choice of the holder of such policy.”.

9 **SEC. 13. NOTIFICATION TO HOMEOWNERS REGARDING**  
10 **MANDATORY PURCHASE REQUIREMENT AP-**  
11 **PLICABILITY AND RATE PHASE-INS.**

12       Section 201 of the Flood Disaster Protection Act of  
13 1973 (42 U.S.C. 4105) is amended by adding at the end  
14 the following new subsection:

15       “(f) ANNUAL NOTIFICATION.—The Director, in con-  
16 sultation with affected communities, shall establish and  
17 carry out a plan to notify residents of areas having special  
18 flood hazards, on an annual basis—

19               “(1) that they reside in such an area;

20               “(2) of the geographical boundaries of such  
21 area;

22               “(3) of whether section 1308(h) of the National  
23 Flood Insurance Act of 1968 applies to properties  
24 within such area;



1           “(4) of the provisions of section 102 requiring  
2           purchase of flood insurance coverage for properties  
3           located in such an area, including the date on which  
4           such provisions apply with respect to such area, tak-  
5           ing into consideration section 102(i); and

6           “(5) of a general estimate of what similar  
7           homeowners in similar areas typically pay for flood  
8           insurance coverage, taking into consideration section  
9           1308(g) of the National Flood Insurance Act of  
10          1968.”.

11 **SEC. 14. COMMUNITY OUTREACH PLAN FOR UPDATING**  
12                   **FLOODPLAIN AREAS AND FLOOD-RISK**  
13                   **ZONES.**

14          The Administrator of the Federal Emergency Man-  
15          agement Agency shall, not later than the expiration of the  
16          60-day period beginning upon the date of the enactment  
17          of this Act, submit to the Congress a community outreach  
18          plan for the updating of floodplain areas and flood-risk  
19          zones under section 1360(f) of the National Flood Insur-  
20          ance Act of 1968 (42 U.S.C. 4101(f)).

21 **SEC. 15. NOTIFICATION OF ESTABLISHMENT OF FLOOD**  
22                   **ELEVATIONS.**

23          Section 1360 of the National Flood Insurance Act of  
24          1968 (42 U.S.C. 4101) is amended by adding at the end  
25          the following new subsection:

1       “(1) NOTIFICATION TO MEMBERS OF CONGRESS OF  
2 MAP MODERNIZATION.—Upon any revision or update of  
3 any floodplain area or flood-risk zone pursuant to sub-  
4 section (f), any decision pursuant to subsection (f)(1) that  
5 such revision or update is necessary, any issuance of pre-  
6 liminary maps for such revision or updating, or any other  
7 significant action relating to any such revision or update,  
8 the Director shall notify the Senators for each State af-  
9 fected, and each Member of the House of Representatives  
10 for each congressional district affected, by such revision  
11 or update in writing of the action taken.”.

12 **SEC. 16. COVERAGE FOR ADDITIONAL LIVING EXPENSES**  
13 **AND BUSINESS INTERRUPTION.**

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

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

18           (2) in paragraph (5)—

19               (A) by inserting “pursuant to paragraph  
20 (2), (3), or (4)” after “any flood insurance cov-  
21 erage”; and

22               (B) by striking the period at the end and  
23 inserting a semicolon; and

24           (3) by adding at the end the following new  
25 paragraphs:

1           “(6) in the case of any residential property,  
2           each renewal or new contract for flood insurance  
3           coverage shall provide not less than \$1,000 aggregate  
4           liability per dwelling unit for any necessary increases  
5           in living expenses incurred by the insured  
6           when losses from a flood make the residence unfit to  
7           live in, which coverage shall be available only at  
8           chargeable rates that are not less than the estimated  
9           premium rates for such coverage determined in accordance  
10          with section 1307(a)(1);

11          “(7) in the case of any residential property, optional  
12          coverage for additional living expenses described in paragraph (6) shall be made available to  
13          every insured upon renewal and every applicant in  
14          excess of the limits provided in paragraph (6) in  
15          such amounts and at such rates as the Director  
16          shall establish, except that such chargeable rates  
17          shall not be less than the estimated premium rates  
18          for such coverage determined in accordance with section  
19          1307(a)(1); and  
20          

21          “(8) in the case of any commercial property or  
22          other residential property, including multifamily  
23          rental property, optional coverage for losses resulting  
24          from any partial or total interruption of the insured’s  
25          business caused by damage to, or loss of,

1 such property from a flood shall be made available  
2 to every insured upon renewal and every applicant,  
3 except that—

4 “(A) the Director may provide such cov-  
5 erage under such terms, conditions, and re-  
6 quirements as the Director considers appro-  
7 priate to meet the needs of small businesses  
8 while complying with the requirement under  
9 subparagraph (C); and

10 “(B) any such coverage shall be made  
11 available only at chargeable rates that are not  
12 less than the estimated premium rates for such  
13 coverage determined in accordance with section  
14 1307(a)(1).”.

15 **SEC. 17. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE**  
16 **DATE OF POLICIES.**

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

1 than 30 days after such purchase or other transfer of the  
2 property, as applicable”.

3 **SEC. 18. MINIMUM DEDUCTIBLES FOR CLAIMS.**

4 Section 1312 of the National Flood Insurance Act of  
5 1968 (42 U.S.C. 4019) is amended—

6 (1) by striking “The Director is” and inserting  
7 the following: “(a) IN GENERAL.—The Director is”;  
8 and

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

10 “(b) MINIMUM ANNUAL DEDUCTIBLES.—

11 “(1) PRE-FIRM PROPERTIES.—For any struc-  
12 ture that is covered by flood insurance under this  
13 title, and on which construction or substantial im-  
14 provement occurred on or before December 31,  
15 1974, or before the effective date of an initial flood  
16 insurance rate map published by the Director under  
17 section 1360 for the area in which such structure is  
18 located, the minimum annual deductible for damage  
19 to or loss of such structure shall be—

20 “(A) \$1,500, if the flood insurance cov-  
21 erage for such structure covers loss of, or phys-  
22 ical damage to, such structure in an amount  
23 equal to or less than \$100,000; and

24 “(B) \$2,000, if the flood insurance cov-  
25 erage for such structure covers loss of, or phys-

1           ical damage to, such structure in an amount  
2           greater than \$100,000.

