



FEMA

W-11033

May 26, 2011

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Program (NFIP) Servicing Agent

FROM: 
Edward L. Connor
Acting Federal Insurance and Mitigation Administrator

SUBJECT: H.R. 1309 – Flood Insurance Reform Act of 2011

In an effort to keep you informed of the status of NFIP reauthorization, attached is the text of H.R. 1309, which reflects the bill as amended by the House Committee on Financial Services on May 12, 2011.

The bill would extend authority for the NFIP through September 30, 2016, and make other changes to the Program.

Attachment

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing, Marketing, Underwriting

TEXT OF H.R. 1309
AS ORDERED REPORTED BY THE COMMITTEE ON
FINANCIAL SERVICES ON MAY 12, 2011

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Flood Insurance Reform Act of 2011”.

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. Extensions.
- Sec. 3. Mandatory purchase.
- Sec. 4. Reforms of coverage terms.
- Sec. 5. Reforms of premium rates.
- Sec. 6. Technical Mapping Advisory Council.
- Sec. 7. FEMA incorporation of new mapping protocols.
- Sec. 8. Treatment of levees.
- Sec. 9. Privatization initiatives.
- Sec. 10. FEMA annual report on insurance program.
- Sec. 11. Actuarial rates for severe repetitive loss properties refusing mitigation or purchase offers.
- Sec. 12. Mitigation assistance.
- Sec. 13. Grants for direct funding of mitigation activities for individual repetitive claims properties.
- Sec. 14. Notification to homeowners regarding mandatory purchase requirement applicability and rate phase-ins.
- Sec. 15. Notification of establishment of flood elevations.
- Sec. 16. Notification to tenants of availability of contents insurance.
- Sec. 17. Notification to policy holders regarding direct management of policy by FEMA.
- Sec. 18. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 19. Reimbursement for costs incurred by homeowners obtaining letters of map amendment.
- Sec. 20. Treatment of swimming pool enclosures outside of hurricane season.
- Sec. 21. CDBG eligibility for flood insurance outreach activities and community building code administration grants.
- Sec. 22. Technical corrections.
- Sec. 23. Report on Write-Your-Own Program.
- Sec. 24. Studies of voluntary community-based flood insurance options.
- Sec. 25. Report on inclusion of building codes in floodplain management criteria.

Sec. 26. Study on graduated risk.

Sec. 27. No cause of action.

1 **SEC. 2. EXTENSIONS.**

2 (a) EXTENSION OF PROGRAM.—Section 1319 of the
3 National Flood Insurance Act of 1968 (42 U.S.C. 4026)
4 is amended by striking “September 30, 2011” and insert-
5 ing “September 30, 2016”.

6 (b) EXTENSION OF FINANCING.—Section 1309(a) of
7 such Act (42 U.S.C. 4016(a)) is amended by striking
8 “September 30, 2011” and inserting “September 30,
9 2016”.

10 **SEC. 3. MANDATORY PURCHASE.**

11 (a) AUTHORITY TO TEMPORARILY SUSPEND MANDA-
12 TORY PURCHASE REQUIREMENT.—

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

17 “(i) AUTHORITY TO TEMPORARILY SUSPEND MAN-
18 DATORY PURCHASE REQUIREMENT.—

19 “(1) FINDING BY ADMINISTRATOR THAT AREA
20 IS AN ELIGIBLE AREA.—For any area, upon a re-
21 quest submitted to the Administrator by a local gov-
22 ernment authority having jurisdiction over any por-
23 tion of the area, the Administrator shall make a
24 finding of whether the area is an eligible area under

1 paragraph (3). If the Administrator finds that such
2 area is an eligible area, the Administrator shall, in
3 the discretion of the Administrator, designate a pe-
4 riod during which such finding shall be effective,
5 which shall not be longer in duration than 12
6 months.

7 “(2) SUSPENSION OF MANDATORY PURCHASE
8 REQUIREMENT.—If the Administrator makes a find-
9 ing under paragraph (1) that an area is an eligible
10 area under paragraph (3), during the period speci-
11 fied in the finding, the designation of such eligible
12 area as an area having special flood hazards shall
13 not be effective for purposes of subsection (a), (b),
14 and (e) of this section, and section 202(a) of this
15 Act. Nothing in this paragraph may be construed to
16 prevent any lender, servicer, regulated lending insti-
17 tution, Federal agency lender, the Federal National
18 Mortgage Association, or the Federal Home Loan
19 Mortgage Corporation, at the discretion of such enti-
20 ty, from requiring the purchase of flood insurance
21 coverage in connection with the making, increasing,
22 extending, or renewing of a loan secured by im-
23 proved real estate or a mobile home located or to be
24 located in such eligible area during such period or

1 a lender or servicer from purchasing coverage on be-
2 half of a borrower pursuant to subsection (e).

3 “(3) ELIGIBLE AREAS.—An eligible area under
4 this paragraph is an area that is designated or will,
5 pursuant to any issuance, revision, updating, or
6 other change in flood insurance maps that takes ef-
7 fect on or after the date of the enactment of the
8 Flood Insurance Reform Act of 2011, become des-
9 ignated as an area having special flood hazards and
10 that meets any one of the following 3 requirements:

11 “(A) AREAS WITH NO HISTORY OF SPE-
12 CIAL FLOOD HAZARDS.—The area does not in-
13 clude any area that has ever previously been
14 designated as an area having special flood haz-
15 ards.

16 “(B) AREAS WITH FLOOD PROTECTION
17 SYSTEMS UNDER IMPROVEMENTS.—The area
18 was intended to be protected by a flood protec-
19 tion system—

20 “(i) that has been decertified, or is re-
21 quired to be certified, as providing protec-
22 tion for the 100-year frequency flood
23 standard;

24 “(ii) that is being improved, con-
25 structed, or reconstructed; and

1 “(iii) for which the Administrator has
2 determined measurable progress toward
3 completion of such improvement, construc-
4 tion, reconstruction is being made and to-
5 ward securing financial commitments suffi-
6 cient to fund such completion.

7 “(C) AREAS FOR WHICH APPEAL HAS
8 BEEN FILED.—An area for which a community
9 has appealed—

10 “(i) designation of the area as having
11 special flood hazards in a timely manner
12 under section 1363; or

13 “(ii) any decertification or
14 deaccreditation of a dam, levee, or other
15 flood protection system or the level of pro-
16 tection afforded by a dam, levee, or sys-
17 tem.

18 “(4) EXTENSION OF DELAY.—Upon a request
19 submitted by a local government authority having
20 jurisdiction over any portion of the eligible area, the
21 Administrator may extend the period during which a
22 finding under paragraph (1) shall be effective, ex-
23 cept that—

1 “(A) each such extension under this para-
2 graph shall not be for a period exceeding 12
3 months; and

4 “(B) for any area, the cumulative number
5 of such extensions may not exceed 2.

6 “(5) RULE OF CONSTRUCTION.—Nothing in
7 this subsection may be construed to affect the appli-
8 cability of a designation of any area as an area hav-
9 ing special flood hazards for purposes of the avail-
10 ability of flood insurance coverage, criteria for land
11 management and use, notification of flood hazards,
12 eligibility for mitigation assistance, or any other pur-
13 pose or provision not specifically referred to in para-
14 graph (2).

15 “(6) REPORTS.—The Administrator shall, in
16 each annual report submitted pursuant to section
17 1320, include information identifying each finding
18 under paragraph (1) by the Administrator during
19 the preceding year that an area is an area having
20 special flood hazards, the basis for each such find-
21 ing, any extensions pursuant to paragraph (4) of the
22 periods of effectiveness of such findings, and the
23 reasons for such extensions.”.

24 “(2) NO REFUNDS.—Nothing in this subsection
25 or the amendments made by this subsection may be

1 construed to authorize or require any payment or re-
2 fund for flood insurance coverage purchased for any
3 property that covered any period during which such
4 coverage is not required for the property pursuant to
5 the applicability of the amendment made by para-
6 graph (1).

7 (b) TERMINATION OF FORCE-PLACED INSURANCE.—
8 Section 102(e) of the Flood Disaster Protection Act of
9 1973 (42 U.S.C. 4012a(e)) is amended—

10 (1) in paragraph (2), by striking “insurance.”
11 and inserting “insurance, including premiums or
12 fees incurred for coverage beginning on the date on
13 which flood insurance coverage lapsed or did not
14 provide a sufficient coverage amount.”;

15 (2) by redesignating paragraphs (3) and (4) as
16 paragraphs (5) and 6), respectively; and

17 (3) by inserting after paragraph (2) the fol-
18 lowing new paragraphs:

19 “(3) TERMINATION OF FORCE-PLACED INSUR-
20 ANCE.—Within 30 days of receipt by the lender or
21 servicer of a confirmation of a borrower’s existing
22 flood insurance coverage, the lender or servicer
23 shall—

24 “(A) terminate the force-placed insurance;

25 and

1 “(B) refund to the borrower all force-
2 placed insurance premiums paid by the bor-
3 rower during any period during which the bor-
4 rower’s flood insurance coverage and the force-
5 placed flood insurance coverage were each in ef-
6 fect, and any related fees charged to the bor-
7 rower with respect to the force-placed insurance
8 during such period.

