To provide essential policyholder protections and information under the National Flood Insurance Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. introduced the following bill; which was referred to the Committee on

A BILL

To provide essential policyholder protections and information under the National Flood Insurance Program, and for other purposes.

1  Be it enacted by the Senate and House of Representa-
2  tives of the United States of America in Congress assembled,
3  SECTION 1. SHORT TITLE.
4  This Act may be cited as the “National Flood Insur-
5  ance Program Policyholder Protection and Information
6  Act of 2017”.
SEC. 2. ANNUAL LIMITATION ON PREMIUM INCREASES.

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

(1) by striking paragraph (1) and inserting the following new paragraph:

“(1) the chargeable risk premium rate for flood insurance under this title for any property may not—

“(A) be increased by more than 15 percent each year, except—

“(i) as provided in paragraph (4);”

“(ii) in the case of property identified under section 1307(g); or

“(iii) in the case of a property that—

“(I) is located in a community that has experienced a rating downgrade under the community rating system program carried out under section 1315(b);”

“(II) is covered by a policy with respect to which the policyholder has—

“(aa) decreased the amount of the deductible; or

“(bb) increased the amount of coverage; or
“(III) was misrated; or

“(B) in the case of any residential property having 4 or fewer residences for which a valid National Flood Insurance Program Elevation Certificate has been filed with the National Flood Insurance Program within the proceeding calendar year, exceed $10,000 in any single year, except that such amount (as it may have been previously adjusted) shall be adjusted for inflation by the Administrator upon the expiration of the 5-year period beginning upon the enactment of the National Flood Insurance Program Policyholder Protection and Information Act of 2017 and upon the expiration of each successive 5-year period thereafter, in accordance with an inflationary index selected by the Administrator;”; and

(2) in paragraph (2), by striking “5 percent” and inserting “8 percent”

SEC. 3. FLOOD INSURANCE AFFORDABILITY PROGRAM.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:
“SEC. 1326. FLOOD INSURANCE AFFORDABILITY PROGRAM.

“(a) AUTHORITY.—The Administrator shall carry out a program under this section to provide financial assistance, through State programs carried out by participating States, for eligible low-income households residing in eligible properties to purchase policies for flood insurance coverage made available under this title.

“(b) PARTICIPATION.—Participation in the program under this section shall be voluntary on the part of a State or consortium of States.

“(c) STATE ADMINISTRATION.—Each participating State shall delegate to a State agency or nonprofit organization the responsibilities for administering the State’s program under this section.

“(d) ELIGIBLE HOUSEHOLDS.—

“(1) IN GENERAL.—During any fiscal year, assistance under the program under this section may be provided only for a household that has an income, as determined for such fiscal year by the participating State in which such household resides, that is less than the income limitation established for such fiscal year for purposes of the State program by the participating State, except that—

“(A) assistance under the program under this section may not be provided for a house-
hold having a income that exceeds the greater of—

“(i) the amount equal to 150 percent of the poverty level for such State; or

“(ii) the amount equal to 60 percent of the median income of households residing in such State; and

“(B) a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for the State in which such household resides.

“(2) STATE VERIFICATION OF INCOME ELIGIBILITY.—In verifying income eligibility for purposes of paragraph (1), the participating State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), under title XX of the Social Security Act (42 U.S.C. 1397 et seq.), under subtitle B of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9901 et seq.; relating to community services block grant program), under any other provision of law that carries out programs which were administered under the Eco-
nomic Opportunity Act of 1964 (42 U.S.C. 2701 et seq.) before August 13, 1981, or under other income assistance or service programs (as determined by the State).

“(e) ELIGIBLE PROPERTIES.—Assistance under the program under this section may be provided only for a residential property—

“(1) that has 4 or fewer residences;

“(2) that is owned and occupied by an eligible household;

“(3) for which a base flood elevation is identified on a flood insurance rate map of the Administrator that is in effect;

“(4) for which such other information is available as the Administrator considers necessary to determine the flood risk associated with such property; and

“(5) that is located in a community that is participating in the national flood insurance program.

“(f) TYPES OF ASSISTANCE.—Under the program under this section, a participating State shall elect to provide financial assistance for eligible households in one of the following forms:

“(1) LIMITATION ON RATE INCREASES.—By establishing a limitation on the rate of increases in the
amount of chargeable premiums paid by eligible households for flood insurance coverage made available under this title.

“(2) LIMITATION ON RATES.—By establishing a limitation on the amount of chargeable premiums paid by eligible households for flood insurance coverage made available under this title.

“(g) NOTIFICATION TO FEMA.—Under the program under this section, a participating State shall, on a fiscal year basis and at the time and in the manner provided by the Administrator—

“(1) identify for the Administrator the eligible households residing in the State who are to be provided assistance under the State program during such fiscal year; and

“(2) notify the Administrator of the type and levels of assistance elected under subsection (f) to be provided under the State program with respect to such eligible households residing in the State.

“(h) AMOUNT OF ASSISTANCE.—Under the program under this section, in each fiscal year the Administrator shall, notwithstanding section 1308, make flood insurance coverage available for purchase by households identified as eligible households for such fiscal year by a participating State pursuant to subsection (e) at chargeable pre-
mium rates that are discounted by an amount that is based on the type and levels of assistance elected pursuant to subsection (f) by the participating State for such fiscal year.

“(i) BILLING STATEMENT.—In the case of an eligible household for which assistance under the program under this section is provided with respect to a policy for flood insurance coverage, the annual billing statement for such policy shall include statements of the following amounts:

“(1) The estimated risk premium rate for the property under section 1307(a)(1).

“(2) If applicable, the estimated risk premium rate for the property under section 1307(a)(2).

“(3) The chargeable risk premium rate for the property taking into consideration the discount pursuant to subsection (h).

“(4) The amount of the discount pursuant to subsection (h) for the property.

“(5) The number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made available under the Program and the effect, under this Act, of filing any further claims under a flood insurance policy with respect to that property.
“(j) Funding Through State Affordability Surcharges.—

“(1) Imposition and Collection.—Notwithstanding section 1308, for each fiscal year in which flood insurance coverage under this title is made available for properties in a participating State at chargeable premium rates that are discounted pursuant to subsection (f), the Administrator shall impose and collect a State affordability surcharge on each policy for flood insurance coverage for a property located in such participating State that is (A) not a residential property having 4 or fewer residences, or (B) is such a residential property but is owned by a household that is not an eligible household for purposes of such fiscal year.

“(2) Amount.—The amount of the State affordability surcharge imposed during a fiscal year on each such policy for a property in a participating State shall be—

“(A) sufficient such that the aggregate amount of all such State affordability surcharges imposed on properties in such participating State during such fiscal year is equal to the aggregate amount by which all policies for flood insurance coverage under this title sold...
during such fiscal year for properties owned by eligible households in the participating State are discounted pursuant to subsection (f); and

“(B) the same amount for each property in the participating State being charged such a surplus.

“(k) TREATMENT OF OTHER SURCHARGES.—The provision of assistance under the program under this section with respect to any property and any limitation on premiums or premium increases pursuant to subsection (f) for the property shall not affect the applicability or amount of any surcharge under section 1308A for the property, of any increase in premiums charged for the property pursuant to section 1310A(e), or of any equivalency fee under section 1308B for the property.

“(l) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) PARTICIPATING STATE.—The term ‘participating State’ means, with respect to a fiscal year, a State that is participating in the program under this section for such fiscal year.

“(2) ELIGIBLE HOUSEHOLD.—The term ‘eligible household’ means, with respect to a fiscal year and a participating State, a household that has an income that is less than the amount of the income
limitation for the fiscal year established for purposes of the State program of such participating State pursuant to subsection (g)(1).

“(3) Poverty Level.—The term ‘poverty level’ means, with respect to a household in any State, the income poverty line as prescribed and revised at least annually pursuant to section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), as applicable to such State.

“(4) State.—The term ‘State’ shall include a consortium of States established for purposes of administering the program under this section with respect to the member States of the consortium.

“(5) State Program.—The term ‘State program’ means a program carried out in compliance with this section by a participating State in conjunction with the program under this section of the Administrator.

“(m) Regulations.—The Administrator shall issue such regulations as may be necessary to carry out the program under this section.”.
SEC. 4. OPT-OUT OF MANDATORY COVERAGE REQUIREMENT FOR COMMERCIAL PROPERTIES.

(a) Amendments to Flood Disaster Protection Act of 1973.—The Flood Disaster Protection Act of 1973 is amended—

(1) in section 3(a) (42 U.S.C. 4003(a))—

(A) in paragraph (7), by inserting “residential” before “improved real estate”; and

(B) in paragraph (8), by inserting “residential” before “building”; and

(2) in section 102 (42 U.S.C. 4012a)—

(A) in subsection (b)—

(i) in paragraph (1)(A)—

(I) by inserting “residential” before “improved real estate”; and

(II) by inserting “residential” before “building or mobile home”; 

(ii) in paragraph (2)—

(I) by inserting “residential” before “improved real estate”; and

(II) by inserting “residential” before “building or mobile home”; and

(iii) in paragraph (3)—

(I) in subparagraph (A), by inserting “residential” before “improved real estate”;
(II) in the matter after and below subparagraph (B), by inserting “residential” before “building or mobile home”;

(B) in subsection (c)(3), by striking “, in the case of any residential property, for any structure that is part of such property” and inserting “for any structure that is part of a residential property”;

(C) in subsection (e)—

(i) in paragraph (1)—

(I) by inserting “residential” before “improved real estate”; and

(II) by inserting “residential” before “building or mobile home” each place such term appears; and

(ii) in paragraph (5)—

(I) in subparagraph (A)—

(aa) by inserting “residential” before “improved real estate” each place such term appears; and

(bb) by inserting “residential” before “building or mobile
home” each place such term appears;

(II) in subparagraph (B), by inserting “residential” before “building or mobile home” each place such term appears; and

(III) in subparagraph (C), by inserting “residential” before “building or mobile home”; and

(D) in subsection (h)—

(i) by inserting “residential” before “improved real estate” each place such term appears; and

(ii) in the matter preceding paragraph (1), by inserting “residential” before “building or mobile home”.