3           “(2) POST-FIRM PROPERTIES.—For any struc-  
4           ture that is covered by flood insurance under this  
5           title, and on which construction or substantial im-  
6           provement occurred after December 31, 1974, or  
7           after the effective date of an initial flood insurance  
8           rate map published by the Director under section  
9           1360 for the area in which such structure is located,  
10          the minimum annual deductible for damage to or  
11          loss of such structure shall be—

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

16                   “(B) \$1,000, if the flood insurance cov-  
17                   erage for such structure covers loss of, or phys-  
18                   ical damage to, such structure in an amount  
19                   greater than \$100,000.”.

20 **SEC. 19. PAYMENT OF PREMIUMS IN INSTALLMENTS FOR**  
21 **RESIDENTIAL PROPERTIES.**

22          Section 1306 of the National Flood Insurance Act of  
23 1968 (42 U.S.C. 4013) is amended by adding at the end  
24 the following new subsection:

1       “(d) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR  
2 RESIDENTIAL PROPERTIES.—In addition to any other  
3 terms and conditions under subsection (a), such regula-  
4 tions shall provide that, in the case of any residential prop-  
5 erty, premiums for flood insurance coverage for such prop-  
6 erty may be paid in installments.”.

7 **SEC. 20. TERMINATION OF FORCE-PLACED INSURANCE.**

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

10           (1) by redesignating paragraphs (3) and (4) as  
11 paragraphs (5) and 6), respectively; and

12           (2) by adding inserting after paragraph (2) the  
13 following new paragraphs:

14           “(3) TERMINATION OF FORCE-PLACED INSUR-  
15 ANCE.—Within 15 days of receipt by the lender or  
16 servicer of a confirmation of a borrower’s existing  
17 flood insurance coverage, the lender or servicer  
18 shall—

19                   “(A) terminate the force-placed insurance;  
20 and

21                   “(B) refund to the borrower all force-  
22 placed insurance premiums paid by the bor-  
23 rower during any period during which the bor-  
24 rower’s flood insurance coverage and the force-  
25 placed flood insurance coverage were each in ef-

1           fect, and any related fees charged to the bor-  
2           rower with respect to the force-placed insurance  
3           during such period.

4           “(4) SUFFICIENCY OF DEMONSTRATION.—A  
5           lender or servicer for a loan shall accept any reason-  
6           able form of written confirmation from a borrower  
7           of existing flood insurance coverage, which shall in-  
8           clude the existing flood insurance policy number  
9           along with the identity of, and contact information  
10          for, the insurance company or agent.”.

11 **SEC. 21. ENFORCEMENT.**

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

14           (1) in paragraph (2)—

15           (A) in subparagraph (A)(iii), by striking  
16           “or” at the end;

17           (B) in subparagraph (B), by striking the  
18           period at the end and inserting “; or”; and

19           (C) by adding at the end the following new  
20           subparagraph:

21           “(C) in connection with the making, in-  
22           creasing, extending, servicing, or renewing of  
23           any loan, requiring the purchase of flood insur-  
24           ance coverage under the National Flood Insur-  
25           ance Act of 1968, or purchasing such coverage



1           pursuant to subsection (e)(2), in an amount in  
2           excess of the minimum amount required under  
3           subsections (a) and (b) of this section.”;

4           (2) in paragraph (5)—

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

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

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

1 **SEC. 22. NOTIFICATION TO TENANTS OF AVAILABILITY OF**  
2 **CONTENTS INSURANCE.**

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

6 **“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY**  
7 **OF CONTENTS INSURANCE.**

8 “(a) IN GENERAL.—The Director shall, upon enter-  
9 ing into a contract for flood insurance coverage under this  
10 title for any property—

11 “(1) provide to the insured sufficient copies of  
12 the notice developed pursuant to subsection (b); and

13 “(2) require the insured to provide a copy of  
14 the notice, or otherwise provide notification of the  
15 information under subsection (b) in the manner that  
16 the manager or landlord deems most appropriate, to  
17 each such tenant and to each new tenant upon com-  
18 mencement of such a tenancy.

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

22 “(1) whether the property is located in an area  
23 having special flood hazards;

24 “(2) that flood insurance coverage is available  
25 under the national flood insurance program under

1 this title for contents of the unit or structure leased  
2 by the tenant;

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

6 “(4) of where to obtain information regarding  
7 how to obtain such coverage, including a telephone  
8 number, mailing address, and Internet site of the  
9 Director where such information is available.”.

10 **SEC. 23. GRANTS FOR DIRECT FUNDING OF MITIGATION**

11 **ACTIVITIES FOR INDIVIDUAL REPETITIVE**

12 **CLAIMS PROPERTIES.**

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

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

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

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

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

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

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

3 **SEC. 24. FLOOD INSURANCE OUTREACH.**

4 Chapter I of the National Flood Insurance Act of  
5 1968 (42 U.S.C. 4011 et seq.), as amended by the pre-  
6 ceding provisions of this Act, is further amended by add-  
7 ing at the end the following new section:

8 **“SEC. 1326. GRANTS FOR OUTREACH TO PROPERTY OWN-  
9 ERS AND RENTERS.**

10 “(a) IN GENERAL.—The Director may, to the extent  
11 amounts are made available pursuant to subsection (i),  
12 make grants to local governmental agencies responsible for  
13 floodplain management activities (including such agencies  
14 of Indians tribes, as such term is defined in section 4 of  
15 the Native American Housing Assistance and Self-Deter-  
16 mination Act of 1996 (25 U.S.C. 4103)) in communities  
17 that participate in the national flood insurance program  
18 under this title, for use by such agencies to carry out out-  
19 reach activities to encourage and facilitate the purchase  
20 of flood insurance protection under this Act by owners and  
21 renters of properties in such communities and to promote  
22 educational activities that increase awareness of flood risk  
23 reduction.