9 “(4) SUFFICIENCY OF DEMONSTRATION.—For
10 purposes of confirming a borrower’s existing flood
11 insurance coverage, a lender or servicer for a loan
12 shall accept from the borrower an insurance policy
13 declarations page that includes the existing flood in-
14 surance policy number and the identity of, and con-
15 tact information for, the insurance company or
16 agent.”.

17 (c) USE OF PRIVATE INSURANCE TO SATISFY MAN-
18 DATORY PURCHASE REQUIREMENT.—Section 102(b) of
19 the Flood Disaster Protection Act of 1973 (42 U.S.C.
20 4012a(b)) is amended—

21 (1) in paragraph (1)—

22 (A) by striking “lending institutions not to
23 make” and inserting “lending institutions—
24 “(A) not to make”;

1 (B) in subparagraph (A), as designated by
2 subparagraph (A) of this paragraph, by striking
3 “less.” and inserting “less; and”; and

4 (C) by adding at the end the following new
5 subparagraph:

6 “(B) to accept private flood insurance as satis-
7 faction of the flood insurance coverage requirement
8 under subparagraph (A) if the coverage provided by
9 such private flood insurance meets the requirements
10 for coverage under such subparagraph.”;

11 (2) in paragraph (2), by inserting after “pro-
12 vided in paragraph (1)” the following new sentence:
13 “Each Federal agency lender shall accept private
14 flood insurance as satisfaction of the flood insurance
15 coverage requirement under the preceding sentence
16 if the flood insurance coverage provided by such pri-
17 vate flood insurance meets the requirements for cov-
18 erage under such sentence.”;

19 (3) in paragraph (3), in the matter following
20 subparagraph (B), by adding at the end the fol-
21 lowing new sentence: “The Federal National Mort-
22 gage Association and the Federal Home Loan Mort-
23 gage Corporation shall accept private flood insurance
24 as satisfaction of the flood insurance coverage re-
25 quirement under the preceding sentence if the flood

1 insurance coverage provided by such private flood in-
2 surance meets the requirements for coverage under
3 such sentence.”; and

4 (4) by adding at the end the following new
5 paragraph:

6 “(5) PRIVATE FLOOD INSURANCE DEFINED.—In
7 this subsection, the term ‘private flood insurance’ means
8 a contract for flood insurance coverage allowed for sale
9 under the laws of any State.”.

10 **SEC. 4. REFORMS OF COVERAGE TERMS.**

11 (a) MINIMUM DEDUCTIBLES FOR CLAIMS.—Section
12 1312 of the National Flood Insurance Act of 1968 (42
13 U.S.C. 4019) is amended—

14 (1) by striking “The Director is” and inserting
15 the following: “(a) IN GENERAL.—The Adminis-
16 trator is”; and

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

18 “(b) MINIMUM ANNUAL DEDUCTIBLES.—

19 “(1) SUBSIDIZED RATE PROPERTIES.—For any
20 structure that is covered by flood insurance under
21 this title, and for which the chargeable rate for such
22 coverage is less than the applicable estimated risk
23 premium rate under section 1307(a)(1) for the area
24 (or subdivision thereof) in which such structure is

1 located, the minimum annual deductible for damage
2 to or loss of such structure shall be \$2,000.

3 “(2) ACTUARIAL RATE PROPERTIES.—For any
4 structure that is covered by flood insurance under
5 this title, for which the chargeable rate for such cov-
6 erage is not less than the applicable estimated risk
7 premium rate under section 1307(a)(1) for the area
8 (or subdivision thereof) in which such structure is
9 located, the minimum annual deductible for damage
10 to or loss of such structure shall be \$1,000.”.

11 (b) CLARIFICATION OF RESIDENTIAL AND COMMER-
12 CIAL COVERAGE LIMITS.—Section 1306(b) of the Na-
13 tional Flood Insurance Act of 1968 (42 U.S.C. 4013(b))
14 is amended—

15 (1) in paragraph (2)—

16 (A) by striking “in the case of any residen-
17 tial property” and inserting “in the case of any
18 residential building designed for the occupancy
19 of from one to four families”; and

20 (B) by striking “shall be made available to
21 every insured upon renewal and every applicant
22 for insurance so as to enable such insured or
23 applicant to receive coverage up to a total
24 amount (including such limits specified in para-
25 graph (1)(A)(i)) of \$250,000” and inserting

1 “shall be made available, with respect to any
2 single such building, up to an aggregate liability
3 (including such limits specified in paragraph
4 (1)(A)(i)) of \$250,000”; and
5 (2) in paragraph (4)—

6 (A) by striking “in the case of any nonresi-
7 dential property, including churches,” and in-
8 serting “in the case of any nonresidential build-
9 ing, including a church,”; and

10 (B) by striking “shall be made available to
11 every insured upon renewal and every applicant
12 for insurance, in respect to any single structure,
13 up to a total amount (including such limit spec-
14 ified in subparagraph (B) or (C) of paragraph
15 (1), as applicable) of \$500,000 for each struc-
16 ture and \$500,000 for any contents related to
17 each structure” and inserting “shall be made
18 available with respect to any single such build-
19 ing, up to an aggregate liability (including such
20 limits specified in subparagraph (B) or (C) of
21 paragraph (1), as applicable) of \$500,000, and
22 coverage shall be made available up to a total
23 of \$500,000 aggregate liability for contents
24 owned by the building owner and \$500,000 ag-

1 aggregate liability for each unit within the build-
2 ing for contents owned by the tenant”.

3 (c) INDEXING OF MAXIMUM COVERAGE LIMITS.—

4 Subsection (b) of section 1306 of the National Flood In-
5 surance Act of 1968 (42 U.S.C. 4013(b)) is amended—

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

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

10 (3) by redesignating paragraph (5) as para-
11 graph (7); and

12 (4) by adding at the end the following new
13 paragraph:

14 “(8) each of the dollar amount limitations
15 under paragraphs (2), (3), (4), (5), and (6) shall be
16 adjusted effective on the date of the enactment of
17 the Flood Insurance Reform Act of 2011, such ad-
18 justments shall be calculated using the percentage
19 change, over the period beginning on September 30,
20 1994, and ending on such date of enactment, in
21 such inflationary index as the Administrator shall,
22 by regulation, specify, and the dollar amount of such
23 adjustment shall be rounded to the next lower dollar;
24 and the Administrator shall cause to be published in
25 the Federal Register the adjustments under this

1 paragraph to such dollar amount limitations; except
2 that in the case of coverage for a property that is
3 made available, pursuant to this paragraph, in an
4 amount that exceeds the limitation otherwise appli-
5 cable to such coverage as specified in paragraph (2),
6 (3), (4), (5), or (6), the total of such coverage shall
7 be made available only at chargeable rates that are
8 not less than the estimated premium rates for such
9 coverage determined in accordance with section
10 1307(a)(1).”.

11 (d) OPTIONAL COVERAGE FOR LOSS OF USE OF PER-
12 SONAL RESIDENCE AND BUSINESS INTERRUPTION.—Sub-
13 section (b) of section 1306 of the National Flood Insur-
14 ance Act of 1968 (42 U.S.C. 4013(b)), as amended by
15 the preceding provisions of this section, is further amend-
16 ed by inserting after paragraph (4) the following new
17 paragraphs:

18 “(5) the Administrator may provide that, in the
19 case of any residential property, each renewal or new
20 contract for flood insurance coverage may provide
21 not more than \$5,000 aggregate liability per dwell-
22 ing unit for any necessary increases in living ex-
23 penses incurred by the insured when losses from a
24 flood make the residence unfit to live in, except
25 that—

1 “(A) purchase of such coverage shall be at
2 the option of the insured;

3 “(B) any such coverage shall be made
4 available only at chargeable rates that are not
5 less than the estimated premium rates for such
6 coverage determined in accordance with section
7 1307(a)(1); and

8 “(C) the Administrator may make such
9 coverage available only if the Administrator
10 makes a determination and causes notice of
11 such determination to be published in the Fed-
12 eral Register that—

13 “(i) a competitive private insurance
14 market for such coverage does not exist;
15 and

16 “(ii) the national flood insurance pro-
17 gram has the capacity to make such cov-
18 erage available without borrowing funds
19 from the Secretary of the Treasury under
20 section 1309 or otherwise;

21 “(6) the Administrator may provide that, in the
22 case of any commercial property or other residential
23 property, including multifamily rental property, cov-
24 erage for losses resulting from any partial or total
25 interruption of the insured’s business caused by

1 damage to, or loss of, such property from a flood
2 may be made available to every insured upon re-
3 newal and every applicant, up to a total amount of
4 \$20,000 per property, except that—

5 “(A) purchase of such coverage shall be at
6 the option of the insured;

7 “(B) any such coverage shall be made
8 available only at chargeable rates that are not
9 less than the estimated premium rates for such
10 coverage determined in accordance with section
11 1307(a)(1); and

12 “(C) the Administrator may make such
13 coverage available only if the Administrator
14 makes a determination and causes notice of
15 such determination to be published in the Fed-
16 eral Register that—

17 “(i) a competitive private insurance
18 market for such coverage does not exist;
19 and

20 “(ii) the national flood insurance pro-
21 gram has the capacity to make such cov-
22 erage available without borrowing funds
23 from the Secretary of the Treasury under
24 section 1309 or otherwise;”.