(b) AMENDMENTS TO NATIONAL FLOOD INSURANCE ACT OF 1968.—The National Flood Insurance Act of 1968 is amended—

(1) in section 1364(a) (42 U.S.C. 4104a(a))—

(A) in paragraph (1), by inserting “residential” before “improved real estate”;

(B) in paragraph (2), by inserting “residential” before “improved real estate”; and
(C) in paragraph (3)(A), by inserting “residential” before “building”;

(2) in section 1365 (42 U.S.C. 4104b)—

(A) in subsection (a)—

(i) by inserting “residential” before “improved real estate”; and

(ii) by inserting “residential” before “building”;

(B) in subsection (b)(2)—

(i) by inserting “residential” before “building” each place such term appears; and

(ii) by inserting “residential” before “improved real estate” each place such term appears;

(C) in subsection (d), by inserting “residential” before “improved real estate” each place such term appears; and

(D) in subsection (e)—

(i) by inserting “residential” before “improved real estate”; and

(ii) by inserting “residential” before “building” each place such term appears; and

(3) in section 1370(a) (42 U.S.C. 4121(a))—
(A) in paragraph (8), by inserting “residential” before “improved real estate”; and

(B) in paragraph (10)—

(i) by inserting “residential” after the opening quotation marks; and

(ii) by inserting “residential” before “building”.

(e) Rule of Construction.—This section and the amendments made by this section may not be construed to prohibit the Administrator of the Federal Emergency Management Agency from offering flood insurance coverage under the National Flood Insurance Program for eligible non-residential properties or to prohibit the purchase of such coverage for such eligible properties.

SEC. 5. DISCLOSURE OF PREMIUM METHODOLOGY.

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

“(n) Disclosure of Premium Methodology.—

“(1) Disclosure.—The Administrator shall, on an annual basis, cause to be published in the Federal Register an explanation of the bases for, and methodology used to determine, the chargeable premium rates to be effective for flood insurance coverage under this title.
“(2) Public meetings.—The Administrator shall, on an annual basis, hold at least one public meeting in each of the geographical regions of the United States, as defined by the Administrator for purposes of the National Flood Insurance Program, for the purpose of explaining the methodology described in paragraph (1) and answering questions and receiving comments regarding such methodology. The Administrator shall provide notice of each such public meeting in advance, in such manner, and in using such means as are reasonably designed to notify interested parties and members of the public of the date and time, location, and purpose of such meeting, and of how to submit questions or comments.”.

SEC. 6. USE OF REPLACEMENT COST IN DETERMINING PREMIUM RATES.

(a) Study of Risk Rating Redesign Flood Insurance Premium Rating Options.—

(1) Study.—The Administrator of the Federal Emergency Management Agency shall conduct a study to—

(A) evaluate insurance industry best practices for risk rating and classification, including
practices related to replacement cost value in
premium rate estimations;

(B) assess options, methods, and strategies
for including replacement cost value in the Ad-
ministrator’s estimates under section
1307(a)(1) of the National Flood Insurance Act
of 1968 (42 U.S.C. 4014(a)(1));

(C) provide recommendations for including
replacement cost value in the estimate of the
risk premium rates for flood insurance under
such section 1307(a)(1);

(D) identify an appropriate methodology to
incorporate replacement cost value into the Ad-
ministrator’s estimates under such section
1307(a)(1);

(E) develop a feasible implementation plan
and projected timeline for including replace-
ment cost value in the estimates of risk pre-
mium rates for flood insurance made available
under the National Flood Insurance Program.

(2) REPORT.—

(A) REQUIREMENT.—Not later than the
expiration of the 12-month period beginning on
the date of the enactment of this Act, the Ad-
ministrator shall submit to the Committee on
Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that contains the results and conclusions of the study required under paragraph (1).

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

(i) an analysis of the recommendations resulting from the study under paragraph (1) and any potential impacts on the National Flood Insurance Program, including cost considerations;

(ii) a description of any actions taken by the Administrator to implement the study recommendations; and

(iii) a description of any study recommendations that have been deferred or not acted upon, together with a statement explaining the reasons for such deferral or inaction.

(b) USE OF REPLACEMENT COST VALUE IN PREMIUM RATES; IMPLEMENTATION.—

(1) ESTIMATED RATES.—Paragraph (1) of section 1307(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1) is amended, in the mat-
ter preceding subparagraph (A), by inserting after "flood insurance" the following: "which shall incor-
porate replacement cost value, and".

(2) Chargeable Rates.—Subsection (b) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(b)) is amended, in the matter preceding paragraph (1), by inserting after "Such rates" the following: "shall incorporate replacement cost value and".

(3) Effective Date.—The amendments under paragraphs (1) and (2) of this subsection shall be made upon the expiration of the 12-month period beginning on the date of the enactment of this Act.

(4) Applicability and Phase-In.—The Admin-
istrator of the Federal Emergency Management Agency shall apply the amendments under para-
graphs (1) and (2) to flood insurance coverage made available under the National Flood Insurance Act of 1968 for properties located in various geographic re-
gions in the United States such that—

(A) over the 3-year period beginning upon the expiration of the period referred to in para-
graph (3) of this subsection, the requirement under such amendments shall be gradually phased in geographically throughout the United
States as sufficient information for such imple-
mentation becomes available; and

(B) after the expiration of such 3-year pe-
riod such amendments shall apply to all flood
insurance coverage made available under the

SEC. 7. CONSIDERATION OF COASTAL AND INLAND LOCA-
TIONS IN PREMIUM RATES.

(a) Estimates of Premium Rates.—Clause (i) of
section 1307(a)(1)(A) of the National Flood Insurance
Act of 1968 (42 U.S.C. 4014(a)(1)(A)(i)) is amended by
inserting before the semicolon the following: “, taking into
consideration differences between properties located in
coastal areas and properties located inland”.

(b) Establishment of Chargeable Premium
Rates.—Paragraph (1) of section 1308(b) of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C.
4015(b)(1)) is amended by inserting “due to differences
between properties located in coastal areas and properties
located inland and” after “including differences in risks”.

(c) Rate Tables.—Not later than the expiration of
the 180-day period beginning on the date of the enactment
of this Act, the Administrator of the Federal Emergency
Management Agency shall revise and expand the rate ta-
bles for premiums under the National Flood Insurance
Program to implement the amendments made by this section and reflect differences between properties located in coastal areas and properties located inland.

SEC. 8. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.

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

(1) by striking the subsection designation and all that follows through “With respect” and inserting the following:

“(g) FREQUENCY OF PREMIUM COLLECTION.—

“(1) OPTIONS.—With respect”; and

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

“(2) MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.—

“(A) EXEMPTION FROM RULEMAKING.—

Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may adopt policies and procedures, notwithstanding any other provisions of law, necessary to implement such paragraph without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or executive order.
“(B) INSTALLMENT PLAN FEE.—The Administrator may charge policyholders choosing to pay premiums in monthly installments a fee not to exceed $50 annually.

“(C) PILOT PROGRAM.—The Administrator may initially implement paragraph (1) of this subsection as a pilot program that provides for a gradual phase-in of implementation.”.

SEC. 9. ENHANCED CLEAR COMMUNICATION OF FLOOD RISKS.

(a) IN GENERAL.—Subsection (l) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(l)) is amended to read as follows:

“(l) CLEAR COMMUNICATIONS.—

“(1) NEWLY ISSUED AND RENEWED POLICIES.—For all policies for flood insurance coverage under the National Flood Insurance Program that are newly issued or renewed, the Administrator shall clearly communicate to policyholders—

“(A) their full flood risk determinations, regardless of whether their premium rates are full actuarial rates; and

“(B) the number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made avail-
able under the Program and the effect, under this Act, of filing any further claims under a flood insurance policy with respect to that property.”.

(b) EFFECTIVE DATE.—Subsection (l) of section 1308 of the National Flood Insurance Act of 1968, as added by subsection (a) of this section, shall take effect beginning upon the expiration of the 12-month period that begins on the date of the enactment of this Act. Such subsection (l), as in effect immediately before the amendment made by paragraph (1), shall apply during such 12-month period.

SEC. 10. AVAILABILITY OF FLOOD INSURANCE INFORMATION UPON REQUEST.

Section 1313 of the National Flood Insurance Act of 1968 (42 U.S.C. 4020) is amended—

(1) by inserting “(a) PUBLIC INFORMATION AND DATA.—” after “Sec. 1313.”; and

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

“(b) AVAILABILITY OF FLOOD INSURANCE INFORMATION UPON REQUEST.—Not later than 30 days after a request for such information by the current owner of a property, the Administrator shall provide to the owner any information, including historical information, available to
the Administrator on flood insurance program coverage,
payment of claims, and flood damages for the property
at issue, and any information the Administrator has on
whether the property owner may be required to purchase
coverage under the National Flood Insurance Program
due to previous receipt of Federal disaster assistance, in-
cluding assistance provided by the Small Business Admin-
istration, the Department of Housing and Urban Develop-
ment, or the Federal Emergency Management Agency, or
any other type of assistance that subjects the property to
the mandatory purchase requirement under section 102
of the Flood Disaster Protection Act of 1973 (42 U.S.C.
4012a).”.

SEC. 11. PREMIUM RATES FOR CERTAIN MITIGATED PRO-
ERTIES.