1       “(b) OUTREACH ACTIVITIES.—Amounts from a grant  
2 under this section shall be used only for activities designed  
3 to—

4           “(1) identify owners and renters of properties  
5 in communities that participate in the national flood  
6 insurance program, including owners of residential  
7 and commercial properties;

8           “(2) notify such owners and renters when their  
9 properties become included in, or when they are ex-  
10 cluded from, an area having special flood hazards  
11 and the effect of such inclusion or exclusion on the  
12 applicability of the mandatory flood insurance pur-  
13 chase requirement under section 102 of the Flood  
14 Disaster Protection Act of 1973 (42 U.S.C. 4012a)  
15 to such properties;

16           “(3) educate such owners and renters regarding  
17 the flood risk and reduction of this risk in their  
18 community, including the continued flood risks to  
19 areas that are no longer subject to the flood insur-  
20 ance mandatory purchase requirement;

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

1           “(5) encouraging such owners and renters to  
2 maintain or acquire such coverage;

3           “(6) notify such owners of where to obtain in-  
4 formation regarding how to obtain such coverage, in-  
5 cluding a telephone number, mailing address, and  
6 Internet site of the Director where such information  
7 is available; and

8           “(7) educate local real estate agents in commu-  
9 nities participating in the national flood insurance  
10 program regarding the program and the availability  
11 of coverage under the program for owners and rent-  
12 ers of properties in such communities, and establish  
13 coordination and liaisons with such real estate  
14 agents to facilitate purchase of coverage under this  
15 Act and increase awareness of flood risk reduction.

16           “(c) COST SHARING REQUIREMENT.—

17           “(1) IN GENERAL.—In any fiscal year, the Di-  
18 rector may not provide a grant under this section to  
19 a local governmental agency in an amount exceeding  
20 3 times the amount that the agency certifies, as the  
21 Director shall require, that the agency will con-  
22 tribute from non-Federal funds to be used with  
23 grant amounts only for carrying out activities de-  
24 scribed in subsection (b).

1           “(2) NON-FEDERAL FUNDS.—For purposes of  
2           this subsection, the term ‘non-Federal funds’ in-  
3           cludes State or local government agency amounts,  
4           in-kind contributions, any salary paid to staff to  
5           carry out the eligible activities of the grant recipient,  
6           the value of the time and services contributed by vol-  
7           unteers to carry out such services (at a rate deter-  
8           mined by the Director), and the value of any do-  
9           nated material or building and the value of any lease  
10          on a building.

11          “(d) ADMINISTRATIVE COST LIMITATION.—Notwith-  
12         standing subsection (b), the Director may use not more  
13         than 5 percent of amounts made available under sub-  
14         section (i) to cover salaries, expenses, and other adminis-  
15         trative costs incurred by the Director in making grants  
16         and provide assistance under this section.

17          “(e) APPLICATION AND SELECTION.—

18                 “(1) IN GENERAL.—The Director shall provide  
19                 for local governmental agencies described in sub-  
20                 section (a) to submit applications for grants under  
21                 this section and for competitive selection, based on  
22                 criteria established by the Director, of agencies sub-  
23                 mitting such applications to receive such grants.

24                 “(2) SELECTION CONSIDERATIONS.—In select-  
25                 ing applications of local government agencies to re-

1       ceive grants under paragraph (1), the Director shall  
2       consider—

3               “(A) the existence of a cooperative tech-  
4               nical partner agreement between the local gov-  
5               ernmental agency and the Federal Emergency  
6               Management Agency;

7               “(B) the history of flood losses in the rel-  
8               evant area that have occurred to properties,  
9               both inside and outside the special flood haz-  
10              ards zones, which are not covered by flood in-  
11              surance coverage;

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

15              “(D) demonstrated success of the local  
16              governmental agency in generating voluntary  
17              purchase of flood insurance;

18              “(E) demonstrated technical capacity of  
19              the local governmental agency for outreach to  
20              individual property owners; and

21              “(F) the number of flood-related major  
22              disaster or emergency declarations made by the  
23              President with respect to the relevant area  
24              under the Robert T. Stafford Disaster Relief



1           and Emergency Assistance Act (42 U.S.C. 5121  
2           et seq.) during the preceding five years.

3           “(f) DIRECT OUTREACH BY FEMA.—In each fiscal  
4 year that amounts for grants are made available pursuant  
5 to subsection (i), the Director may use not more than 50  
6 percent of such amounts to carry out, and to enter into  
7 contracts with other entities to carry out, activities de-  
8 scribed in subsection (b) in areas that the Director deter-  
9 mines have the most immediate need for such activities.

10          “(g) COORDINATION WITH OTHER AGENCIES.—A  
11 local governmental agency that receives a grant under this  
12 section, and an entity that receives amounts pursuant to  
13 subsection (f), may coordinate or contract with other  
14 agencies and entities having particular capacities, special-  
15 ties, or experience with respect to certain populations or  
16 constituencies, including elderly or disabled families or  
17 persons, to carry out activities described in subsection (b)  
18 with respect to such populations or constituencies.

19          “(h) REPORTING.—

20                 “(1) LOCAL GOVERNMENTS.—Each local gov-  
21 ernment agency that receives a grant under this sec-  
22 tion, and each entity that receives amounts pursuant  
23 to subsection (f), shall submit a report to the Direc-  
24 tor, not later than 12 months after such amounts  
25 are first received, which shall include such informa-

1       tion as the Director considers appropriate to de-  
2       scribe the activities conducted using such amounts  
3       and the effect of such activities on the retention or  
4       acquisition of flood insurance coverage.

5               “(2) DIRECTOR.—The Director shall submit an  
6       annual report, not later than December 31 of each  
7       year, to the Committee on Financial Services of the  
8       House of Representatives and the Committee on  
9       Banking, Housing, and Urban Affairs of the Senate  
10      on the effectiveness of grants awarded under this  
11      section to local government agencies, the activities  
12      conducted using such grant amounts, and the effect  
13      of such activities on the retention or acquisition of  
14      flood insurance coverage.

15             “(i) AUTHORIZATION OF APPROPRIATIONS.—There is  
16      authorized to be appropriated for grants under this section  
17      \$50,000,000 for each of fiscal years 2011 through 2015.