1 (e) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR
2 RESIDENTIAL PROPERTIES.—Section 1306 of the Na-
3 tional Flood Insurance Act of 1968 (42 U.S.C. 4013) is
4 amended by adding at the end the following new sub-
5 section:

6 “(d) PAYMENT OF PREMIUMS IN INSTALLMENTS FOR
7 RESIDENTIAL PROPERTIES.—

8 “(1) AUTHORITY.—In addition to any other
9 terms and conditions under subsection (a), such reg-
10 ulations shall provide that, in the case of any resi-
11 dential property, premiums for flood insurance cov-
12 erage made available under this title for such prop-
13 erty may be paid in installments.

14 “(2) LIMITATIONS.—In implementing the au-
15 thority under paragraph (1), the Administrator may
16 establish increased chargeable premium rates and
17 surcharges, and deny coverage and establish such
18 other sanctions, as the Administrator considers nec-
19 essary to ensure that insureds purchase, pay for,
20 and maintain coverage for the full term of a contract
21 for flood insurance coverage or to prevent insureds
22 from purchasing coverage only for periods during a
23 year when risk of flooding is comparatively higher or
24 canceling coverage for periods when such risk is
25 comparatively lower.”.

1 **SEC. 5. REFORMS OF PREMIUM RATES.**

2 (a) INCREASE IN ANNUAL LIMITATION ON PREMIUM
3 INCREASES.—Section 1308(e) of the National Flood In-
4 surance Act of 1968 (42 U.S.C. 4015(e)) is amended by
5 striking “10 percent” and inserting “20 percent”.

6 (b) PHASE-IN OF RATES FOR CERTAIN PROPERTIES
7 IN NEWLY MAPPED AREAS.—

8 (1) IN GENERAL.—Section 1308 of the Na-
9 tional Flood Insurance Act of 1968 (42 U.S.C.
10 4015) is amended—

11 (A) in subsection (a), in the matter pre-
12 ceding paragraph (1), by inserting “or notice”
13 after “prescribe by regulation”;

14 (B) in subsection (c), by inserting “and
15 subsection (g)” before the first comma; and

16 (C) by adding at the end the following new
17 subsection:

18 “(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE
19 RATES FOR CERTAIN PROPERTIES IN NEWLY MAPPED
20 AREAS.—

21 “(1) 50 PERCENT RATE FOR INITIAL YEAR.—
22 Notwithstanding subsection (c) or any other provi-
23 sion of law relating to chargeable risk premium rates
24 for flood insurance coverage under this title, in the
25 case of any area that was not previously designated
26 as an area having special flood hazards and that,

1 pursuant to any issuance, revision, updating, or
2 other change in flood insurance maps, becomes des-
3 ignated as such an area, during the 12-month period
4 that begins, except as provided in paragraph (2),
5 upon the date that such maps, as issued, revised,
6 updated, or otherwise changed, become effective, the
7 chargeable premium rate for flood insurance under
8 this title with respect to any covered property that
9 is located within such area shall be 50 percent of the
10 chargeable risk premium rate otherwise applicable
11 under this title to the property.

12 “(2) APPLICABILITY TO PREFERRED RISK RATE
13 AREAS.—In the case of any area described in para-
14 graph (1) that consists of or includes an area that,
15 as of date of the effectiveness of the flood insurance
16 maps for such area referred to in paragraph (1) as
17 so issued, revised, updated, or changed, is eligible
18 for any reason for preferred risk rate method pre-
19 miums for flood insurance coverage and was eligible
20 for such premiums as of the enactment of the Flood
21 Insurance Reform Act of 2011, the 12-month period
22 referred to in paragraph (1) for such area eligible
23 for preferred risk rate method premiums shall begin
24 upon the expiration of the period during which such

1 area is eligible for such preferred risk rate method
2 premiums.

3 “(3) PHASE-IN OF FULL ACTUARIAL RATES.—

4 With respect to any area described in paragraph (1),
5 upon the expiration of the 12-month period under
6 paragraph (1) or (2), as applicable, for such area,
7 the Administrator shall increase the chargeable risk
8 premium rates for flood insurance under this title
9 for covered properties in such area by 20 percent,
10 and by 20 percent upon the expiration of each suc-
11 cessive 12-month period thereafter until the charge-
12 able risk premium rates comply with subsection (c).

13 “(4) COVERED PROPERTIES.—For purposes of
14 the subsection, the term ‘covered property’ means
15 any residential property occupied by its owner or a
16 bona fide tenant as a primary residence.”.

17 (2) REGULATION OR NOTICE.—The Adminis-
18 trator of the Federal Emergency Management Agen-
19 cy shall issue an interim final rule or notice to im-
20 plement this subsection and the amendments made
21 by this subsection as soon as practicable after the
22 date of the enactment of this Act.

23 (c) PHASE-IN OF ACTUARIAL RATES FOR CERTAIN
24 PROPERTIES.—

1 (1) IN GENERAL.—Section 1308(c) of the Na-
2 tional Flood Insurance Act of 1968 (42 U.S.C.
3 4015(c)) is amended—

4 (A) by redesignating paragraph (2) as
5 paragraph (7); and

6 (B) by inserting after paragraph (1) the
7 following new paragraphs:

8 “(2) COMMERCIAL PROPERTIES.—Any nonresi-
9 dential property.

10 “(3) SECOND HOMES AND VACATION HOMES.—
11 Any residential property that is not the primary res-
12 idence of any individual.

13 “(4) HOMES SOLD TO NEW OWNERS.—Any sin-
14 gle family property 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 Administrator, before December 31, 1974, or
19 before the effective date of the initial rate map
20 published by the Administrator under para-
21 graph (2) of section 1360(a) for the area in
22 which such property is located, whichever is
23 later; and

24 “(B) is purchased after the effective date
25 of this paragraph, pursuant to section

1 5(e)(3)(A) of the Flood Insurance Reform Act
2 of 2011.

3 “(5) HOMES DAMAGED OR IMPROVED.—Any
4 property that, on or after the date of the enactment
5 of the Flood Insurance Reform Act of 2011, has ex-
6 perienced or sustained—

7 “(A) substantial flood damage exceeding
8 50 percent of the fair market value of such
9 property; or

10 “(B) substantial improvement exceeding
11 30 percent of the fair market value of such
12 property.

13 “(6) HOMES WITH MULTIPLE CLAIMS.—Any se-
14 vere repetitive loss property (as such term is defined
15 in section 1361A(b)).”.

16 (2) TECHNICAL AMENDMENTS.—Section 1308
17 of the National Flood Insurance Act of 1968 (42
18 U.S.C. 4015) is amended—

19 (A) in subsection (c)—

20 (i) in the matter preceding paragraph
21 (1), by striking “the limitations provided
22 under paragraphs (1) and (2)” and insert-
23 ing “subsection (e)”; and

1 (ii) in paragraph (1), by striking “,
2 except” and all that follows through “sub-
3 section (e)”;

4 (B) in subsection (e), by striking “para-
5 graph (2) or (3)” and inserting “paragraph
6 (7)”.

7 (3) EFFECTIVE DATE AND TRANSITION.—

8 (A) EFFECTIVE DATE.—The amendments
9 made by paragraphs (1) and (2) shall apply be-
10 ginning upon the expiration of the 12-month
11 period that begins on the date of the enactment
12 of this Act, except as provided in subparagraph
13 (B) of this paragraph.

14 (B) TRANSITION FOR PROPERTIES COV-
15 ERED BY FLOOD INSURANCE UPON EFFECTIVE
16 DATE.—

17 (i) INCREASE OF RATES OVER TIME.—

18 In the case of any property described in
19 paragraph (2), (3), (4), (5), or (6) of sec-
20 tion 1308(c) of the National Flood Insur-
21 ance Act of 1968, as amended by para-
22 graph (1) of this subsection, that, as of the
23 effective date under subparagraph (A) of
24 this paragraph, is covered under a policy
25 for flood insurance made available under

1 the national flood insurance program for
2 which the chargeable premium rates are
3 less than the applicable estimated risk pre-
4 mium rate under section 1307(a)(1) of
5 such Act for the area in which the prop-
6 erty is located, the Administrator of the
7 Federal Emergency Management Agency
8 shall increase the chargeable premium
9 rates for such property over time to such
10 applicable estimated risk premium rate
11 under section 1307(a)(1).