(a) MITIGATION STRATEGIES.—Paragraph (1) of sec-
tion 1361(d) of the National Flood Insurance Act of 1968
(42 U.S.C. 4102(d)(1)) is amended—

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

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

(3) by inserting after subparagraph (B) the fol-
lowing new subparagraphs:
“(C) with respect to buildings in dense urban environments, methods that can be deployed on a block or neighborhood scale; and

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

(b) MITIGATION CREDIT.—Subsection (k) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(k)) is amended—

(1) by striking “shall take into account” and inserting the following: “shall—

“(1) take into account”;

(2) in paragraph (1), as so designated by the amendment made by paragraph (1) of this subsection, by striking the period at the end and inserting “; and”; and

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

“(2) offer a reduction of the risk premium rate charged to a policyholder, as determined by the Administrator, if the policyholder implements any mitigation method described in paragraph (1).”.

SEC. 12. STUDY OF FLOOD INSURANCE COVERAGE FOR UNITS IN COOPERATIVE HOUSING.

The Administrator of the Federal Emergency Management Agency shall conduct a study to analyze and de-
determine the feasibility of providing flood insurance cov-
erage under the National Flood Insurance Program under
the National Flood Insurance Act of 1968 (42 U.S.C.
4001 et seq.) for individual dwelling units in cooperative
housing projects. Not later than the expiration of the 24-
month period beginning on the date of the enactment of
this Act, the Administrator shall submit a report to the
Committee on Financial Services of the House of Rep-
resentatives and the Committee on Banking, Housing, and
Urban Affairs of the Senate regarding the findings and
conclusions of the study conducted pursuant to this sec-
tion, which shall include a plan setting forth specific ac-
tions to implement the development of such flood insur-
ance coverage.
To increase consumer choice through development of the private flood insurance market, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. introduced the following bill; which was referred to the Committee on

A BILL

To increase consumer choice through development of the private flood insurance market, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Private Flood Insur-
5 ance Market Development Act of 2017”.
6 SEC. 2. PRIVATE FLOOD INSURANCE.
7 (a) MANDATORY PURCHASE REQUIREMENT.—
8 (1) AMOUNT AND TERM OF COVERAGE.—Sec-
9
1973 (42 U.S.C. 4012a) is amended by striking “Sec. 102. (a)” and all that follows through the end of subsection (a) and inserting the following:

“SEC. 102. (a) AMOUNT AND TERM OF COVERAGE.—After the expiration of sixty days following the date of the enactment of this Act, no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes for use in any area that has been identified by the Administrator as an area having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property to which such financial assistance relates is covered by flood insurance: Provided, That the amount of flood insurance (1) in the case of Federal flood insurance, is at least equal to the development or project cost of the building, mobile home, or personal property (less estimated land cost), the outstanding principal balance of the loan, or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less; or (2) in the case of private flood insurance, is at least equal to the development or project cost of the building, mobile home, or personal property (less estimated land cost), the outstanding principal balance of the loan, or the maximum limit of Federal
flood insurance coverage made available with respect to
the particular type of property, whichever is less: *Provided
further,* That if the financial assistance provided is in the
form of a loan or an insurance or guaranty of a loan, the
amount of flood insurance required need not exceed the
outstanding principal balance of the loan and need not be
required beyond the term of the loan. The requirement
of maintaining flood insurance shall apply during the life
of the property, regardless of transfer of ownership of such
property.”.

(2) **REQUIREMENT FOR MORTGAGE LOANS.—**

Subsection (b) of section 102 of the Flood Disaster
Protection Act of 1973 (42 U.S.C. 4012a(b)) is
amended—

(A) by striking paragraph (7);

(B) by redesignating paragraph (6) as
paragraph (7);

(C) by striking the subsection designation
and all that follows through the end of para-
graph (5) and inserting the following:

“(b) **REQUIREMENT FOR MORTGAGE LOANS.—**

“(1) **REGULATED LENDING INSTITUTIONS.—**

Each Federal entity for lending regulation (after
consultation and coordination with the Financial In-
stitutions Examination Council established under the
Federal Financial Institutions Examination Council Act of 1974) shall by regulation direct regulated lending institutions not to make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance: Provided, That the amount of flood insurance (A) in the case of Federal flood insurance, is at least equal to the outstanding principal balance of the loan or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less; or (B) in the case of private flood insurance, is at least equal to the outstanding principal balance of the loan or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less.

“(2) FEDERAL AGENCY LENDERS AND MORTGAGE INSURANCE AND GUARANTEE AGENCIES.—
“(A) Federal agency lenders.—A Federal agency lender may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in accordance with paragraph (1). Each Federal agency lender may issue any regulations necessary to carry out this paragraph. Such regulations shall be consistent with and substantially identical to the regulations issued under paragraph (1).

“(B) Other federal mortgage entities.—

“(i) Coverage requirements.— Each covered Federal mortgage entity shall implement procedures reasonably designed to ensure that, for any loan that—

“(I) is secured by improved real estate or a mobile home located in an
area that has been identified, at the
time of the origination of the loan or
at any time during the term of the
loan, by the Administrator as an area
having special flood hazards and in
which flood insurance is available
under the National Flood Insurance
Act of 1968, and

“(II) is made, insured, held, or
guaranteed by such entity, or backs or
on which is based any trust certificate
or other security for which such entity
guarantees the timely payment of
principal and interest,

the building or mobile home and any per-
sonal property securing the loan is covered
for the term of the loan by flood insurance
in the amount provided in paragraph (1).

“(ii) DEFINITION.—For purposes of
this subparagraph, the term ‘covered Fed-
eral mortgage entity’ means—

“(I) the Secretary of Housing
and Urban Development, with respect
to mortgages insured under the Na-
tional Housing Act;
“(II) the Secretary of Agriculture, with respect to loans made, insured, or guaranteed under title V of the Housing Act of 1949; and


“(C) REQUIREMENT TO ACCEPT FLOOD INSURANCE.—Each Federal agency lender and each covered Federal mortgage entity shall accept flood insurance as satisfaction of the flood insurance coverage requirement under subparagraph (A) or (B), respectively, if the flood insurance coverage meets the requirements for coverage under such subparagraph and the requirements relating to financial strength issued pursuant to paragraph (4).

“(3) GOVERNMENT-SPONSORED ENTERPRISES FOR HOUSING.—The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall implement procedures reasonably designed to ensure that, for any loan that is—

“(A) secured by improved real estate or a mobile home located in an area that has been identified, at the time of the origination of the loan or at any time during the term of the loan,
by the Administrator as an area having special
flood hazards and in which flood insurance is
available under the National Flood Insurance
Act of 1968, and
“(B) purchased or guaranteed by such en-
tity,
the building or mobile home and any personal prop-
erty securing the loan is covered for the term of the
loan by flood insurance in the amount provided in
paragraph (1). The Federal National Mortgage As-
association and the Federal Home Loan Mortgage
Corporation shall accept flood insurance as satisfac-
tion of the flood insurance coverage requirement
under paragraph (1) if the flood insurance coverage
provided meets the requirements for coverage under
that paragraph and the requirements relating to fi-
nancial strength issued pursuant to paragraph (4).
“(4) REQUIREMENTS REGARDING FINANCIAL
STRENGTH.—The Director of the Federal Housing
Finance Agency, in consultation with the Federal
National Mortgage Association, the Federal Home
Loan Mortgage Corporation, the Secretary of Hous-
ing and Urban Development, the Government Na-
tional Mortgage Association, and the Secretary of
Agriculture shall develop and implement require-
ments relating to the financial strength of private insurance companies from which such entities and agencies will accept private flood insurance, provided that such requirements shall not affect or conflict with any State law, regulation, or procedure concerning the regulation of the business of insurance.

“(5) APPLICABILITY.—

“(A) EXISTING COVERAGE.—Except as provided in subparagraph (B), paragraph (1) shall apply on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994.

“(B) NEW COVERAGE.—Paragraphs (2) and (3) shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994. Paragraph (1) shall apply with respect to any loan made, increased, extended, or renewed by any lender supervised by the Farm Credit Administration only after the expiration of the period under this subparagraph.
“(C) CONTINUED EFFECT OF REGULATIONS.—Notwithstanding any other provision of this subsection, the regulations to carry out paragraph (1), as in effect immediately before the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994, shall continue to apply until the regulations issued to carry out paragraph (1) as amended by section 522(a) of such Act take effect.

“(6) RULE OF CONSTRUCTION.—Except as otherwise specified, any reference to flood insurance in this section shall be considered to include Federal flood insurance and private flood insurance. Nothing in this subsection shall be construed to supersede or limit the authority of a Federal entity for lending regulation, the Federal Housing Finance Agency, a Federal agency lender, a covered Federal mortgage entity (as such term is defined in paragraph (2)(B)(ii)), the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation to establish requirements relating to the financial strength of private insurance companies from which the entity or agency will accept private flood insurance, provided that such requirements shall not
affect or conflict with any State law, regulation, or procedure concerning the regulation of the business of insurance.”; and

(D) by adding at the end the following new paragraphs:

“(8) Notification of private flood insurance.—Notwithstanding any other provision of this section, private flood insurance may not be used to satisfy the flood insurance coverage requirement under paragraph (1), (2), or (3) with respect to a building or mobile home, and personal property, unless—

“(A) the insurance company providing the private flood insurance coverage has notified the borrower in advance of the effectiveness of such coverage, of such use and private flood insurance coverage for such building or mobile home, and personal property; and

“(B) the policyholder has agreed in writing to such use and private flood insurance coverage.

“(9) Definitions.—In this section:

“(A) Flood insurance.—The term ‘flood insurance’ means—

“(i) Federal flood insurance; and
“(ii) private flood insurance.