18             “(j) PROHIBITION ON EARMARKS.—No amounts  
19      made available for grants under this section may be used  
20      for a Congressional earmark as defined in clause 9(e) of  
21      Rule XXI of the Rules of the House of Representatives.”.

22      **SEC. 25. TREATMENT OF SWIMMING POOL ENCLOSURES**  
23                             **OUTSIDE OF HURRICANE SEASON.**

24             Chapter I of the National Flood Insurance Act of  
25      1968 (42 U.S.C. 4001 et seq.), as amended by the pre-

1 ceding provisions of this Act, is further amended by add-  
2 ing at the end the following new section:

3 **“SEC. 1327. TREATMENT OF SWIMMING POOL ENCLOSURES**  
4 **OUTSIDE OF HURRICANE SEASON.**

5 “In the case of any property that is otherwise in com-  
6 pliance with the coverage and building requirements of the  
7 national flood insurance program, the presence of an en-  
8 closed swimming pool located at ground level or in the  
9 space below the lowest floor of a building after November  
10 30 and before June 1 of any year shall have no effect on  
11 the terms of coverage or the ability to receive coverage  
12 for such building under the national flood insurance pro-  
13 gram established pursuant to this title, if the pool is en-  
14 closed with non-supporting breakaway walls.”.

15 **SEC. 26. REQUIREMENTS RELATING TO WINDSTORM AND**  
16 **FLOOD.**

17 Section 1345 of the National Flood Insurance Act of  
18 1968 (42 U.S.C. 4081) is amended by adding at the end  
19 the following new subsection:

20 “(d) **REQUIREMENTS FOR WRITE-YOUR-OWN INSUR-**  
21 **ERS RELATING TO WINDSTORM AND FLOOD.—**

22 “(1) **WRITTEN AGREEMENT.—**The Director  
23 may not utilize the facilities or services of any insur-  
24 ance company or other insurer or entity to offer  
25 flood insurance coverage under this title unless such

1 company, insurer, or entity enters into a written  
2 agreement with the Director that provides as fol-  
3 lows:

4 “(A) PROHIBITION ON EXCLUSION OF  
5 WIND DAMAGE COVERAGE.—The agreement  
6 shall prohibit the company, insurer, or entity  
7 from including, in any policy provided by the  
8 company or insurer for homeowners’ insurance  
9 coverage or coverage for damage from wind-  
10 storms, any provision that excludes coverage for  
11 wind or other damage solely because flooding  
12 also contributed to damage to the insured prop-  
13 erty.

14 “(B) FIDUCIARY RESPONSIBILITY.—The  
15 agreement shall provide that the company, in-  
16 surer, or entity—

17 “(i) has a fiduciary duty with respect  
18 to the Federal taxpayers;

19 “(ii) in selling and servicing policies  
20 for flood insurance coverage under this  
21 title and adjusting claims under such cov-  
22 erage, will act in the best interests the na-  
23 tional flood insurance program rather than  
24 in the interests of the company, insurer, or  
25 entity; and

1           “(iii) will provide written guidance to  
2           each insurance agent and claims adjuster  
3           for the company, insurer, or entity that  
4           sets forth the terms of the agreement pur-  
5           suant to subparagraph (A) and this sub-  
6           paragraph.

7           “(2) REQUIREMENTS FOR ADJUSTMENT OF  
8           CLAIMS.—The Director shall, in utilizing the facili-  
9           ties of any insurance company or other insurer or  
10          entity pursuant to this section to offer flood insur-  
11          ance coverage under this title, the Director shall  
12          provide as follows:

13           “(A) APPROVAL OF ADJUSTMENT PROCE-  
14           DURES.—No such insurance company, other in-  
15           surer, or entity may offer flood insurance cov-  
16           erage under this title unless the Director has  
17           approved, as meeting standards as the Director  
18           shall establish, the procedures, protocols, guide-  
19           lines, standards, or instructions used by the  
20           company, insurer, or entity in adjusting claims  
21           for identifying, apportioning, quantifying, and  
22           differentiating damage caused by flooding and  
23           damage caused by wind.

24           “(B) TREATMENT OF WIND AND FLOOD  
25           CLAIMS FROM SAME EVENT.—The Director

1 shall require any insurance company or other  
2 insurer or entity that, pursuant to this section,  
3 provides flood insurance coverage under this  
4 title for a property and that also provides insur-  
5 ance coverage for the same property for losses  
6 resulting from wind, when claims are made both  
7 for damage resulting from flood and for damage  
8 resulting from wind involved in a single event,  
9 to comply with the following requirements:

10 “(i) CONTEMPORANEOUS ADJUST-  
11 MENT.—The claims for damage to the  
12 property under the coverage under this  
13 title for losses from flood and under the  
14 coverage for losses from wind shall be ad-  
15 justed contemporaneously.

16 “(ii) INCLUSIONS IN FLOOD CLAIM  
17 FILE.—The insurance company, other in-  
18 surer, or entity shall obtain and include in  
19 the file maintained with respect to any  
20 claim under the flood insurance coverage  
21 under this title, and make available to the  
22 Director upon request, the following infor-  
23 mation relating to the wind claim:

24 “(I) The amount paid on the  
25 claim and the date of such payment..

1           “(II) An explanation of rationale  
2           used by the company, insurer, or enti-  
3           ty in determining which damage re-  
4           sulted from flood and which damage  
5           resulted from wind.

6           “(III) Copies of any photographs,  
7           witness statements, and other evi-  
8           dence related to the wind or flood  
9           claim.

10          “(iii) REVIEW.—The Director shall re-  
11          view the information obtained pursuant to  
12          clause (ii) to ensure that—

13               “(I) claims are paid under cov-  
14               erage under this title only for losses  
15               resulting from flood; and

16               “(II) in the adjusting the claims,  
17               the insurance company or other in-  
18               surer or entity complied with proce-  
19               dures, protocols, guidelines, stand-  
20               ards, or instructions for identifying,  
21               apportioning, quantifying, and dif-  
22               ferentiating damage caused by flood-  
23               ing and damage caused by wind that  
24               have been approved by the Director as  
25               meeting the standards established by

1           the Director pursuant to subpara-  
2           graph (A).