12 (ii) AMOUNT OF ANNUAL INCREASE.—
13 Such increase shall be made by increasing
14 the chargeable premium rates for the prop-
15 erty (after application of any increase in
16 the premium rates otherwise applicable to
17 such property), once during the 12-month
18 period that begins upon the effective date
19 under subparagraph (A) of this paragraph
20 and once every 12 months thereafter until
21 such increase is accomplished, by 20 per-
22 cent (or such lesser amount as may be nec-
23 essary so that the chargeable rate does not
24 exceed such applicable estimated risk pre-
25 mium rate or to comply with clause (iii)).

1 (iii) PROPERTIES SUBJECT TO PHASE-
2 IN AND ANNUAL INCREASES.—In the case
3 of any pre-FIRM property (as such term is
4 defined in section 578(b) of the National
5 Flood Insurance Reform Act of 1974), the
6 aggregate increase, during any 12-month
7 period, in the chargeable premium rate for
8 the property that is attributable to this
9 subparagraph or to an increase described
10 in section 1308(e) of the National Flood
11 Insurance Act of 1968 may not exceed 20
12 percent.

13 (iv) FULL ACTUARIAL RATES.—The
14 provisions of paragraphs (2), (3), (4), (5),
15 and (6) of such section 1308(c) shall apply
16 to such a property upon the accomplish-
17 ment of the increase under this subpara-
18 graph and thereafter.

19 (d) PROHIBITION OF EXTENSION OF SUBSIDIZED
20 RATES TO LAPSED POLICIES.—Section 1308 of the Na-
21 tional Flood Insurance Act of 1968 (42 U.S.C. 4015), as
22 amended by the preceding provisions of this Act, is further
23 amended—

24 (1) in subsection (e), by inserting “or sub-
25 section (h)” after “subsection (c)”;

1 (2) by adding at the end the following new sub-
2 section:

3 “(h) PROHIBITION OF EXTENSION OF SUBSIDIZED
4 RATES TO LAPSED POLICIES.—Notwithstanding any
5 other provision of law relating to chargeable risk premium
6 rates for flood insurance coverage under this title, the Ad-
7 ministrator shall not provide flood insurance coverage
8 under this title for any property for which a policy for
9 such coverage for the property has previously lapsed in
10 coverage as a result of the deliberate choice of the holder
11 of such policy, at a rate less than the applicable estimated
12 risk premium rates for the area (or subdivision thereof)
13 in which such property is located.”.

14 (e) RECOGNITION OF STATE AND LOCAL FUNDING
15 FOR CONSTRUCTION, RECONSTRUCTION, AND IMPROVE-
16 MENT OF FLOOD PROTECTION SYSTEMS IN DETERMINA-
17 TION OF RATES.—

18 (1) IN GENERAL.—Section 1307 of the Na-
19 tional Flood Insurance Act of 1968 (42 U.S.C.
20 4014) is amended—

21 (A) in subsection (e)—

22 (i) in the first sentence, by striking
23 “construction of a flood protection system”
24 and inserting “construction, reconstruc-
25 tion, or improvement of a flood protection

1 system (without respect to the level of Fed-
2 eral investment or participation)”; and

3 (ii) in the second sentence—

4 (I) by striking “construction of a
5 flood protection system” and inserting
6 “construction, reconstruction, or im-
7 provement of a flood protection sys-
8 tem”; and

9 (II) by inserting “based on the
10 present value of the completed sys-
11 tem” after “has been expended”; and

12 (B) in subsection (f)—

13 (i) in the first sentence in the matter
14 preceding paragraph (1), by inserting
15 “(without respect to the level of Federal
16 investment or participation)” before the
17 period at the end;

18 (ii) in the third sentence in the matter
19 preceding paragraph (1), by inserting “,
20 whether coastal or riverine,” after “special
21 flood hazard”; and

22 (iii) in paragraph (1), by striking “a
23 Federal agency in consultation with the
24 local project sponsor” and inserting “the

1 entity or entities that own, operate, main-
2 tain, or repair such system”.

3 (2) REGULATIONS.—The Administrator of the
4 Federal Emergency Management Agency shall pro-
5 mulgate regulations to implement this subsection
6 and the amendments made by this subsection as
7 soon as practicable, but not more than 18 months
8 after the date of the enactment of this Act. Para-
9 graph (3) may not be construed to annul, alter, af-
10 fect, authorize any waiver of, or establish any excep-
11 tion to, the requirement under the preceding sen-
12 tence.

13 **SEC. 6. TECHNICAL MAPPING ADVISORY COUNCIL.**

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

17 (b) MEMBERSHIP.—

18 (1) IN GENERAL.—The Council shall consist
19 of—

20 (A) the Administrator of the Federal
21 Emergency Management Agency (in this section
22 referred to as the “Administrator”), or the des-
23 ignee thereof;

1 (B) the Director of the United States Geo-
2 logical Survey of the Department of the Inte-
3 rior, or the designee thereof;

4 (C) the Under Secretary of Commerce for
5 Oceans and Atmosphere, or the designee there-
6 of;

7 (D) the commanding officer of the United
8 States Army Corps of Engineers, or the des-
9 ignee thereof;

10 (E) the chief of the Natural Resources
11 Conservation Service of the Department of Ag-
12 riculture, or the designee thereof;

13 (F) the Director of the United States Fish
14 and Wildlife Service of the Department of the
15 Interior, or the designee thereof;

16 (G) the Assistant Administrator for Fish-
17 eries of the National Oceanic and Atmospheric
18 Administration of the Department of Com-
19 merce, or the designee thereof; and

20 (H) 14 additional members to be appointed
21 by the Administrator of the Federal Emergency
22 Management Agency, who shall be—

23 (i) an expert in data management;

24 (ii) an expert in real estate;

25 (iii) an expert in insurance;

1 (iv) a member of a recognized regional
2 flood and storm water management organi-
3 zation;

4 (v) a representative of a State emer-
5 gency management agency or association
6 or organization for such agencies;

7 (vi) a member of a recognized profes-
8 sional surveying association or organiza-
9 tion;

10 (vii) a member of a recognized profes-
11 sional mapping association or organization;

12 (viii) a member of a recognized pro-
13 fessional engineering association or organi-
14 zation;

15 (ix) a member of a recognized profes-
16 sional association or organization rep-
17 resenting flood hazard determination firms;

18 (x) a representative of State national
19 flood insurance coordination offices;

20 (xi) representatives of two local gov-
21 ernments, at least one of whom is a local
22 levee flood manager or executive, des-
23 ignated by the Federal Emergency Man-
24 agement Agency as Cooperating Technical
25 Partners; and

1 (xii) representatives of two State gov-
2 ernments designated by the Federal Emer-
3 gency Management Agency as Cooperating
4 Technical States.

5 (2) QUALIFICATIONS.—Members of the Council
6 shall be appointed based on their demonstrated
7 knowledge and competence regarding surveying, car-
8 tography, remote sensing, geographic information
9 systems, or the technical aspects of preparing and
10 using flood insurance rate maps. In appointing
11 members under paragraph (1)(I), the Administrator
12 shall ensure that the membership of the Council has
13 a balance of Federal, State, local, and private mem-
14 bers.

15 (c) DUTIES.—

16 (1) NEW MAPPING STANDARDS.—Not later than
17 the expiration of the 12-month period beginning
18 upon the date of the enactment of this Act, the
19 Council shall develop and submit to the Adminis-
20 trator and the Congress proposed new mapping
21 standards for 100-year flood insurance rate maps
22 used under the national flood insurance program
23 under the National Flood Insurance Act of 1968. In
24 developing such proposed standards the Council
25 shall—

1 (A) ensure that the flood insurance rate
2 maps reflect true risk, including graduated risk
3 that better reflects the financial risk to each
4 property; such reflection of risk should be at
5 the smallest geographic level possible (but not
6 necessarily property-by-property) to ensure that
7 communities are mapped in a manner that
8 takes into consideration different risk levels
9 within the community;

10 (B) ensure the most efficient generation,
11 display, and distribution of flood risk data,
12 models, and maps where practicable through
13 dynamic digital environments using spatial
14 database technology and the Internet;

15 (C) ensure that flood insurance rate maps
16 reflect current hydrologic and hydraulic data,
17 current land use, and topography, incorporating
18 the most current and accurate ground and
19 bathymetric elevation data;

20 (D) determine the best ways to include in
21 such flood insurance rate maps levees, decerti-
22 fied levees, and areas located below dams, in-
23 cluding determining a methodology for ensuring
24 that decertified levees and other protections are
25 included in flood insurance rate maps and their

1 corresponding flood zones reflect the level of
2 protection conferred;

3 (E) consider how to incorporate restored
4 wetlands and other natural buffers into flood
5 insurance rate maps, which may include wet-
6 lands, groundwater recharge areas, erosion
7 zones, meander belts, endangered species habi-
8 tat, barrier islands and shoreline buffer fea-
9 tures, riparian forests, and other features;

10 (F) consider whether to use vertical posi-
11 tioning (as defined by the Administrator) for
12 flood insurance rate maps;

13 (G) ensure that flood insurance rate maps
14 differentiate between a property that is located
15 in a flood zone and a structure located on such
16 property that is not at the same risk level for
17 flooding as such property due to the elevation
18 of the structure;

19 (H) ensure that flood insurance rate maps
20 take into consideration the best scientific data
21 and potential future conditions (including pro-
22 jections for sea level rise); and

23 (I) consider how to incorporate the new
24 standards proposed pursuant to this paragraph
25 in existing mapping efforts.