“(B) FEDERAL FLOOD INSURANCE.—The term ‘Federal flood insurance’ means an insurance policy made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

“(C) PRIVATE FLOOD INSURANCE.—The term ‘private flood insurance’ means an insurance policy that—

“(i) is issued by an insurance company that is—

“(I) licensed, admitted, or otherwise approved to engage in the business of insurance in the State in which the insured building is located, by the insurance regulator of that State; or

“(II) eligible as a nonadmitted insurer to provide insurance in the home State of the insured, in accordance with sections 521 through 527 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 8201 through 8206);
“(ii) is issued by an insurance company that is not otherwise disapproved as a surplus lines insurer by the insurance regulator of the State in which the property to be insured is located;

“(iii) provides flood insurance coverage that complies with the laws and regulations of that State; and

“(iv) provides flood insurance coverage with respect to a property that is located in an area in which flood insurance coverage has been made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

“(D) STATE.—The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.”.

(b) EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—
Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:
“(n) Effect of Private Flood Insurance Coverage on Continuous Coverage Requirements.—For purposes of applying any statutory, regulatory, or administrative continuous coverage requirement, including under section 1307(g)(1), the Administrator shall consider any period during which a property was continuously covered by private flood insurance (as defined in section 102(b)(9) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(9))) to be a period of continuous coverage.”.

SEC. 3. EQUIVALENCY FEE FOR PRIVATE FLOOD INSURANCE.

The National Flood Insurance Act of 1968 is amended by inserting after section 1308A (42 U.S.C. 4015a) the following new section:

“SEC. 1308B. EQUIVALENCY FEE FOR PRIVATE FLOOD INSURANCE.

“(a) Imposition and Collection.—Subject to subsection (c), the Administrator shall impose and collect an annual fee, to cover expenses incurred in floodplain management and mapping activities and flood mitigation activities, on all policies for private flood insurance (as such term is defined in section 102(b)(9) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(9))) that are described in subsection (b) of this section and on all quali-
fied savings accounts (within the meaning given such term
for purposes of title III of the Flood Disaster Protection
Act of 1973) maintained during such 12-month period.
The fees imposed pursuant to this section shall be in the
same amount as the fees imposed on each policy for flood
insurance coverage made available under this title pursu-
ant to paragraphs (1)(B)(iii) and (2) of section 1307(a)
and section 1308(b)(3).

“(b) Private Policies Covered.—The private
flood insurance policies described in this subsection are—

“(1) any policy that is used to satisfy the flood
insurance coverage requirement under paragraph
(1), (2), or (3) of section 102(b) of the Flood Dis-
aster Protection Act of 1973 with respect to a build-
ing or mobile home; and

“(2) any policy that—

“(A) is not used in the manner provided in
paragraph (1);

“(B) provides coverage that is equivalent
to coverage provided under this title, as deter-
mined by the Administrator; and

“(C) does not involve a loss-deductible.

“(c) Exclusion.—The fee under subsection (a) shall
not be imposed or collected on any policy for private flood
insurance that provides coverage in excess of the limits
for coverage made available under this title that are then
in effect pursuant to section 1306 (42 U.S.C. 4013).

“(d) DEPOSIT.—The Administrator shall deposit all
fees collected under this section in the National Flood In-
surance Fund established under section 1310.”.

SEC. 4. ELIMINATION OF NON-COMPETE REQUIREMENT.

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

“(f) AUTHORITY TO PROVIDE OTHER FLOOD COV-
ERAGE.—

“(1) IN GENERAL.—The Administrator may
not, as a condition of participating in the Write
Your Own Program (as such term is defined in sec-
tion 1370(a)) or in otherwise participating in the
utilization by the Administrator of the facilities and
services of insurance companies, insurers, insurance
agents and brokers, and insurance adjustment organ-
izations pursuant to the authority in this section,
nor as a condition of eligibility to engage in any
other activities under the National Flood Insurance
Program under this title, restrict any such company,
insurer, agent, broker, or organization from offering
and selling private flood insurance (as such term is
defined in section 102(b)(9) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(9)).

“(2) FINANCIAL ASSISTANCE/SUBSIDY ARRANGEMENT.—After the date of the enactment of this subsection—

“(A) the Administrator may not include in any agreement entered into with any insurer for participation in the Write Your Own Program any provision establishing a condition prohibited by paragraph (1), including the provisions of Article XIII of the Federal Emergency Management Agency, Federal Insurance Administration, Financial Assistance/Subsidy Arrangement, as set forth as of such date of enactment, in Appendix A to part 62 of the Administrator’s regulations (44 C.F.R Part 62, Appendix A; relating to restriction on other flood insurance); and

“(B) any such provision in any such agreement entered into before such date of enactment shall not have any force or effect, and the Administrator may not take any action to enforce such provision.”.
SEC. 5. PUBLIC AVAILABILITY OF PROGRAM INFORMATION.

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

“SEC. 1349. PUBLIC AVAILABILITY OF PROGRAM INFORMATION.

“(a) Flood Risk Information.—

“(1) In general.—Except as provided in paragraph (2), to facilitate the National Flood Insurance Program becoming a source of information and data for research and development of technology that better understands flooding, the risk of flooding, and the predictability of perils of flooding, the Administrator shall make publicly available all data, models, assessments, analytical tools, and other information in the possession of the Administrator relating to the National Flood Insurance Program under this title that is used in assessing flood risk or identifying and establishing flood elevations and premiums, including—

“(A) data relating to risk on individual properties and loss ratio information and other information identifying losses under the program;

“(B) current and historical policy information, limited to the amount and term only, for...
properties currently covered by flood insurance and for properties that are no longer covered by flood insurance;

“(C) current and historical claims information, limited to the date and amount paid only, for properties currently covered by flood insurance and for properties that are no longer covered by flood insurance;

“(D) identification of whether a property was constructed before or after the effective date of the first flood insurance rate map for a community;

“(E) identification of properties that have been mitigated through elevation, a buyout, or any other mitigation action; and

“(F) identification of unmitigated multiple-loss properties.

“(2) OPEN SOURCE DATA SYSTEM.—In carrying out paragraph (1), the Administrator shall establish an open source data system by which all information required to be made publicly available by such subsection may be accessed by the public on an immediate basis by electronic means.

“(b) COMMUNITY INFORMATION.—Not later than the expiration of the 12-month period beginning upon the date
of the enactment of this section, the Administrator shall establish and maintain a publicly searchable database that provides information about each community participating in the National Flood Insurance Program, which shall include the following information:

“(1) The status of the community’s compliance with the National Flood Insurance Program, including any findings of noncompliance, the status of any enforcement actions initiated by a State or by the Administrator, and the number of days of any such continuing noncompliance.

“(2) The number of properties located in the community’s special flood hazard areas that were built before the effective date of the first flood insurance rate map for the community.

“(3) The number of properties located in the community’s special flood hazard areas that were built after the effective date of the first flood insurance rate map for the community.

“(4) The total number of current and historical claims located outside the community’s special flood hazard areas.

“(5) The total number of multiple-loss properties in the community.
“(6) The portion of the community, stated as a percentage and in terms of square miles, that is located within special flood hazard areas.

“(c) IDENTIFICATION OF PROPERTIES.—The information provided pursuant to subsections (a) and (b) shall be based on data that identifies properties at the zip code or census block level, and shall include the name of the community and State in which a property is located.

“(d) PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION.—The information provided pursuant to subsections (a) and (b) shall be disclosed in a format that does not reveal individually identifiable information about property owners in accordance with the section 552a of title 5, United States Code.

“(e) DEFINITION OF LOSS RATIO.—For purposes of this section, the term ‘loss ratio’ means, with respect to the National Flood Insurance Program, the ratio of the amount of claims paid under the Program to the amount of premiums paid under the Program.”.

SEC. 6. REFUND OF PREMIUMS UPON CANCELLATION OF POLICY BECAUSE OF REPLACEMENT WITH PRIVATE FLOOD INSURANCE.

Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by adding at the end the following new subsection:
“(e) Refund of Unearned Premiums for Policies Canceled Because of Replacement With Private Flood Insurance.—

“(1) Required refund.—Subject to subsection (c), if at any time an insured under a policy for flood insurance coverage for a property that is made available under this title cancels such policy because other duplicate flood insurance coverage for the same property has been obtained from a source other than the National Flood Insurance Program under this title, the Administrator shall refund to the former insured a portion of the premiums paid for the coverage made available under this title, as determined on a pro rata basis according to the portion of the term of the policy that such coverage was in effect, but only if the following documentation is provided to the Administrator:

“(A) A copy of declarations page of the new policy obtained from a source other than the program under this title.

“(B) If the property is subject to an outstanding mortgage, a statement from the mortgagee that the new policy is acceptable, for purposes of this title and the Flood Disaster Pro-
tection Act of 1973 (42 U.S.C. 4002 et seq.),
as a replacement for the policy being canceled.

“(2) EFFECTIVE DATE OF CANCELLATION.—
For purposes of this subsection, a cancellation of a
policy for coverage made available under the na-
tional flood insurance program under this title, for
the reason specified in paragraph (1), shall be effec-
tive—

“(A) on the effective date of the new policy
obtained from a source other than the program
under this title, if the request for such cancella-
tion was received by the Administrator before
the expiration of the 6-month period beginning
on the effective date of the new policy; or

“(B) on the date of the receipt by the Ad-
ministrator of the request for cancellation, if
the request for such cancellation was received
by the Administrator after the expiration of the
6-month period beginning on the effective date
of the new policy.

“(3) PROHIBITION OF REFUNDS FOR PROP-
ERTIES RECEIVING INCREASED COST OF COMPLI-
ANCE CLAIMS.—In the case of any property for
which measures have been implemented using
amounts received pursuant to a claim under in-
creased cost of compliance coverage made available pursuant to section 1304(b), no premium amounts paid for coverage made available under this title may be refunded pursuant to this subsection.”.