3           “(iv) PAYMENT UNDER FLOOD COV-  
4           ERAGE WHEN CAUSE OF LOSS CANNOT BE  
5           DETERMINED.—If the insurance company  
6           or other insurer or entity determines that  
7           the loss claimed was caused by flooding or  
8           wind, but that the evidence is insufficient  
9           to differentiate the losses caused by flood-  
10          ing from those caused by wind, the com-  
11          pany, insurer, or entity shall pay the claim  
12          under the flood insurance coverage for the  
13          property as if the entire loss were caused  
14          by flooding, and shall submit all informa-  
15          tion regarding the claim to the Director.

16          “(v) FEMA DETERMINATION AND RE-  
17          COVERY.—In the case of any claim paid  
18          pursuant to clause (iv), the Director shall  
19          review the information related to the claim  
20          and determine, in accordance with proce-  
21          dures for making such a determination re-  
22          garding such claims as the Director shall  
23          establish, the losses caused by wind. The  
24          Director shall seek to recover any portion  
25          of the losses that the Director determines



1           were caused by wind from the insurance  
2           company or other insurer or entity that,  
3           pursuant to clause (iv), paid such losses as  
4           flood losses.”.

5 **SEC. 27. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**  
6                   **AND ESCROW IN RESPA GOOD FAITH ESTI-**  
7                   **MATE.**

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

1 **SEC. 28. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

2 Notwithstanding any other provision of law, the Di-  
3 rector of the Federal Emergency Management Agency  
4 may employ such additional staff as may be necessary to  
5 carry out all of the responsibilities of the Director pursu-  
6 ant to this Act, the amendments made by this Act, and  
7 the national flood insurance program. There are author-  
8 ized to be appropriated to Director such sums as may be  
9 necessary for costs of employing such additional staff.

10 **SEC. 29. PLAN TO VERIFY MAINTENANCE OF FLOOD INSUR-**  
11 **ANCE ON MISSISSIPPI AND LOUISIANA PROP-**  
12 **ERTIES RECEIVING EMERGENCY SUPPLE-**  
13 **MENTAL FUNDS.**

14 The Secretary of Housing and Urban Development  
15 and the Director of the Federal Emergency Management  
16 Agency shall jointly develop and implement a plan to  
17 verify that persons receiving funds under the Homeowner  
18 Grant Assistance Program of the State of Mississippi or  
19 the Road Home Program of the State of Louisiana from  
20 amounts allocated to the State of Mississippi or the State  
21 of Louisiana, respectively, from the Community develop-  
22 ment fund under the Emergency Supplemental Appropria-  
23 tions Act to Address Hurricanes in the Gulf of Mexico and  
24 Pandemic Influenza, 2006 (Public Law 109–148) are  
25 maintaining flood insurance on the property for which

1 such persons receive such funds as required by each such  
2 Program.

3 **SEC. 30. FLOOD INSURANCE ADVOCATE.**

4 Chapter II of the National Flood Insurance Act of  
5 1968 is amended by inserting after section 1330 (42  
6 U.S.C. 4041) the following new section:

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

9 “(a) ESTABLISHMENT OF POSITION.—

10 “(1) IN GENERAL.—There shall be in the Fed-  
11 eral Emergency Management Agency an Office of  
12 the Flood Insurance Advocate which shall be headed  
13 by the National Flood Insurance Advocate. The Na-  
14 tional Flood Insurance Advocate shall report directly  
15 to the Director and shall, to the extent amounts are  
16 provided pursuant to subsection (f), be compensated  
17 at the same rate as the highest rate of basic pay es-  
18 tablished for the Senior Executive Service under sec-  
19 tion 5382 of title 5, United States Code, or, if the  
20 Director so determines, at a rate fixed under section  
21 9503 of such title.

22 “(2) APPOINTMENT.—The National Flood In-  
23 surance Advocate shall be appointed by the Director,  
24 and without regard to the provisions of title 5,

1 United States Code, relating to appointments in the  
2 competitive service or the Senior Executive Service.

3 “(3) QUALIFICATIONS.—An individual ap-  
4 pointed under paragraph (2) shall have a back-  
5 ground in customer service as well as insurance.

6 “(4) STAFF.—To the extent amounts are pro-  
7 vided pursuant to subsection (f), the National Flood  
8 Insurance Advocate may employ such personnel as  
9 may be necessary to carry out the duties of the Of-  
10 fice.

11 “(b) FUNCTIONS OF OFFICE.—

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

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

18 “(B) identify areas in which such insureds  
19 have problems in dealings with the Agency re-  
20 lating to such program;

21 “(C) identify potential legislative, adminis-  
22 trative, or regulatory changes which may be ap-  
23 propriate to mitigate such problems;

24 “(D) assist communities and homeowners  
25 with interpreting, implementing, and appealing

1 floodplain maps and floodplain map determina-  
2 tions;

3 “(E) facilitate the sharing of the best-prac-  
4 tices of the Federal Emergency Management  
5 Agency amongst all offices of the Agency with  
6 respect to the creation and updating of flood-  
7 plain maps;

8 “(F) not less than one year after receipt of  
9 a request from a community, perform an eco-  
10 nomic impact analysis for such community on  
11 the economic impact of floodplain maps and  
12 floodplain map determinations on small busi-  
13 nesses, lending, real estate development, and  
14 other economic indicators within such commu-  
15 nity;

16 “(G) establish a national arbitration panel  
17 regarding flood map modernization, with panel  
18 members consisting of experts in flood insur-  
19 ance, flood map determination, real estate de-  
20 velopment, structural engineering, and other  
21 such experts, including a representative from  
22 the Federal Emergency Management Adminis-  
23 tration, to allow individuals or communities im-  
24 pacted by a flood map revision to challenge  
25 such a revision; such panel may, under such

1 terms and conditions it may establish, tempo-  
2 rarily suspend implementation of a floodplain  
3 map pending such panel’s review of evidence  
4 submitted by such individuals or communities  
5 as part of such challenge;

6 “(H) establish a process under which sci-  
7 entific and engineering data, including maps  
8 and an explanation of how the Director makes  
9 a determination regarding a map revision, will  
10 be made publicly available to any interested in-  
11 dividuals to be impacted by a flood map revi-  
12 sion; and

13 “(I) establish a process under which each  
14 community to be impacted by a flood map revi-  
15 sion will be provided an open community forum  
16 to consult with and ask questions of representa-  
17 tives of the Federal Emergency Management  
18 Administration.