1 (2) ONGOING DUTIES.—The Council shall, on
2 an ongoing basis, review the mapping protocols de-
3 veloped pursuant to paragraph (1), and make rec-
4 ommendations to the Administrator when the Coun-
5 cil determines that mapping protocols should be al-
6 tered.

7 (3) MEETINGS.—In carrying out its duties
8 under this section, the Council shall consult with
9 stakeholders through at least 4 public meetings an-
10 nually, and shall seek input of all stakeholder inter-
11 ests including State and local representatives, envi-
12 ronmental and conservation organizations, insurance
13 industry representatives, advocacy groups, planning
14 organizations, and mapping organizations.

15 (d) PROHIBITION ON COMPENSATION.—Members of
16 the Council shall receive no additional compensation by
17 reason of their service on the Council.

18 (e) CHAIRPERSON.—The Administrator shall serve as
19 the Chairperson of the Council.

20 (f) STAFF.—

21 (1) FEMA.—Upon the request of the Council,
22 the Administrator may detail, on a nonreimbursable
23 basis, personnel of the Federal Emergency Manage-
24 ment Agency to assist the Council in carrying out its
25 duties.

1 (b) REQUIREMENTS.—The new standards for flood
2 insurance rate maps established by the Administrator pur-
3 suant to subsection (a) shall—

4 (1) delineate and include in any such rate
5 maps—

6 (A) all areas located within the 100-year
7 flood plain;

8 (B) areas of residual risk, including areas
9 behind levees, dams, and other man-made struc-
10 tures; and

11 (C) areas subject to graduated and other
12 risk levels, to the maximum extent possible;

13 (2) ensure that any such rate maps—

14 (A) include levees, including decertified lev-
15 ees, and the level of protection they confer;

16 (B) reflect current land use and topog-
17 raphy and incorporate the most current and ac-
18 curate ground level data;

19 (C) take into consideration the impacts
20 and use of fill and the flood risks associated
21 with altered hydrology;

22 (D) differentiate between a property that
23 is located in a flood zone and a structure lo-
24 cated on such property that is not at the same

1 risk level for flooding as such property due to
2 the elevation of the structure;

3 (E) identify and incorporate natural fea-
4 tures and their associated flood protection bene-
5 fits into mapping and rates; and

6 (F) identify, analyze, and incorporate the
7 impact of significant changes to building and
8 development throughout any river or costal
9 water system, including all tributaries, which
10 may impact flooding in areas downstream; and

11 (3) provide that such rate maps are developed
12 on a watershed basis.

13 (c) REPORT.—If, in establishing new standards for
14 flood insurance rate maps pursuant to subsection (a) of
15 this section, the Administrator does not implement all of
16 the recommendations of the Council made under the pro-
17 posed new mapping standards developed by the Council
18 pursuant to section 6(c), upon establishment of the new
19 standards the Administrator shall submit a report to the
20 Committee on Financial Services of the House of Rep-
21 resentatives and the Committee on Banking, Housing, and
22 Urban Affairs of the Senate specifying which such rec-
23 ommendations were not adopted and explaining the rea-
24 sons such recommendations were not adopted.

1 (d) IMPLEMENTATION.—The Administrator shall, not
2 later than the expiration of the 6-month period beginning
3 upon establishment of the new standards for flood insur-
4 ance rate maps pursuant to subsection (a) of this section,
5 commence use of the new standards and updating of flood
6 insurance rate maps in accordance with the new stand-
7 ards. Not later than the expiration of the 5-year period
8 beginning upon the establishment of such new standards,
9 the Administrator shall complete updating of all flood in-
10 surance rate maps in accordance with the new standards,
11 subject to the availability of sufficient amounts for such
12 activities provided in appropriation Acts.

13 (e) TEMPORARY SUSPENSION OF MANDATORY PUR-
14 CHASE REQUIREMENT FOR CERTAIN PROPERTIES.—

15 (1) SUBMISSION OF ELEVATION CERTIFI-
16 CATE.—Subject to paragraphs (2) and (3) of this
17 subsection, subsections (a), (b), and (e) of section
18 102 of the Flood Disaster Protection Act of 1973
19 (42 U.S.C. 4012a), and section 202(a) of such Act,
20 shall not apply to a property located in an area des-
21 ignated as having a special flood hazard if the owner
22 of such property submits to the Administrator an
23 elevation certificate for such property showing that
24 the lowest level of the primary residence on such

1 property is at an elevation that is at least three feet
2 higher than the elevation of the 100-year flood plain.

3 (2) REVIEW OF SURVEY.—The Administrator
4 shall accept as conclusive each elevation survey sub-
5 mitted under paragraph (1) unless the Adminis-
6 trator conducts a subsequent elevation survey and
7 determines that the lowest level of the primary resi-
8 dence on the property in question is not at an ele-
9 vation that is at least three feet higher than the ele-
10 vation of the 100-year flood plain. The Adminis-
11 trator shall provide any such subsequent elevation
12 survey to the owner of such property.

13 (3) DETERMINATIONS FOR PROPERTIES ON
14 BORDERS OF SPECIAL FLOOD HAZARD AREAS.—

15 (A) EXPEDITED DETERMINATION.—In the
16 case of any survey for a property submitted to
17 the Administrator pursuant to paragraph (1)
18 showing that a portion of the property is lo-
19 cated within an area having special flood haz-
20 ards and that a structure located on the prop-
21 erty is not located within such area having spe-
22 cial flood hazards, the Administrator shall expe-
23 ditiously process any request made by an owner
24 of the property for a determination pursuant to
25 paragraph (2) or a determination of whether

1 the structure is located within the area having
2 special flood hazards.

3 (B) PROHIBITION OF FEE.—If the Admin-
4 istrator determines pursuant to subparagraph
5 (A) that the structure on the property is not lo-
6 cated within the area having special flood haz-
7 ards, the Administrator shall not charge a fee
8 for reviewing the flood hazard data and shall
9 not require the owner to provide any additional
10 elevation data.

11 (C) SIMPLIFICATION OF REVIEW PROC-
12 ESS.—The Administrator shall collaborate with
13 private sector flood insurers to simplify the re-
14 view process for properties described in sub-
15 paragraph (A) and to ensure that the review
16 process provides for accurate determinations.

17 (4) TERMINATION OF AUTHORITY.—This sub-
18 section shall cease to apply to a property on the date
19 on which the Administrator updates the flood insur-
20 ance rate map that applies to such property in ac-
21 cordance with the requirements of subsection (d).

22 **SEC. 8. TREATMENT OF LEVEES.**

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 “(k) TREATMENT OF LEVEES.—The Administrator
2 may not issue flood insurance maps, or make effective up-
3 dated flood insurance maps, that omit or disregard the
4 actual protection afforded by an existing levee, floodwall,
5 pump or other flood protection feature, regardless of the
6 accreditation status of such feature.”.

7 **SEC. 9. PRIVATIZATION INITIATIVES.**

8 (a) FEMA AND GAO REPORTS.—Not later than the
9 expiration of the 18-month period beginning on the date
10 of the enactment of this Act, the Administrator of the
11 Federal Emergency Management Agency and the Comp-
12 troller General of the United States shall each conduct a
13 separate study to assess a broad range of options, meth-
14 ods, and strategies for privatizing the national flood insur-
15 ance program and shall each submit a report to the Com-
16 mittee on Financial Services of the House of Representa-
17 tives and the Committee on Banking, Housing, and Urban
18 Affairs of the Senate with recommendations for the best
19 manner to accomplish such privatization.

20 (b) PRIVATE RISK-MANAGEMENT INITIATIVES.—

21 (1) AUTHORITY.—The Administrator of the
22 Federal Emergency Management Agency may carry
23 out such private risk-management initiatives under
24 the national flood insurance program as the Admin-
25 istrator considers appropriate to determine the ca-

1 capacity of private insurers, reinsurers, and financial
2 markets to assist communities, on a voluntary basis
3 only, in managing the full range of financial risks
4 associated with flooding.

5 (2) ASSESSMENT.—Not later than the expira-
6 tion of the 12-month period beginning on the date
7 of the enactment of this Act, the Administrator shall
8 assess the capacity of the private reinsurance, cap-
9 ital, and financial markets by seeking proposals to
10 assume a portion of the program’s insurance risk
11 and submit to the Congress a report describing the
12 response to such request for proposals and the re-
13 sults of such assessment.

14 (3) PROTOCOL FOR RELEASE OF DATA.—The
15 Administrator shall develop a protocol to provide for
16 the release of data sufficient to conduct the assess-
17 ment required under paragraph (2).