SEC. 7. GAO STUDY OF FLOOD DAMAGE SAVINGS ACCOUNTS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to analyze the feasibility and effectiveness, and problems involved, in reducing flood insurance premiums and eliminating the need for purchase of flood insurance coverage by authorizing owners of residential properties to establish flood damage savings accounts described in subsection (b) in lieu of complying with the mandatory requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to purchase flood insurance for such properties.

(b) FLOOD DAMAGE SAVINGS ACCOUNT.—A flood damage savings account described in this subsection is a savings account—

(1) that would be established by an owner of residential property with respect to such property in accordance with requirements established by the Administrator of the Federal Emergency Management Agency; and
(2) the proceeds of which would be available for use only to cover losses to such properties resulting from flooding, pursuant to adjustment of a claim for such losses in the same manner and according to the same procedures as apply to claims for losses under flood insurance coverage made available under the National Flood Insurance Act of 1968.

(c) ISSUES.—Such study shall include an analysis of, and recommendation regarding, each of the following issues:

(1) Whether authorizing the establishment of such flood damage savings accounts would be effective and efficient in reducing flood insurance premiums, eliminating the need for purchase of flood insurance coverage made available under the National Flood Insurance Program, and reducing risks to the financial safety and soundness of the National Flood Insurance Fund.

(2) Possible options for structuring such flood damage savings accounts, including—

(A) what types of institutions could hold such accounts and the benefits and problems with each such type of institution;

(B) considerations affecting the amounts required to be held in such accounts; and
(C) options regarding considerations the conditions under which such an account may be terminated.

(3) The feasibility and effectiveness, and problems involved in, authorizing the Administrator of the Federal Emergency Management Agency to make secondary flood insurance coverage available under the National Flood Insurance Program to cover the portion of flood losses or damages to properties for which such flood damage savings accounts have been established that exceed the amounts held in such accounts.

(4) The benefits and problems involved in authorizing the establishment of such accounts for non-residential properties.

(d) REPORT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Administrator that sets forth the analysis, conclusions, and recommendations resulting from the study under this section. Such report shall identify elements that should be taken into con-
consideration by the Administrator in designing and carrying out the demonstration program under section 8.

SEC. 8. DEMONSTRATION PROGRAM FOR FLOOD DAMAGE SAVINGS ACCOUNTS.

(a) PLAN.—Not later than the expiration of the 12-month period beginning upon the submission of the report under section 7(d), the Administrator of the Federal Emergency Management Agency shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a plan and guidelines for a demonstration program, to be carried out by the Administrator, to demonstrate the feasibility and effectiveness of authorizing the establishment of flood damage savings accounts, taking into consideration the analysis, conclusions, and recommendations included in such report.

(b) AUTHORITY.—The Administrator of the Federal Emergency Management Agency shall carry out a program to demonstrate the feasibility and effectiveness of authorizing the establishment of flood damage savings accounts in the manner provided in plan and guidelines for the demonstration program submitted pursuant to subsection (a).

(c) SCOPE.—The demonstration program under this section shall provide for the establishment of flood damage
savings accounts with respect to not more than 5 percent
of the residential properties that have 4 or fewer resi-
dences and that are covered by flood insurance coverage
made available under the National Flood Insurance Pro-
gram.

(d) Timing.—The Administrator shall commence the
demonstration program under this section not later than
the expiration of the 12-month period beginning upon the
submission of the plan and guidelines for the demonstra-
tion pursuant to subsection (a).

(e) Geographical Diversity.—The Administrator
shall ensure that properties for which flood damage sav-
ings accounts are established under the demonstration are
located in diverse geographical areas throughout the
United States.

(f) Report.—Upon the expiration of the 2-year pe-
riod beginning upon the date of the commencement of the
demonstration program under this section, the Adminis-
trator shall submit a report to the Committee on Financial
Services of the House of Representatives and the Com-
mittee on Banking, Housing, and Urban Affairs of the
Senate describing and assessing the demonstration, and
setting forth conclusions and recommendations regarding
continuing and expanding the demonstration.
H. R. ______

To ensure fairness in mapping activities under the National Flood Insurance Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. ______ introduced the following bill; which was referred to the Committee on ______________________

A BILL

To ensure fairness in mapping activities under the National Flood Insurance Program, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Flood Insurance Program Mapping Fairness Act of 2017”.

SEC. 2. COMMUNITY FLOOD MAPS.

(a) TECHNICAL MAPPING ADVISORY COUNCIL.—Section 100215 of the Biggert-Waters Flood Insurance Re-
form Act of 2012 (42 U.S.C. 4101a) is amended by adding at the end the following new subsection:

“(m) COMMUNITY FLOOD MAPS.—

“(1) STANDARDS AND PROCEDURES.—In addition to the other duties of the Council under this section, not later than the expiration of the 12-month period beginning on the date of the enactment of this subsection, the Council shall recommend to the Administrator standards and requirements for chief executive officers, or entities designated by chief executive officers, of States and communities participating in the National Flood Insurance Program to use in mapping flood hazards located in States and communities that choose to develop alternative maps to the flood insurance rate maps developed by the Agency.

“(2) EXEMPTION FROM RULEMAKING.—Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may, notwithstanding any other provision of law, adopt policies and procedures necessary to implement such paragraphs without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or executive order.”.
(b) FEMA IDENTIFICATION OF FLOOD-PRONE AREAS.—Subsection (a) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(a)) is amended—

(1) in paragraph (2), by striking the period at the end and inserting ‘‘; and’’;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A), and (B), respectively, and re-aligning such subparagraphs so as to be indented 4 ems from the left margin;

(3) by striking ‘‘is authorized to consult’’ and inserting the following: ‘‘is authorized—

‘‘(1) to consult’’;

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

‘‘(2) to receive proposed alternative maps from communities developed pursuant to standards and requirements recommended by the Technical Mapping Advisory Council, as required by section 100215(m) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)) and adopted by the Administrator as required by section 100216(e)(3) of such Act (42 U.S.C. 4101b(e)(3)), so that the Administrator may—'}
“(A) publish information with respect to all flood plain areas, including coastal areas located in the United States, which have special flood hazards, and

“(B) establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each of these areas until the date specified in section 1319.”.

(c) NATIONAL FLOOD MAPPING PROGRAM.—Section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a) is amended—

(1) in subsection (a), by inserting “prepared by the Administrator, or by a community pursuant to section 1360(a)(2) of the National Flood Insurance Act of 1968,” after “Program rate maps”;

(2) in subsection (c)—

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

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

(C) by adding at the end the following new paragraphs:
“(C) taking into consideration the recommendations of the Technical Mapping Advisory Council made pursuant to section 100215(m) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)), establish and adopt standards and requirements for development by States and communities of alternative flood insurance rate maps to be submitted to the Administrator pursuant to section 1360(a)(2) of the National Flood Insurance Act of 1968; and

“(D) in the case of proposed alternative maps received by the Administrator pursuant to such section 1360(a)(2), not later than the expiration of the 6-month period beginning upon receipt of such proposed alternative maps—

“(A) determine whether such maps were developed in accordance with the standards and requirements adopted pursuant to subparagraph (C) of this paragraph; and

“(B) approve or disapprove such proposed maps for use under National Flood Insurance Program.”; and

(3) in subsection (d)(1), by inserting “maximum” before “30-day period” each place such term appears in subparagraphs (B) and (C).
SEC. 3. USE OF OTHER RISK ASSESSMENT TOOLS IN DETERMINING PREMIUM RATES.

(a) Estimates of Premium Rates.—Clause (i) of section 1307(a)(1)(A) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(A)(i)) is amended by inserting before the semicolon the following: “, and taking into account both the risk identified by the applicable flood insurance rate maps and by other risk assessment tools, including risk assessment scores from appropriate sources”.

(b) Establishment of Chargeable Premium Rates.—Paragraph (1) of section 1308(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(b)(1)) is amended by inserting before “; and” the following: “, taking into account both the risk identified by the applicable flood insurance rate maps and by other risk assessment tools, including risk assessment scores from appropriate sources”.

(c) Effective Date and Regulations.—

(1) Effective Date.—The amendments made by subsections (a) and (b) shall be made, and shall take effect, upon the expiration of the 36-month period beginning on the date of the enactment of this Act.

(2) Regulations.—The Administrator of the Federal Emergency Management Agency shall issue
regulations necessary to implement the amendments
made by subsections (a) and (b), which shall identify
risk assessment tools to be used in identifying flood
risk and appropriate sources for risk assessment
scores to be so used. Such regulations shall be
issued not later than the expiration of the 36-month
period beginning on the date of the enactment of
this Act and shall take effect upon the expiration of
such period.

SEC. 4. STREAMLINING OF FLOOD MAP PROCESSES.

The Administrator of the Federal Emergency Man-
agement Agency shall consult with the Technical Mapping
Advisory Council established under section 100215 of the
Biggert-Waters Flood Insurance Reform Act of 2012 (42
U.S.C. 4101a) regarding methods of or actions to—

(1) make the flood map processes of the Coun-
cil more efficient;

(2) minimize any cost, data, and paperwork re-
quirements of the Council; and

(3) assist communities, and in particular small-
er communities, in locating the resources required to
successfully appeal flood elevations and flood hazard
area designations.

Not later than the expiration of the 1-year period begin-
ing on the date of the enactment of this Act, the Admin-
istrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate setting forth any recommendations for methods or actions developed pursuant to the consultation required under this section.

SEC. 5. APPEALS REGARDING EXISTING FLOOD MAPS.