19 “(J) identify ways to assist communities in  
20 efforts to fund the accreditation of flood protec-  
21 tion systems.

22 “(2) ANNUAL REPORTS.—

23 “(A) ACTIVITIES.—Not later than Decem-  
24 ber 31 of each calendar year, the National  
25 Flood Insurance Advocate shall report to the

1 Committee on Financial Services of the House  
2 of Representatives and the Committee on Bank-  
3 ing, Housing, and Urban Affairs of the Senate  
4 on the activities of the Office of the Flood In-  
5 surance Advocate during the fiscal year ending  
6 during such calendar year. Any such report  
7 shall contain full and substantive analysis, in  
8 addition to statistical information, and shall—

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

16 “(ii) identify areas of the law or regu-  
17 lations relating to the national flood insur-  
18 ance program that impose significant com-  
19 pliance burdens on such insureds or the  
20 Federal Emergency Management Agency,  
21 including specific recommendations for  
22 remedying these problems; and

23 “(iii) include such other information  
24 as the National Flood Insurance Advocate  
25 may deem advisable.

1           “(B) DIRECT SUBMISSION OF REPORT.—

2           Each report required under this paragraph  
3           shall be provided directly to the committees  
4           identified in subparagraph (A) without any  
5           prior review or comment from the Director, the  
6           Secretary of Homeland Security, or any other  
7           officer or employee of the Federal Emergency  
8           Management Agency or the Department of  
9           Homeland Security, or the Office of Manage-  
10          ment and Budget.

11          “(c) FUNDING.—Pursuant to section 1310(a)(4), the  
12          Director may use amounts from the National Flood Insur-  
13          ance Fund to fund the activities of the Office of the Flood  
14          Advocate in each of fiscal years 2011 through 2016, ex-  
15          cept that the amount so used in each such fiscal year may  
16          not exceed \$5,000,000 and shall remain available until ex-  
17          pended. Notwithstanding any other provision of this title,  
18          amounts made available pursuant to this subsection shall  
19          not be subject to offsetting collections through premium  
20          rates for flood insurance coverage under this title.”.

21          **SEC. 31. TREATMENT OF PREVIOUSLY MAPPED AREAS.**

22          Section 1360 of the National Flood Insurance Act of  
23          1968 (42 U.S.C. 4101) is amended by adding at the end  
24          the following new subsection:



1       “(k) TREATMENT OF PREVIOUSLY MAPPED  
2 AREAS.—If the Director issues a letter of map revision  
3 for an area or a portion of an area to correct an error  
4 in a recently issued flood insurance rate map and such  
5 letter results in the designation of such area as not having  
6 special flood hazards, the Director shall reexamine the  
7 designation of any areas bordering or abutting the area  
8 that was the subject of such letter if such areas are located  
9 within a special flood hazard area. The Director shall in-  
10 form the community and residents within such area of the  
11 results of such examination no later than one year after  
12 the date of the initial letter of map revision.”.

13 **SEC. 32. REMAPPING OF AREAS WITH IMPROVED LEVEES.**

14       Section 1360 of the National Flood Insurance Act of  
15 1968 (42 U.S.C. 4101) is amended by adding at the end  
16 the following new subsection:

17       “(l) REMAPPING OF AREAS WITH IMPROVED LEV-  
18 EES.—If at any time any community, any State, the Army  
19 Corps of Engineers, or any other entity improves any levee  
20 system that protects any area that is located in an area  
21 having special flood hazards and the Director determines  
22 that such improvement mitigates flood risk in a manner  
23 that eliminates the risk of flooding in the area, the Direc-  
24 tor shall—

1           “(1) revise and update the floodplain areas and  
2 flood risk zones, and the flood insurance maps re-  
3 flecting such areas and zones, for the areas pro-  
4 tected by such levee system so that any requirement  
5 under the Flood Disaster Protection Act of 1973 for  
6 mandatory purchase of flood insurance does not  
7 apply to such area; and

8           “(2) make the updated maps and any informa-  
9 tion regarding such updating available to the af-  
10 fected communities.”.

11 **SEC. 33. APPEALS.**

12       (a) TELEVISION AND RADIO ANNOUNCEMENT.—Sec-  
13 tion 1363 of the National Flood Insurance Act of 1968  
14 (42 U.S.C. 4104) is amended—

15           (1) in subsection (a), by inserting after “deter-  
16 minations” by inserting the following: “by notifying  
17 a local television and radio station,”; and

18           (2) in the first sentence of subsection (b), by in-  
19 serting before the period at the end the following:  
20 “and shall notify a local television and radio station  
21 at least once during the same 10-day period”.

22       (b) APPLICABILITY.—The amendments made by sub-  
23 section (a) shall apply with respect to any flood elevation  
24 determination for any area in a community that has not,  
25 as of the date of the enactment of this Act, been issued

1 a Letter of Final Determination for such determination  
2 under the flood insurance map modernization process.

3 **SEC. 34. ELIGIBILITY OF PROPERTY DEMOLITION AND RE-**  
4 **BUILDING UNDER FLOOD MITIGATION AS-**  
5 **SISTANCE PROGRAM.**

6 (a) FLOOD MITIGATION ASSISTANCE PROGRAM.—  
7 Section 1366(e)(5)(B) of the National Flood Insurance  
8 Act of 1968 (42 U.S.C. 4104c(e)(5)(B)) is amended by  
9 striking “or floodproofing” and inserting “floodproofing,  
10 or demolition and rebuilding of properties to at least base  
11 flood elevation or greater, if required by any local ordi-  
12 nance”.