18 (c) REINSURANCE.—The National Flood Insurance
19 Act of 1968 is amended—

20 (1) in section 1331(a)(2) (42 U.S.C.
21 4051(a)(2)), by inserting “, including as reinsurance
22 of insurance coverage provided by the flood insur-
23 ance program” before “, on such terms”;

1 (2) in section 1332(c)(2) (42 U.S.C.
2 4052(c)(2)), by inserting “or reinsurance” after
3 “flood insurance coverage”;

4 (3) in section 1335(a) (42 U.S.C. 4055(a))—

5 (A) by inserting “(1)” after “(a)”; and

6 (B) by adding at the end the following new
7 paragraph:

8 “(2) The Administrator is authorized to secure rein-
9 surance coverage of coverage provided by the flood insur-
10 ance program from private market insurance, reinsurance,
11 and capital market sources at rates and on terms deter-
12 mined by the Administrator to be reasonable and appro-
13 priate in an amount sufficient to maintain the ability of
14 the program to pay claims and that minimizes the likeli-
15 hood that the program will utilize the borrowing authority
16 provided under section 1309.”;

17 (4) in section 1346(a) (12 U.S.C. 4082(a))—

18 (A) in the matter preceding paragraph (1),
19 by inserting “, or for purposes of securing rein-
20 surance of insurance coverage provided by the
21 program,” before “of any or all of”;

22 (B) in paragraph (1)—

23 (i) by striking “estimating” and in-
24 serting “Estimating”; and

1 (ii) by striking the semicolon at the
2 end and inserting a period;

3 (C) in paragraph (2)—

4 (i) by striking “receiving” and insert-
5 ing “Receiving”; and

6 (ii) by striking the semicolon at the
7 end and inserting a period;

8 (D) in paragraph (3)—

9 (i) by striking “making” and inserting
10 “Making”; and

11 (ii) by striking “; and” and inserting
12 a period;

13 (E) in paragraph (4)—

14 (i) by striking “otherwise” and insert-
15 ing “Otherwise”; and

16 (ii) by redesignating such paragraph
17 as paragraph (5); and

18 (F) by inserting after paragraph (3) the
19 following new paragraph:

20 “(4) Placing reinsurance coverage on insurance
21 provided by such program.”; and

22 (5) in section 1370(a)(3) (42 U.S.C.
23 4121(a)(3)), by inserting before the semicolon at the
24 end the following: “, is subject to the reporting re-
25 quirements of the Securities Exchange Act of 1934,

1 pursuant to section 13(a) or 15(d) of such Act (15
2 U.S.C. 78m(a), 78o(d)), or is authorized by the Ad-
3 ministrator to assume reinsurance on risks insured
4 by the flood insurance program”.

5 (d) ASSESSMENT OF CLAIMS-PAYING ABILITY.—

6 (1) ASSESSMENT.—Not later than September
7 30 of each year, the Administrator of the Federal
8 Emergency Management Agency shall conduct an
9 assessment of the claims-paying ability of the na-
10 tional flood insurance program, including the pro-
11 gram’s utilization of private sector reinsurance and
12 reinsurance equivalents, with and without reliance
13 on borrowing authority under section 1309 of the
14 National Flood Insurance Act of 1968 (42 U.S.C.
15 4016). In conducting the assessment, the Adminis-
16 trator shall take into consideration regional con-
17 centrations of coverage written by the program, peak
18 flood zones, and relevant mitigation measures.

19 (2) REPORT.—The Administrator shall submit
20 a report to the Congress of the results of each such
21 assessment, and make such report available to the
22 public, not later than 30 days after completion of
23 the assessment.

1 **SEC. 10. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.**

2 Section 1320 of the National Flood Insurance Act of
3 1968 (42 U.S.C. 4027) is amended—

4 (1) in the section heading, by striking “REPORT
5 TO THE PRESIDENT” and inserting “ANNUAL RE-
6 PORT TO CONGRESS”;

7 (2) in subsection (a)—

8 (A) by striking “biennially”;

9 (B) by striking “the President for submis-
10 sion to”; and

11 (C) by inserting “not later than June 30
12 of each year” before the period at the end;

13 (3) in subsection (b), by striking “biennial” and
14 inserting “annual”; and

15 (4) by adding at the end the following new sub-
16 section:

17 “(c) **FINANCIAL STATUS OF PROGRAM.**—The report
18 under this section for each year shall include information
19 regarding the financial status of the national flood insur-
20 ance program under this title, including a description of
21 the financial status of the National Flood Insurance Fund
22 and current and projected levels of claims, premium re-
23 ceipts, expenses, and borrowing under the program.”.

1 **SEC. 11. ACTUARIAL RATES FOR SEVERE REPETITIVE LOSS**
2 **PROPERTIES REFUSING MITIGATION OR PUR-**
3 **CHASE OFFERS.**

4 Subsection (h) of section 1361A of the National
5 Flood Insurance Act of 1968 (42 U.S.C. 4102a(h)) is
6 amended—

7 (1) in paragraph (1)—

8 (A) in subparagraph (B), by striking “150
9 percent” and all that follows through “para-
10 graph (3)” and inserting “the applicable esti-
11 mated risk premium rate for such coverage for
12 the area (or subdivision thereof) determined in
13 accordance with section 1307(a), subject to
14 phase-in of such rates in the same manner pro-
15 vided under paragraph (2) of section 1308(g)
16 for properties described in paragraph (1) of
17 such section”; and

18 (B) by inserting after and below subpara-
19 graph (B) the following:

20 “An offer to take action under paragraph (1) or (2)
21 of subsection (c) shall be considered to be made for
22 purposes of this paragraph with respect to a severe
23 repetitive loss property regardless of the time that
24 the offer was made and regardless of whether the
25 Administrator has transferred financial assistance
26 under this section to the State or community making

1 the offer for funding such action, but only if the
2 owner of the property is provided a reasonable pe-
3 riod of time, not to exceed 15 days, to respond to
4 the offer.”;

5 (2) by striking paragraphs (2) and (3); and

6 (3) by redesignating paragraphs (4) through
7 (6) as paragraphs (2) through (4), respectively.

8 **SEC. 12. MITIGATION ASSISTANCE.**

9 Subsection (e) of section 1366 of the National Flood
10 Insurance Act of 1968 (42 U.S.C. 4104c(e)) is amended
11 by adding at the end the following new paragraph:

12 “(6) ELIGIBILITY OF DEMOLITION AND RE-
13 BUILDING OF PROPERTIES.—The Administrator
14 shall consider as an eligible activity the demolition
15 and rebuilding of properties to at least base flood
16 levels or higher, if required by the Administrator or
17 if required by any State or local ordinance, and in
18 accordance with project implementation criteria es-
19 tablished by the Administrator.”.

20 **SEC. 13. GRANTS FOR DIRECT FUNDING OF MITIGATION**
21 **ACTIVITIES FOR INDIVIDUAL REPETITIVE**
22 **CLAIMS PROPERTIES.**

23 (a) DIRECT GRANTS TO OWNERS.—Section 1323 of
24 the National Flood Insurance Act of 1968 (42 U.S.C.
25 4030) is amended—

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

3 (2) in the matter in subsection (a) that pre-
4 cedes paragraph (1)—

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

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

8 (b) AVAILABILITY OF FUNDS.—Paragraph (9) of sec-
9 tion 1310(a) of the National Flood Insurance Act of 1968
10 (42 U.S.C. 4017(a)) is amended by inserting “which shall
11 remain available until expended,” after “any fiscal year,”.

12 **SEC. 14. NOTIFICATION TO HOMEOWNERS REGARDING**
13 **MANDATORY PURCHASE REQUIREMENT AP-**
14 **PLICABILITY AND RATE PHASE-INS.**

15 Section 201 of the Flood Disaster Protection Act of
16 1973 (42 U.S.C. 4105) is amended by adding at the end
17 the following new subsection:

18 “(f) ANNUAL NOTIFICATION.—The Administrator, in
19 consultation with affected communities, shall establish and
20 carry out a plan to notify residents of areas having special
21 flood hazards, on an annual basis—

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

23 “(2) of the geographical boundaries of such
24 area;

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

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

9 “(5) of a general estimate of what similar
10 homeowners in similar areas typically pay for flood
11 insurance coverage, taking into consideration section
12 1308(g) of the National Flood Insurance Act of
13 1968.”.

14 **SEC. 15. NOTIFICATION OF ESTABLISHMENT OF FLOOD**
15 **ELEVATIONS.**

16 Section 1360 of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4101), as amended by the preceding pro-
18 visions of this Act, is further amended by adding at the
19 end the following new subsection:

20 “(1) NOTIFICATION TO MEMBERS OF CONGRESS OF
21 MAP MODERNIZATION.—Upon any revision or update of
22 any floodplain area or flood-risk zone pursuant to sub-
23 section (f), any decision pursuant to subsection (f)(1) that
24 such revision or update is necessary, any issuance of pre-
25 liminary maps for such revision or updating, or any other

1 significant action relating to any such revision or update,
2 the Administrator shall notify the Senators for each State
3 affected, and each Member of the House of Representa-
4 tives for each congressional district affected, by such revi-
5 sion or update in writing of the action taken.”.