(a) In General.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsection:

“(k) Appeals of Existing Maps.—

“(1) Right to Appeal.—Subject to paragraph (6), a State or local government, or the owner or lessee of real property, who has made a formal request to the Administrator to update a flood map that the Administrator has denied may at any time appeal such a denial as provided in this subsection.

“(2) Basis for Appeal.—The basis for appeal under this subsection shall be the possession of knowledge or information that—

“(A) the base flood elevation level or designation of any aspect of a flood map is scientifically or technically inaccurate; or

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

“(3) APPEALS PROCESS.—

“(A) ADMINISTRATIVE ADJUDICATION.—

An appeal under this subsection shall be determined by a final adjudication on the record, and after opportunity for an administrative hearing.

“(B) RIGHTS UPON ADVERSE DECISION.—

If an appeal pursuant to subparagraph (A) does not result in a decision in favor of the State, local government, owner, or lessee, such party may appeal the adverse decision to the Scientific Resolution Panel provided for in section 1363A, which shall recommend a non-binding decision to the Administrator.

“(4) RELIEF.—

“(A) WHOLLY SUCCESSFUL APPEALS.—In the case of a successful appeal resulting in a policyholder’s property being removed from a special flood hazard area, such policyholder may cancel the policy at any time within the current policy year, and the Administrator shall provide such policyholder a refund in the amount of any
premiums paid for such policy year, plus any premiums paid for flood insurance coverage that the policyholder was required to purchase or maintain during the 2-year period preceding such policy year.

“(B) PARTIALLY SUCCESSFUL APPEALS.—
In the case of any appeal in which mitigating factors were determined to have reduced, but not eliminated, the risk of flooding, the Administrator shall reduce the amount of flood insurance coverage required to be maintained for the property concerned by the ratio of the successful portion of the appeal as compared to the entire appeal. The Administrator shall refund to the policyholder any payments made in excess of the amount necessary for such new coverage amount, effective from the time when the mitigating factor was created or the beginning of the second policy year preceding the determination of the appeal, whichever occurred later.

“(C) ADDITIONAL RELIEF.—The Administrator may provide additional refunds in excess of the amounts specified in subparagraphs (A) and (B) if the Administrator determines that such additional amounts are warranted.
“(5) Recovery of costs.— When, incident to any appeal which is successful in whole or part regarding the designation of the base flood elevation or any aspect of the flood map, including elevation or designation of a special flood hazard area, the community, or the owner or lessee of real property, as the case may be, incurs expense in connection with the appeal, including services provided by surveyors, engineers, and scientific experts, the Administrator shall reimburse such individual or community for reasonable expenses to an extent measured by the ratio of the successful portion of the appeal as compared to the entire appeal, but not including legal services, in the effecting of an appeal based on a scientific or technical error on the part of the Federal Emergency Management Agency. No reimbursement shall be made by the Administrator in respect to any fee or expense payment, the payment of which was agreed to be contingent upon the result of the appeal. The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this paragraph.

“(6) Inapplicability to private and community flood maps.—This subsection shall not
apply with respect to any flood map that is in effect pursuant to certification under the standards, guidelines, and procedures established pursuant to section 100215(m)(1)(B) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)(1)(B)).

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

(b) DEADLINE.—The Administrator of the Federal Emergency Management Agency shall issue the guidance referred to section 1360(k)(7) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(k)(7)), as added by the amendment made by subsection (a) of this section, not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

SEC. 6. APPEALS AND PUBLICATION OF PROJECTED SPECIAL FLOOD HAZARD AREAS.

(a) APPEALS.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended—

(1) in subsection (b), by striking the second sentence and inserting the following: “Any owner or lessee of real property within the community who be-
lieves the owner’s or lessee’s rights to be adversely
affected by the Administrator’s proposed determina-
tion may appeal such determination to the local gov-
ernment no later than 90 days after the date of the
second publication.”

(2) in subsection (d), by striking “subsection
(e)” and inserting “subsection (f)”;

(3) by redesignating subsections (e), (f), and
(g) as subsections (f), (g), and (h), respectively; and

(4) by inserting after subsection (d) the fol-
lowing new subsection:

“(e) DETERMINATION BY ADMINISTRATOR IN THE
ABSENCE OF APPEALS.—If the Administrator has not re-
ceived any appeals, upon expiration of the 90-day appeal
period established under subsection (b) of this section the
Administrator’s proposed determination shall become
final. The community shall be given a reasonable time
after the Administrator’s final determination in which to
adopt local land use and control measures consistent with
the Administrator’s determination.”.

(b) PUBLICATION.—Subsection (a) of section 1363 of
the National Flood Insurance Act of 1968 (42 U.S.C.
4104(a)) is amended by striking “in the Federal Reg-
ister”.
(c) INAPPLICABILITY TO PRIVATE AND COMMUNITY FLOOD MAPS.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended by adding at the end the following new subsection:

“(h) INAPPLICABILITY TO PRIVATE AND COMMUNITY FLOOD MAPS.—This section shall not apply with respect to any flood map that is in effect pursuant to certification under the standards, guidelines, and procedures established pursuant to section 100215(m)(1)(B) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)(1)(B)).”.

SEC. 7. COMMUNICATION AND OUTREACH REGARDING MAP CHANGES.

Paragraph (1) of section 100216(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(d)(1)) is amended—

(1) in subparagraph (B), by inserting “maximum” before “30-day period”; and

(2) in subparagraph (C), by inserting “maximum” before “30-day period”.


To protect consumers and individuals by improved mitigation of flood risks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. introduced the following bill; which was referred to the Committee on

A BILL

To protect consumers and individuals by improved mitigation of flood risks, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Flood Risk Mitigation Act of 2017”.
SEC. 2. COMMUNITY ACCOUNTABILITY FOR REPETITIVELY FLOODED AREAS.

(a) IN GENERAL.—Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

“(e) COMMUNITY ACCOUNTABILITY FOR REPETITIVELY DAMAGED AREAS.—

“(1) IN GENERAL.—The Administrator shall, by regulation, require any covered community (as such term is defined in paragraph (5))—

“(A) to identify the areas within the community where properties described in paragraph (5)(B) or flood-damaged facilities are located to determine areas repeatedly damaged by floods and to assess, with assistance from the Administrator, the continuing risks to such areas;

“(B) to develop a community-specific plan for mitigating continuing flood risks to such repetitively flooded areas and to submit such plan and plan updates to the Administrator at appropriate intervals;

“(C) to implement such plans;

“(D) to make such plan, plan updates, and reports on progress in reducing flood risk available to the public, subject to section 552a of title 5, United States Code.
“(2) Incorporation into existing plans.—

Plans developed pursuant to paragraph (1) may be incorporated into mitigation plans developed under section 1366 of this Act (42 U.S.C. 4104c) and hazard mitigation plans developed under section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165).

“(3) Assistance to communities.—

“(A) Data.—To assist communities in preparation of plans required under paragraph (1), the Administrator shall, upon request, provide covered communities with appropriate data regarding the property addresses and dates of claims associated with insured properties within the community.

“(B) Mitigation grants.—In making determinations regarding financial assistance under the authorities of this Act, the Administrator may consider the extent to which a community has complied with this subsection and is working to remedy problems with addressing repeatedly flooded areas.

“(4) Sanctions.—The Administrator shall, by regulations issued in accordance with the procedures established under section 553 of title 5, United
States Code, regarding substantive rules, provide appropriate sanctions for covered communities that fail to comply with the requirements under this subsection or to make sufficient progress in reducing the flood risks to areas in the community that are repeatedly damaged by floods. Such sanctions shall include suspension from the national flood insurance program and probation under such program, in the manner provided under section 59.24 of the Administrator’s regulations (44 C.F.R. 59.24).

“(5) COVERED COMMUNITY.—For purposes of this subsection, the term ‘covered community’ means a community—

“(A) that is participating, pursuant to section 1315, in the national flood insurance program; and

“(B) within which are located—

“(i) 50 or more repetitive-loss properties;

“(ii) 5 or more properties that are severe repetitive-loss properties or extreme repetitive-loss properties for which mitigation activities meeting the standards for approval under section 1366(c)(2)(A) have not been conducted; or
“(iii) a public facility or a private nonprofit facility (as such terms are as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), that has received assistance for repair, restoration, reconstruction, or replacement under section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5172) in connection with more than one flooding event in the most recent 10-year period.

“(6) REPORTS TO CONGRESS.—Not later than the expiration of the 6-year period beginning upon the date of the enactment of this subsection, and not less than every 2 years thereafter, the Administrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the progress in implementing plans developed pursuant to paragraph (1)(B).”.

(b) REGULATIONS.—The Administrator of the Federal Emergency Management Agency shall issue regulations necessary to carry out subsection (e) of section 1361
of the National Flood Insurance Act of 1968, as added by the amendment made by subsection (a) of this section, not later than the expiration of the 12-month period that begins on the date of the enactment of this Act.

SECTION 3. PROVISION OF COMMUNITY RATING SYSTEM

PREMIUM CREDITS TO MAXIMUM NUMBER OF COMMUNITIES PRACTICABLE.

Subsection (b) of section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended—

(1) in paragraph (2), by striking “may” and inserting “shall”; and

(2) in paragraph (3), by inserting “, and the Administrator shall provide credits to the maximum number of communities practicable” after “under this program”.

SEC. 4. PILOT PROGRAM FOR SECURING PURCHASE OF FLOOD-PRONE PROPERTIES.

The National Flood Insurance Act of 1968 is amended by inserting before section 1363 (42 U.S.C. 4104) the following new section:

“SEC. 1362. PILOT PROGRAM FOR SECURING PURCHASE OF FLOOD PRONE PROPERTIES.