13 (b) SENSE OF CONGRESS.—It is the sense of Con-  
14 gress that section 1366 of the Flood Insurance Act of  
15 1968 (42 U.S.C. 4104e), as in effect on the day before  
16 the date of enactment of this Act, authorized the Adminis-  
17 trator of the Federal Emergency Management Agency to  
18 consider property demolition and rebuilding as eligible ac-  
19 tivities under the Flood Mitigation Assistance Program.  
20 The purpose of the amendment made by subsection (a)  
21 is to clarify that such authority exists.

1 **SEC. 35. STUDY REGARDING MANDATORY PURCHASE RE-**  
2 **QUIREMENT FOR NON-FEDERALLY RELATED**  
3 **LOANS.**

4 (a) IN GENERAL.—The Comptroller General shall  
5 conduct a study to assess the impact, effectiveness, and  
6 feasibility of, and basis under the Constitution of the  
7 United States for, amending the provisions of the Flood  
8 Disaster Protection Act of 1973 regarding the properties  
9 that are subject to the mandatory flood insurance coverage  
10 purchase requirements under such Act to extend such re-  
11 quirements to any property that is located in any area hav-  
12 ing special flood hazards and which secures the repayment  
13 of a loan that is not described in paragraph (1), (2), or  
14 (3) of section 102(b) of such Act, and shall determine how  
15 best to administer and enforce such a requirement, taking  
16 into consideration other insurance purchase requirements  
17 under Federal and State law.

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

1 **SEC. 36. STUDY OF METHODS TO INCREASE FLOOD INSUR-**  
2 **ANCE PROGRAM PARTICIPATION BY LOW-IN-**  
3 **COME FAMILIES AND FAMILIES IN RURAL**  
4 **COMMUNITIES AND ON INDIAN RESERVA-**  
5 **TIONS.**

6 (a) IN GENERAL.—The Comptroller General of the  
7 United States shall conduct a study to identify and ana-  
8 lyze potential methods, practices, and incentives that  
9 would increase the extent to which low-income families (as  
10 such term is defined in section 3(b) of the United States  
11 Housing Act of 1937 (42 U.S.C. 1437a(b))), families re-  
12 siding in rural communities, and families who reside on  
13 Indian reservations, that own residential properties lo-  
14 cated within areas having special flood hazards purchase  
15 flood insurance coverage for such properties under the na-  
16 tional flood insurance program. In conducting the study,  
17 the Comptroller General shall analyze the effectiveness  
18 and costs of the various methods, practices, and incentives  
19 identified, including their effects on the national flood in-  
20 surance program.

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

1 **SEC. 37. REPORT ON INCLUSION OF BUILDING CODES IN**  
2 **FLOODPLAIN MANAGEMENT CRITERIA.**

3 Not later than the expiration of the 6-month period  
4 beginning on the date of the enactment of this Act, the  
5 Administrator of the Federal Emergency Management  
6 Agency shall conduct a study and submit a report to the  
7 Committee on Financial Services of the House of Rep-  
8 resentatives and the Committee on Banking, Housing, and  
9 Urban Affairs of the Senate regarding the impact, effec-  
10 tiveness, and feasibility of amending section 1361 of the  
11 National Flood Insurance Act of 1968 (42 U.S.C. 4102)  
12 to include widely used and nationally recognized building  
13 codes as part of the floodplain management criteria devel-  
14 oped under such section, and shall determine—

15 (1) the regulatory, financial, and economic im-  
16 pacts of such a building code requirement on home-  
17 owners, States and local communities, local land use  
18 policies, and the Federal Emergency Management  
19 Agency;

20 (2) the resources required of State and local  
21 communities to administer and enforce such a build-  
22 ing code requirement;

23 (3) the effectiveness of such a building code re-  
24 quirement in reducing flood-related damage to build-  
25 ings and contents;

1           (4) the impact of such a building code require-  
2           ment on the actuarial soundness of the National  
3           Flood Insurance Program;

4           (5) the effectiveness of nationally recognized  
5           codes in allowing innovative materials and systems  
6           for flood-resistant construction;

7           (6) the feasibility and effectiveness of providing  
8           an incentive in lower premium rates for flood insur-  
9           ance coverage under such Act for structures meeting  
10          whichever of such widely used and nationally recog-  
11          nized building code or any applicable local building  
12          code provides greater protection from flood damage;

13          (7) the impact of such a building code require-  
14          ment on rural communities with different building  
15          code challenges than more urban environments; and

16          (8) the impact of such a building code require-  
17          ment on Indian reservations.

18 **SEC. 38. STUDY ON REPAYING FLOOD INSURANCE DEBT.**

19          Not later than the expiration of the 6-month period  
20          beginning on the date of the enactment of this Act, the  
21          Administrator of the Federal Emergency Management  
22          Agency shall submit a report to the Congress setting forth  
23          a plan for repaying within 10 years all amounts, including  
24          any amounts previously borrowed but not yet repaid, owed  
25          pursuant to clause (2) of subsection (a) of section 1309

1 of the National Flood Insurance Act of 1968 (42 U.S.C.  
2 4016(a)(2)).

3 **SEC. 39. STUDY REGARDING CERTAIN HARBOR AREAS.**

4 (a) STUDY.—The Administrator of the Federal  
5 Emergency Management Agency shall carry out a study  
6 to identify the impacts of the National Flood Insurance  
7 Program on harbor areas that are working waterfronts,  
8 which shall—

9 (1) identify the models and assumptions used  
10 under such program with respect to wave action in  
11 working waterfronts and harbors;

12 (2) determine whether these are the same mod-  
13 els and assumptions used for open or unprotected  
14 coast lines;

15 (3) identify the assumptions used under such  
16 program in modeling V-zones;

17 (4) identify the underlying basis for projected  
18 impact of waves on working waterfronts;

19 (5) identify the frequency with which individual  
20 working waterfronts receive revised flood-risk based  
21 on the data they provide;

22 (6) determine the feasibility of basing flood  
23 maps for such working waterfronts on actual histor-  
24 ical flood and damage data;



1           (7) identify the standards for construction and  
2 design of working waterfront infrastructure that  
3 would be needed to safely develop commercial build-  
4 ings in the V-zone;