6 **SEC. 16. NOTIFICATION TO TENANTS OF AVAILABILITY OF**
7 **CONTENTS INSURANCE.**

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

11 **“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY**
12 **OF CONTENTS INSURANCE.**

13 “(a) IN GENERAL.—The Administrator shall, upon
14 entering into a contract for flood insurance coverage under
15 this title for any property—

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

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

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

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

6 “(2) that flood insurance coverage is available
7 under the national flood insurance program under
8 this title for contents of the unit or structure leased
9 by the tenant;

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

13 “(4) of where to obtain information regarding
14 how to obtain such coverage, including a telephone
15 number, mailing address, and Internet site of the
16 Administrator where such information is available.”.

17 **SEC. 17. NOTIFICATION TO POLICY HOLDERS REGARDING**
18 **DIRECT MANAGEMENT OF POLICY BY FEMA.**

19 Part C of chapter II of the National Flood Insurance
20 Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-
21 ing at the end the following new section:

22 “NOTIFICATION TO POLICY HOLDERS REGARDING DIRECT
23 MANAGEMENT OF POLICY BY FEMA

24 “SEC. 1349. (a) Not later than 60 days before the
25 date on which a transferred flood insurance policy expires,
26 and annually thereafter until such time as the Federal

1 Emergency Management Agency is no longer directly ad-
2 ministering such policy, the Administrator shall notify the
3 holder of such policy that—

4 “(1) the Federal Emergency Management
5 Agency is directly administering the policy;

6 “(2) such holder may purchase flood insurance
7 that is directly administered by an insurance com-
8 pany; and

9 “(3) purchasing flood insurance offered under
10 the National Flood Insurance Program that is di-
11 rectly administered by an insurance company will
12 not alter the coverage provided or the premiums
13 charged to such holder that otherwise would be pro-
14 vided or charged if the policy was directly adminis-
15 tered by the Federal Emergency Management Agen-
16 cy.

17 “(b) In this section, the term ‘transferred flood insur-
18 ance policy’ means a flood insurance policy that—

19 “(1) was directly administered by an insurance
20 company at the time the policy was originally pur-
21 chased by the policy holder; and

22 “(2) at the time of renewal of the policy, direct
23 administration of the policy was or will be trans-
24 ferred to the Federal Emergency Management Agen-
25 cy.”.

1 **SEC. 18. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**
2 **AND ESCROW IN RESPA GOOD FAITH ESTI-**
3 **MATE.**

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

21 **SEC. 19. REIMBURSEMENT FOR COSTS INCURRED BY**
22 **HOMEOWNERS OBTAINING LETTERS OF MAP**
23 **AMENDMENT.**

24 (a) IN GENERAL.—Section 1360 of the National
25 Flood Insurance Act of 1968 (42 U.S.C. 4101), as amend-
26 ed by the preceding provisions of this Act, is further

1 amended by adding at the end the following new sub-
2 section:

3 “(m) REIMBURSEMENT.—

4 “(1) REQUIREMENT UPON BONA FIDE
5 OFFER.—If an owner of any property located in an
6 area described in section 102(i)(3) of the Flood Dis-
7 aster Protection Act of 1973 obtains a letter of map
8 amendment due to a bona fide error on the part of
9 the Administrator of the Federal Emergency Man-
10 agement Agency, the Administrator shall reimburse
11 such owner, or such entity or jurisdiction acting on
12 such owner’s behalf, for any reasonable costs in-
13 curred in obtaining such letter.

14 “(2) REASONABLE COSTS.—The Administrator
15 shall, by regulation or notice, determine a reasonable
16 amount of costs to be reimbursed under paragraph
17 (1), except that such costs shall not include legal or
18 attorneys fees. In determining the reasonableness of
19 costs, the Administrator shall only consider the ac-
20 tual costs to the owner of utilizing the services of an
21 engineer, surveyor, or similar services”.

22 (b) REGULATIONS.—Not later than 90 days after the
23 date of the enactment of this Act, the Administrator of
24 the Federal Emergency Management Agency shall issue
25 the regulations or notice required under section

1 1360(m)(2) of the National Flood Insurance Act of 1968,
2 as added by the amendment made by subsection (a) of
3 this section.

4 **SEC. 20. TREATMENT OF SWIMMING POOL ENCLOSURES**
5 **OUTSIDE OF HURRICANE SEASON.**

6 Chapter I of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4001 et seq.) is amended by adding at
8 the end the following new section:

9 **“SEC. 1325. TREATMENT OF SWIMMING POOL ENCLOSURES**
10 **OUTSIDE OF HURRICANE SEASON.**

11 “In the case of any property that is otherwise in com-
12 pliance with the coverage and building requirements of the
13 national flood insurance program, the presence of an en-
14 closed swimming pool located at ground level or in the
15 space below the lowest floor of a building after November
16 30 and before June 1 of any year shall have no effect on
17 the terms of coverage or the ability to receive coverage
18 for such building under the national flood insurance pro-
19 gram established pursuant to this title, if the pool is en-
20 closed with non-supporting breakaway walls.”.

21 **SEC. 21. CDBG ELIGIBILITY FOR FLOOD INSURANCE OUT-**
22 **REACH ACTIVITIES AND COMMUNITY BUILD-**
23 **ING CODE ADMINISTRATION GRANTS.**

24 Section 105(a) of the Housing and Community De-
25 velopment Act of 1974 (42 U.S.C. 5305(a)) is amended—

1 (1) in paragraph (24), by striking “and” at the
2 end;

3 (2) in paragraph (25), by striking the period at
4 the end and inserting a semicolon; and

5 (3) by adding at the end the following new
6 paragraphs:

7 “(26) supplementing existing State or local
8 funding for administration of building code enforce-
9 ment by local building code enforcement depart-
10 ments, including for increasing staffing, providing
11 staff training, increasing staff competence and pro-
12 fessional qualifications, and supporting individual
13 certification or departmental accreditation, and for
14 capital expenditures specifically dedicated to the ad-
15 ministration of the building code enforcement de-
16 partment, except that, to be eligible to use amounts
17 as provided in this paragraph—

18 “(A) a building code enforcement depart-
19 ment shall provide matching, non-Federal funds
20 to be used in conjunction with amounts used
21 under this paragraph in an amount—

22 “(i) in the case of a building code en-
23 forcement department serving an area with
24 a population of more than 50,000, equal to
25 not less than 50 percent of the total

1 amount of any funds made available under
2 this title that are used under this para-
3 graph;

4 “(ii) in the case of a building code en-
5 forcement department serving an area with
6 a population of between 20,001 and
7 50,000, equal to not less than 25 percent
8 of the total amount of any funds made
9 available under this title that are used
10 under this paragraph; and

11 “(iii) in the case of a building code
12 enforcement department serving an area
13 with a population of less than 20,000,
14 equal to not less than 12.5 percent of the
15 total amount of any funds made available
16 under this title that are used under this
17 paragraph;

18 except that the Secretary may waive the match-
19 ing fund requirements under this subparagraph,
20 in whole or in part, based upon the level of eco-
21 nomic distress of the jurisdiction in which is lo-
22 cated the local building code enforcement de-
23 partment that is using amounts for purposes
24 under this paragraph, and shall waive such
25 matching fund requirements in whole for any

1 recipient jurisdiction that has dedicated all
2 building code permitting fees to the conduct of
3 local building code enforcement; and

4 “(B) any building code enforcement de-
5 partment using funds made available under this
6 title for purposes under this paragraph shall
7 empanel a code administration and enforcement
8 team consisting of at least 1 full-time building
9 code enforcement officer, a city planner, and a
10 health planner or similar officer; and

11 “(27) provision of assistance to local govern-
12 mental agencies responsible for floodplain manage-
13 ment activities (including such agencies of Indians
14 tribes, as such term is defined in section 4 of the
15 Native American Housing Assistance and Self-De-
16 termination Act of 1996 (25 U.S.C. 4103)) in com-
17 munities that participate in the national flood insur-
18 ance program under the National Flood Insurance
19 Act of 1968 (42 U.S.C. 4001 et seq.), only for car-
20 rying out outreach activities to encourage and facili-
21 tate the purchase of flood insurance protection
22 under such Act by owners and renters of properties
23 in such communities and to promote educational ac-
24 tivities that increase awareness of flood risk reduc-
25 tion; except that—

1 “(A) amounts used as provided under this
2 paragraph shall be used only for activities de-
3 signed to—

4 “(i) identify owners and renters of
5 properties in communities that participate
6 in the national flood insurance program,
7 including owners of residential and com-
8 mercial properties;

9 “(ii) notify such owners and renters
10 when their properties become included in,
11 or when they are excluded from, an area
12 having special flood hazards and the effect
13 of such inclusion or exclusion on the appli-
14 cability of the mandatory flood insurance
15 purchase requirement under section 102 of
16 the Flood Disaster Protection Act of 1973
17 (42 U.S.C. 4012a) to such properties;

18 “(iii) educate such owners and renters
19 regarding the flood risk and reduction of
20 this risk in their community, including the
21 continued flood risks to areas that are no
22 longer subject to the flood insurance man-
23 datory purchase requirement;

24 “(iv) educate such owners and renters
25 regarding the benefits and costs of main-