“(a) AUTHORITY.—The Administrator may establish a pilot program under this section to provide financial assistance to States and communities to purchase and ac-
quire properties that have incurred substantial damage
from a flood event. Under the pilot program, the Adminis-
trator may provide reduced flood insurance coverage pur-
suant to subsection (h) as an incentive to property owners
to agree, in advance of a triggering event, to accept an
offer under the program to purchase their properties.

“(b) Eligible Activities.—Amounts provided
under this section to a participating State or community
may be used only for—

“(1) the purchase of participating properties as
described in subsections (g) and (i); or

“(2) administrative expenses attendant to such
purchases, subject to the limitation under subsection
(n)(2).

“(c) State and Community Eligibility to Par-
ticipate.—

“(1) States.—To be eligible to participate in
the pilot program, a State shall have—

“(A)(i) a relatively high number of mul-
tiple-loss properties;

“(ii) a significant number of properties
constructed before the effectiveness of the first
flood insurance rate maps developed by the
Federal Emergency Management Agency;
“(iii) identified locations where property buyouts should be a priority mitigation action;

“(iv) a large number of communities and property owners facing annual increases to their existing flood insurance premium rates until full actuarial such rates are reached; or

“(v) identified areas that are susceptible to flooding due to changing future conditions that are not necessarily reflected on current flood insurance rate maps;

“(B) a current hazard mitigation plan approved by the Administrator pursuant to section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165); and

“(C) identified (i) a State agency with capacity to implement the buyout process under the pilot program, take ownership of acquired properties, and enforce the deed restriction described in subsection (g)(2), or (ii) appropriate nonprofit or land management organizations to carry out such actions on behalf of the State.

“(2) COMMUNITIES.—To be eligible to participate in the pilot program, a community shall—
“(A) currently be a participating community in the National Flood Insurance Program and have a consistent record of flood insurance program compliance and a demonstrated capacity to enforce flood insurance program provisions;

“(B) meet the requirements under subparagraphs (A) and (B) of paragraph (1); and

“(C) have identified (i) a local government agency with capacity to implement the buyout process under the pilot program, take ownership of acquired properties, and enforce the deed restriction described in subsection (g)(2), or (ii) appropriate nonprofit or land management organizations to carry out such actions on behalf of the local government.

“(d) Notice of Pilot Program and Selection of Participating States and Communities.—

“(1) In general.—The Administrator shall identify States and communities to invite to apply for assistance under the pilot program under this section, shall notify such States and communities of the pilot program, including the criteria for priority for selection under paragraph (3), and shall solicit applications.
“(2) SELECTION.—The Administrator shall re-
view applications received from invited States and
communities and shall select eligible States and com-
munities to participate in the pilot program from
among such applicants.

“(3) PRIORITY FOR SELECTION.—In selecting
States and communities to participate in the pilot
program, the Administrator shall give priority to
States and communities that—

“(A) make commitments to dedicate addi-
tional financial or non-financial resources to im-
plement the buyout process under the program,
including for conduct of cost-benefit-analyses,
property demolition, and relocation assistance;

“(B) will provide additional incentives for
residents of properties purchased under the pro-
gram to relocate within the same State or com-

“(C) make commitments to undertake eco-
logical restoration, construction of green infra-
structure, or preservation of land for recre-
reational uses to further enhance flood protec-
tion on properties acquired under the program;

“(D) have adopted a cumulative substan-
tial damage standard;
“(E) have a relatively high number of properties covered by flood insurance that are located in special flood hazard areas;

“(F) have identified multiple-loss areas that include the properties on the multiple loss list obtained from the Administrator and all nearby properties with the same or similar flooding conditions; or

“(G) have evaluated and adopted plans that take into account expected future changes to flood risk so that any potential adverse impacts to vulnerable properties can be minimized.

“(e) ELIGIBLE PROPERTIES.—A property may not be purchased using any amount of assistance provided under this section unless—

“(1) the property is covered at the time of such purchase by flood insurance coverage made available under this title;

“(2) the owner of the property has an income less than or equal to 120 percent of the median family income for the area in which the property is located;

“(3) the property is a residential property having 4 or fewer residences;
“(4) the property is occupied by the owner as a primary residence;

“(5) the property was constructed before the date of enactment of this section;

“(6) the market value of the property does not exceed the maximum insurable value under the National Flood Insurance Program;

“(7) the property has a past history of flood damages or the potential for future flood damages; and

“(8) the Administrator determines that participation of the property in the pilot program under this section would be cost-effective and in the best interests of the National Flood Insurance Fund.

“(f) SELECTION OF PROPERTIES.—

“(1) NOTICE.—Upon selection for participation in the program, a participating State or community shall at its discretion notify some or all of its residents who are covered by the National Flood Insurance Program of the pilot program, including the criteria for participation described in subsection (c), and solicit applications for participation in the program.

“(2) SELECTION.—The appropriate State or local agency shall review the applications and select,
subject to review and approval by the Administrator,
properties to participate in the pilot program.

“(g) Binding Agreements With Property Owners.—An eligible property may not participate in the pilot program unless the owner of the property—

“(1) enters into a binding buyout agreement with the Administrator and the appropriate State or local agency that provides that—

“(A) the participating property shall be provided flood insurance coverage under this title at reduced premium rates in accordance with subsection (h);

“(B) the Administrator, the appropriate State or local agency, or an entity designated by the State or community, shall have right of first refusal to purchase the eligible property after a triggering event;

“(C) the owner shall accept a purchase offer made pursuant to such right of first refusal and relocate after a triggering event;

“(D) if the owner sells the eligible property before a triggering event, the owner shall include in the contract of sale a term sufficient to require the purchaser to comply with the binding buyout agreement;
“(E) nothing in the buyout agreement shall prevent the property owner from removing the structure on the property to a new location outside any special flood hazard area, if it is determined that relocation of the structure is cost-effective; and

“(F) any purchase offer made in accordance with this section and the agreement under this paragraph shall be deemed to be just compensation for the property to be purchased; and

“(2) records a deed restriction in the appropriate local register that—

“(A) prohibits further development of the eligible property when occupied, whether by the current owner or a future owner, and otherwise limits the property’s uses to conservation or recreation, or both; and

“(B) incorporates by reference the terms of the binding buyout agreement entered into pursuant to paragraph (1).

“(h) Reduced Premium Rates for Participating Property Owners.—The Administrator shall determine the appropriate level of reduction in chargeable flood insurance premium rates for participating properties, subject to the following conditions:
“(1) The premium reduction shall be applied to the full risk-based premium rate for the participating property;

“(2) The premium reduction shall not alter any other discounts that the participating property is receiving or will receive through the Community Rating System program.

“(3) Not less frequently than annually, the Administrator shall provide information to owners of participating properties that includes—

“(A) The estimated risk premium rate for the property under section 1307(a)(1).

“(B) If applicable, the estimated risk premium rate for the property under section 1307(a)(2).

“(C) The chargeable risk premium rate for the property taking into consideration the premium reduction pursuant to paragraph (1).

“(D) The amount of the premium reduction pursuant to paragraph (1) for the property;

“(E) The total savings on flood insurance coverage for the property over the period beginning upon the owner entering into the buyout
agreement for the property under subsection (g)(1).

“(F) The number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made available under the Program and the effect, under this Act, of filing any further claims under a flood insurance policy with respect to that property.

“(G) The terms of the buyout agreement for the property under subsection (g)(1).

“(i) PURCHASE OF PARTICIPATING PROPERTIES.—

“(1) REQUIREMENTS.—A State or community participating in the pilot program may make and execute offers to purchase participating properties using assistance provided under the program only if the following requirements are met:

“(A) USE OF PROPERTY.—The State or community enters into an agreement with the Administrator that provides assurances that use of the purchased property will be consistent with the requirements of 404(b)(2)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)(2)(B)) applicable to properties ac-
quired, accepted, or from which a structure will
be removed pursuant to acquisition and reloca-
tion assistance provided under such section
404(b).

"(B) TRIGGERING EVENT.—After execu-
tion of the buyout agreement for the property
pursuant to subsection (g)(1) and recondition of
the participating property’s deed with the ap-
propriate restriction required by subsection
(g)(2), a triggering event occurs.

"(C) PROPERTY VALUATION.—The amount
of the purchase offer is not less than the great-
er of—

"(i) the market value of the property
at the time the buyout agreement under
subsection (g)(1) for the property goes into
effect; or

"(ii) the market value of the property
immediately before the triggering event.

"(2) COMPARABLE HOUSING PAYMENT.—The
Administrator may make available to the home-
owner-occupant of a participating property that is
purchased pursuant to this subsection an additional
relocation payment to apply to the difference be-
tween the purchase price and replacement-dwelling
cost if the amount of a purchase offer made under paragraph (1)(C) is less than the cost to the home-owner-occupant of purchasing a comparable replacement dwelling outside the special flood hazard area in which the participating property is located.

“(3) EXPEDITIOUS PURCHASING.—The Administrator shall provide assistance under the pilot program in a manner that permits States and communities to complete purchases of participating properties and of associated land as soon as possible after a triggering event.

“(j) REFUSAL TO SELL AFTER TRIGGERING EVENT.—If the owner of a participating property refuses a purchase offer for such property from the Administrator or the appropriate State or local authority after a triggering event, the Administrator shall require the property owner to, and notify the property owner that the owner must—

“(1) pay the full, risk-based premium rate for continued flood insurance coverage made available under this title; and

“(2) repay to the Administrator all savings attributable to prior reductions, pursuant to subsection (f), in flood insurance premiums accrued
during participation in the pilot program, as cal-
culated by the Administrator.

“(k) Rules.—

“(1) Authority.—The Administrator may, by
notice and comment rulemaking or by issuance of
policy guidance, develop procedures necessary to
carry out the eligible activities under this section.