5           (8) determine the economic impacts of the Na-  
6 tional Flood Insurance Program on working water-  
7 fronts and working waterfront dependant businesses;

8           (9) identify any new or alternative models that  
9 may be used to more accurately reflect the risk of  
10 flooding in working waterfronts and harbor environ-  
11 ments;

12          (10) review the current coastal flood insurance  
13 study guidelines and recommended methodologies;

14          (11) determine whether methodologies other  
15 than those referred to in paragraph (10) should be  
16 applied with respect to complicated harbors and  
17 open shorelines;

18          (12) review where 2-D ST Wave methodology  
19 should be applied and where other methodologies  
20 should be applied;

21          (13) review available data on wave attenuation  
22 through pilings and piers and determine whether a  
23 physical model for the attenuation of waves in that  
24 environment can be undertaken to derive such data;  
25 and

1           (14) include any other information the Adminis-  
2           trator considers relevant to evaluating the flood risk  
3           and insurance challenges facing working waterfronts.

4           (b) REPORT.—Not later than 180 days after the date  
5           of the enactment of this Act, the Administrator shall sub-  
6           mit to the Congress a report setting forth the results and  
7           conclusions of the study, including—

8           (1) a description of all of the matters identified  
9           and determined pursuant to subsection (a); and

10          (2) an analysis of the feasibility of developing  
11          a sheltered harbor flood zone for purposes of the  
12          National Flood Insurance Program that specifically  
13          recognizes the unique challenges faced by working  
14          waterfronts and built-up harbors.

15          (c) DEFINITION.—In this section, the term “working  
16          waterfront” means real property (including support struc-  
17          tures over water and other facilities) that provides access  
18          to coastal waters to persons engaged in commercial fish-  
19          ing, recreational fishing business, boatbuilding, aqua-  
20          culture, or other water-dependent coastal-related business  
21          and is used for, or that supports, commercial fishing, rec-  
22          reational fishing, boatbuilding, aquaculture, or other  
23          water-dependent coastal-related business.

1 **SEC. 40. STUDY REGARDING HAZARD MODELING.**

2       The Administrator of the Federal Emergency Man-  
3 agement Agency shall conduct a study to identify and as-  
4 sess the impacts, including short-term and long-term im-  
5 pacts, of significant flooding events and subsequent revi-  
6 sions of hazard modeling and mapping since January 1,  
7 2000, on the financial soundness of the national flood in-  
8 surance program. The Administrator may enter into an  
9 agreement with Water Resources Research Institutes to  
10 conduct the study under this section. The Administrator  
11 shall provide for a final report regarding the study to be  
12 submitted to the Congress not later than the expiration  
13 of the 16-month period beginning on the date of the enact-  
14 ment of this Act. The report may include recommenda-  
15 tions of the Administrator with respect to revising hazard  
16 modeling and mapping.

17 **SEC. 41. STUDY REGARDING IMPACT OF RATE INCREASES**  
18 **ON PRE-FIRM PROPERTIES.**

19       (a) IN GENERAL.—The Comptroller General of the  
20 United States shall conduct a study to assess the impacts  
21 of implementing provisions regarding pre-FIRM prop-  
22 erties (as such term is defined in section 578(b) of the  
23 National Flood Insurance Reform Act of 1994 (42 U.S.C.  
24 4014)), including the impact on the program participation  
25 rate among owners, renters, and tenants of non-primary  
26 residences or commercial nonresidential properties. In

1 conducting the study, the Comptroller General shall ana-  
2 lyze the cost effectiveness and effect on local government  
3 tax base of various options, including an option of imple-  
4 menting such provisions on the severe repetitive loss prop-  
5 erties only.

6 (b) REPORT.—The Comptroller General shall submit  
7 a report to Congress regarding the results and conclusions  
8 of the study under subsection (a) not later than the expi-  
9 ration of the 9-month period beginning on the date of en-  
10 actment of this Act.

11 **SEC. 42. STUDY OF EFFECTS OF ACT.**

12 (a) STUDY.—The Administrator of the Federal  
13 Emergency Management Agency shall conduct a study to  
14 identify and assess the impacts, including short-term and  
15 long-term impacts, of this Act and the amendments made  
16 by this Act on the financial soundness of the national flood  
17 insurance program.

18 (b) REPORT.—Not later than 12 months after the  
19 date of the enactment of this Act, the Administrator shall  
20 submit a report to the Congress setting forth the results  
21 and conclusions of study under subsection (a), which shall  
22 include specific recommendations for actions to mitigate  
23 against any negative financial impacts resulting from this  
24 Act and the amendments made by this Act that could in-  
25 crease the debt of the national flood insurance program.



1 **SEC. 45. STUDY ON PRIVATE INSURANCE MARKET, COMMU-**  
2 **NITY PARTICIPATION IN THE NATIONAL**  
3 **FLOOD INSURANCE PROGRAM, AND THE RE-**  
4 **GIONALIZATION OF THE NATIONAL FLOOD**  
5 **INSURANCE PROGRAM.**

6 (a) **STUDY.**—The Comptroller General shall conduct  
7 a study on—

8 (1) ways that the private insurance market can  
9 contribute to insuring against flood damage;

10 (2) the impact on the National Flood Insurance  
11 Program if communities decide not to participate in  
12 the Program; and

13 (3) the feasibility of regionalizing the National  
14 Flood Insurance Program and ensuring that there is  
15 no cross-subsidization between regions under such  
16 Program.

17 (b) **REPORT.**—Not later than one year after the date  
18 of the enactment of this Act, the Comptroller General shall  
19 submit to Congress a report containing the results of the  
20 study conducted under subsection (a).

21 **SEC. 46. ETHICS COMPLIANCE.**

22 All funds authorized under this Act or any amend-  
23 ment made by this Act shall be expended in a manner

- 1 that is consistent with the manual on Standards of Ethical
- 2 Conduct for Employees of the Executive Branch.

Passed the House of Representatives July 15, 2010.

Attest:

*Clerk.*

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

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# H. R. 5114

## AN ACT

To extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, and for other purposes.