1 taining or acquiring flood insurance, in-
2 cluding, where applicable, lower-cost pre-
3 ferred risk policies under this title for such
4 properties and the contents of such prop-
5 erties;

6 “ (v) encourage such owners and rent-
7 ers to maintain or acquire such coverage;

8 “ (vi) notify such owners of where to
9 obtain information regarding how to obtain
10 such coverage, including a telephone num-
11 ber, mailing address, and Internet site of
12 the Administrator of the Federal Emer-
13 gency Management Agency (in this para-
14 graph referred to as the ‘Administrator’)
15 where such information is available; and

16 “ (vii) educate local real estate agents
17 in communities participating in the na-
18 tional flood insurance program regarding
19 the program and the availability of cov-
20 erage under the program for owners and
21 renters of properties in such communities,
22 and establish coordination and liaisons
23 with such real estate agents to facilitate
24 purchase of coverage under the National

1 Flood Insurance Act of 1968 and increase
2 awareness of flood risk reduction;

3 “(B) in any fiscal year, a local govern-
4 mental agency may not use an amount under
5 this paragraph that exceeds 3 times the amount
6 that the agency certifies, as the Secretary, in
7 consultation with the Administrator, shall re-
8 quire, that the agency will contribute from non-
9 Federal funds to be used with such amounts
10 used under this paragraph only for carrying out
11 activities described in subparagraph (A); and
12 for purposes of this subparagraph, the term
13 ‘non-Federal funds’ includes State or local gov-
14 ernment agency amounts, in-kind contributions,
15 any salary paid to staff to carry out the eligible
16 activities of the local governmental agency in-
17 volved, the value of the time and services con-
18 tributed by volunteers to carry out such services
19 (at a rate determined by the Secretary), and
20 the value of any donated material or building
21 and the value of any lease on a building;

22 “(C) a local governmental agency that uses
23 amounts as provided under this paragraph may
24 coordinate or contract with other agencies and
25 entities having particular capacities, specialties,

1 or experience with respect to certain popu-
2 lations or constituencies, including elderly or
3 disabled families or persons, to carry out activi-
4 ties described in subparagraph (A) with respect
5 to such populations or constituencies; and

6 “(D) each local government agency that
7 uses amounts as provided under this paragraph
8 shall submit a report to the Secretary and the
9 Administrator, not later than 12 months after
10 such amounts are first received, which shall in-
11 clude such information as the Secretary and the
12 Administrator jointly consider appropriate to
13 describe the activities conducted using such
14 amounts and the effect of such activities on the
15 retention or acquisition of flood insurance cov-
16 erage.”.

17 **SEC. 22. TECHNICAL CORRECTIONS.**

18 (a) FLOOD DISASTER PROTECTION ACT OF 1973.—
19 The Flood Disaster Protection Act of 1973 (42 U.S.C.
20 4002 et seq.) is amended—

21 (1) by striking “Director” each place such term
22 appears, except in section 102(f)(3) (42 U.S.C.
23 4012a(f)(3)), and inserting “Administrator”; and

1 (2) in section 201(b) (42 U.S.C. 4105(b)), by
2 striking “Director’s” and inserting “Administra-
3 tor’s”.

4 (b) NATIONAL FLOOD INSURANCE ACT OF 1968.—
5 The National Flood Insurance Act of 1968 (42 U.S.C.
6 4001 et seq.) is amended—

7 (1) by striking “Director” each place such term
8 appears and inserting “Administrator”; and

9 (2) in sections 1363 (42 U.S.C. 4104), by strik-
10 ing “Director’s” each place such term appears and
11 inserting “Administrator’s”.

12 (c) FEDERAL FLOOD INSURANCE ACT OF 1956.—
13 Section 15(e) of the Federal Flood Insurance Act of 1956
14 (42 U.S.C. 2414(e)) is amended by striking “Director”
15 each place such term appears and inserting “Adminis-
16 trator”.

17 **SEC. 23. REPORT ON WRITE-YOUR-OWN PROGRAM.**

18 Not later than one year after the date of the enact-
19 ment of this Act, the Administrator of the Federal Emer-
20 gency Management Agency shall submit to Congress a re-
21 port describing procedures and policies that the Adminis-
22 trator can implement to limit the percentage of flood in-
23 surance policies directly managed by the Agency to not
24 more than 10 percent, if possible, of all flood insurance

1 policies issued in accordance with the National Flood In-
2 surance Program.

3 **SEC. 24. STUDIES OF VOLUNTARY COMMUNITY-BASED**
4 **FLOOD INSURANCE OPTIONS.**

5 (a) STUDIES.—The Administrator of the Federal
6 Emergency Management Agency and the Comptroller
7 General of the United States shall each conduct a separate
8 study to assess options, methods, and strategies for offer-
9 ing voluntary community-based flood insurance policy op-
10 tions and incorporating such options into the national
11 flood insurance program. Such studies shall take into con-
12 sideration and analyze how the policy options would affect
13 communities having varying economic bases, geographic
14 locations, flood hazard characteristics or classifications,
15 and flood management approaches.

16 (b) REPORTS.—Not later than the expiration of the
17 18-month period beginning on the date of the enactment
18 of this Act, the Administrator of the Federal Emergency
19 Management Agency and the Comptroller General of the
20 United States shall each submit a report to the Committee
21 on Financial Services of the House of Representatives and
22 the Committee on Banking, Housing, and Urban Affairs
23 of the Senate on the results and conclusions of the study
24 such agency conducted under subsection (a), and each
25 such report shall include recommendations for the best

1 manner to incorporate voluntary community-based flood
2 insurance options into the national flood insurance pro-
3 gram and for a strategy to implement such options that
4 would encourage communities to undertake flood mitiga-
5 tion activities.

6 **SEC. 25. REPORT ON INCLUSION OF BUILDING CODES IN**
7 **FLOODPLAIN MANAGEMENT CRITERIA.**

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

20 (1) the regulatory, financial, and economic im-
21 pacts of such a building code requirement on home-
22 owners, States and local communities, local land use
23 policies, and the Federal Emergency Management
24 Agency;

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

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

7 (4) the impact of such a building code require-
8 ment on the actuarial soundness of the National
9 Flood Insurance Program;

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

13 (6) the feasibility and effectiveness of providing
14 an incentive in lower premium rates for flood insur-
15 ance coverage under such Act for structures meeting
16 whichever of such widely used and nationally recog-
17 nized building code or any applicable local building
18 code provides greater protection from flood damage;

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

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

1 **SEC. 26. STUDY ON GRADUATED RISK.**

2 (a) STUDY.— The National Academy of Sciences
3 shall conduct a study exploring methods for understanding
4 graduated risk behind levees and the associated land de-
5 velopment, insurance, and risk communication dimensions,
6 which shall—

7 (1) research, review, and recommend current
8 best practices for estimating direct annualized flood
9 losses behind levees for residential and commercial
10 structures;

11 (2) rank such practices based on their best
12 value, balancing cost, scientific integrity, and the in-
13 herent uncertainties associated with all aspects of
14 the loss estimate, including geotechnical engineering,
15 flood frequency estimates, economic value, and direct
16 damages;

17 (3) research, review, and identify current best
18 floodplain management and land use practices be-
19 hind levees that effectively balance social, economic,
20 and environmental considerations as part of an over-
21 all flood risk management strategy;

22 (4) identify examples where such practices have
23 proven effective and recommend methods and proc-
24 esses by which they could be applied more broadly
25 across the United States, given the variety of dif-

1 ferent flood risks, State and local legal frameworks,
2 and evolving judicial opinions;

3 (5) research, review, and identify a variety of
4 flood insurance pricing options for flood hazards be-
5 hind levees which are actuarially sound and based on
6 the flood risk data developed using the top three
7 best value approaches identified pursuant to para-
8 graph (1);

9 (6) evaluate and recommend methods to reduce
10 insurance costs through creative arrangements be-
11 tween insureds and insurers while keeping a clear
12 accounting of how much financial risk is being borne
13 by various parties such that the entire risk is ac-
14 counted for, including establishment of explicit limits
15 on disaster aid or other assistance in the event of a
16 flood; and

17 (7) taking into consideration the recommenda-
18 tions pursuant to paragraphs (1) through (3), rec-
19 ommend approaches to communicating the associ-
20 ated risks to community officials, homeowners, and
21 other residents.

22 (b) REPORT.—Not later than the expiration of the
23 12-month period beginning on the date of the enactment
24 of this Act, the National Academy of Sciences shall submit
25 a report to the Committees on Financial Services and

1 Science, Space, and Technology of the House of Rep-
2 resentatives and the Committees on Banking, Housing,
3 and Urban Affairs and Commerce, Science and Transpor-
4 tation of the Senate on the study under subsection (a) in-
5 cluding the information and recommendations required
6 under such subsection.

7 **SEC. 27. NO CAUSE OF ACTION.**

8 No cause of action shall exist and no claim may be
9 brought against the United States for violation of any no-
10 tification requirement imposed upon the United States by
11 this Act or any amendment made by this Act.