“(2) Consultation.—Not later than 90 days
after the date of the enactment of this Act, the Ad-
ministrator shall consult with State and local offi-
cials in carrying out paragraph (1) and provide an
opportunity for an oral presentation of data and ar-
guments from such officials for inclusion in the ap-
propriate rulemaking docket or dockets.

“(l) Report to Congress.—

“(1) Collection of information.—The Ad-
ministrator shall collect, via survey or other means,
information regarding the pilot program until all
amounts made available pursuant to subsection (n)
are expended. Such information shall include data
from the period of operation of the pilot program
and from the preceding 15 years, as follows:

“(A) Participating community infor-
mation.—For each participating community—
“(i) the community’s score under the Community Rating System of the National Flood Insurance Program;

“(ii) demographic characteristics of residents of the community;

“(iii) the average and median income levels of residents of the community;

“(iv) instances of inclusion of the community in declared disaster areas;

“(v) flood risk mitigation projects undertaken in the community, including projects assisted under the flood mitigation assistance program under section 1366 of this Act;

“(vi) for properties located in the community, policies in effect under, and claims submitted to, the National Flood Insurance Program; and

“(vii) the number of instances of substantial damage from flooding, or substantial improvement, to properties in the community.

“(B) PARTICIPATING OWNERS INFORMATION.—For owners of participating properties—
“(i) the demographic characteristics of such owners;

“(ii) the income levels of such owners;

“(iii) the statuses of the mortgages on such properties;

“(iv) the locations to which such owners relocate after sales of participating properties;

“(v) the reasons for choosing such destinations;

“(vi) the history of past flood damages and insurance claims;

“(vii) any previous mitigation efforts on such properties;

“(viii) any stated problems or frustrations with the pilot program;

“(ix) the amounts of the full risk-based premiums for such properties and of the reduced premiums under the pilot program; and

“(x) the values of such properties at the times the agreements under subsection (g)(1) went into effect and the values at the times when the properties were ulti-
mately purchased pursuant to such agree-
ments.

Information under this subparagraph shall be
reported in a manner that does not disclose any
personally identifiable information.

“(2) REPORT.—Not later than December 31,
2021, the Administrator shall submit a report to the
Committee on Financial Services of the House of
Representatives and the Committee on Banking,
Housing, and Urban Affairs of the Senate summa-
rizing the information collected pursuant to para-
graph (1) to that date. The report shall also—

“(A) set forth the number of participating
properties in the pilot program and rates of
such participation by communities and individ-
uals;

“(B) identify any barriers to participation
by communities and individuals;

“(C) include an estimate of the costs to
the National Flood Insurance Fund that could
potentially be avoided through participation
by—

“(i) non-participating communities
that are similarly situated to participating
communities; and
“(ii) non-participating property owners who are similarly situated to participating owners in the same participating community; and

“(D) include an estimate of the annual net savings to the National Flood Insurance Program if all potentially eligible communities and individuals participated in an expanded version of the pilot program.

“(m) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) The term ‘participating property’ means a property that—

“(A) is an eligible property that meets the requirements of subsection (e);

“(B) is subject to a binding buyout agreement, a for which a deed restriction has been recorded, in accordance with subsection (g).

“(2) The term ‘substantial damage’ means damage, sustained by a structure, that—

“(A) is caused by flooding; and

“(B) is of such an extent such that the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 per-
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percent of the market value of the structure as of
immediately before the damage occurred.

Notwithstanding the preceding sentence, if a State
or community has adopted a different standard for
substantial damage, including calculating substantial
damage on a cumulative basis, that standard shall
apply for purposes of the State’s or community’s
participation in the pilot program.

“(3) The term ‘triggering event’ means, with
respect to a participating property, an event that—

“(A) consists of—

“(i) the occurrence of substantial
damage to the participating property; or

“(ii) the provision by the owner of the
property of written notice to the appro-
priate State or local authority that such
owner would accept a purchase offer from
such authority pursuant to the terms pre-
scribed in this section; and

“(B) occurs after the execution of the
buyout agreement under subsection (g)(1) for
the participating property and the recording of
the appropriate restriction in the deed for such
property under subsection (g)(2).

“(n) FUNDING.—
“(1) IN GENERAL.—Pursuant to section 1310, the Administrator may use amounts from the National Flood Insurance Fund to provide assistance to States and communities to acquire properties under the pilot program under this section, subject to subsection (o) of this section.

“(2) ADMINISTRATIVE EXPENSES.—Of the amounts made available under this subsection, the Administrator may use up to five percent for expenses associated with the administration of the pilot program under this section.

“(o) SUNSET.—The Administrator may not provide any financial assistance under the pilot program to States and communities after December 31, 2022.

“(p) FINAL REPORT.—Not later than March 31, 2023, the Administrator shall submit a final report regarding the pilot program under this section to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate. The report shall summarize the data collected pursuant to subsection (l)(1) during the period of the operation of the pilot program, shall include the information described in subsection (l)(2), and shall include any findings and recommendations of the Administrator regarding the pilot program.”
SEC. 5. INCREASED COST OF COMPLIANCE COVERAGE.

(a) Coverage of Properties at High Risk of Future Flood Damage.—Subsection (b) of section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is amended—

(1) in paragraph (4), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and realigning such clauses, as so redesignated, so as to be indented 6 ems from the left margin;

(2) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and realigning such subparagraphs, as so redesignated, so as to be indented 4 ems from the left margin;

(3) by striking the subsection designation and all that follows through “The national” and inserting the following:

“(b) Additional Coverage for Compliance with Land Use and Control Measures.—

“(1) Authority; Eligible Properties.—The national”;}

(4) in subparagraph (C) (as so redesignated by paragraph (2) of this subsection), by striking “Fund” and all that follows and inserting “Fund to require the implementation of such measures;”;

(b) Additional Coverage for Compliance with Land Use and Control Measures.—

“(1) Authority; Eligible Properties.—The national”;
(5) in subparagraph (D)(iv) (as so redesignated by paragraphs (1) and (2) of this subsection), by striking the period at the end and inserting a semicolon; and

(6) by adding at the end the following new subparagraphs:

“(E) properties that have been identified by the Administrator, or by a community in accordance with such requirements as the Administrator shall establish, as at a high risk of future flood damage; and

“(F) properties that are located within an area identified pursuant to section 1361(e)(1)(A) (42 U.S.C. 4102(e)(1)(A)) by a covered community (as such term is defined in paragraph (3) of such section 1361(e)).”.

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

(1) in paragraph (1) (as so designated by subsection (a)(3) of this section), by striking the last sentence (relating to a surcharge); and

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

“(2) COVERAGE AMOUNT.—
“(A) PRIMARY COVERAGE.—Each policy
for flood insurance coverage made available
under this title shall provide coverage under
this subsection having an aggregate liability for
any single property of $30,000.

“(B) ENHANCED COVERAGE.—The Admin-
istrator shall make additional coverage available
under this subsection, in excess of the limit
specified in subparagraph (A), having an aggre-
gate liability for any single property of up to
$60,000.”.

(c) AMOUNT OF SURCHARGE.—Subsection (b) of sec-
tion 1304 of the National Flood Insurance Act of 1968
(42 U.S.C. 4011(b)), as amended by the preceding provi-
sions of this section, is further amended by adding at the
end the following new paragraph:

“(3) SURCHARGE FOR COVERAGE.—

“(A) PRIMARY COVERAGE.—The Adminis-
trator shall impose a surcharge on each insured
of such amount per policy as the Administrator
determines is appropriate to provide cost of
compliance coverage in accordance with para-
graph (2)(A).

“(B) ENHANCED COVERAGE.—For each
flood policy for flood insurance coverage under
this title under which additional cost of compli-
ance coverage is provided pursuant to para-
graph (2)(B), the Administrator shall impose a
surcharge, in addition to the surcharge under
subparagraph (A) of this paragraph, in such
amount as the Administrator determines is ap-
propriate for the amount of such coverage pro-
vided.”.

(d) USE OF CERTAIN MATERIALS.—Subsection (b) of
section 1304 of the National Flood Insurance Act of 1968
(42 U.S.C. 4011(b)), as amended by the preceding provi-
sions of this section, is further amended by adding at the
end the following new paragraph:

“(4) USE OF CERTAIN MATERIALS.—The Ad-
ministrator shall require that any measures imple-
mented using amounts made available from coverage
provided pursuant to this subsection be carried out
using materials, identified by the Administrator,
that minimize the impact of flooding on the usability
of the covered property and reduce the duration that
flooding renders the property unusable or uninhabit-
able.”.

(e) CONTINUED FLOOD INSURANCE REQUIRE-
MENT.—Subsection (b) of section 1304 of the National
Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as
amended by the preceding provisions of this section, is fur-
ther amended by adding at the end the following new para-
graph:

“(5) CONTINUED FLOOD INSURANCE REQUIRE-
MENT.—The Administrator may require, as a condi-
tion of providing cost of compliance coverage under
this subsection for a property, that the owner of the
property enter into such binding agreements as the
Administrator considers necessary to ensure that the
owner of the property (and any subsequent owners)
will maintain flood insurance coverage under this
title for the property in such amount, and at all
times during a period having such duration, as the
Administrator considers appropriate to carry out the
purposes of this subsection.”.

SEC. 6. PILOT PROGRAM FOR PROPERTIES WITH PRE-
EXISTING CONDITIONS.

Section 1311 of the National Flood Insurance Act of
1968 (42 U.S.C. 4018) is amended by adding at the end
the following new subsection:

“(c) PILOT PROGRAM FOR INVESTIGATION OF PRE-
EXISTING STRUCTURAL CONDITIONS.—

“(1) VOLUNTARY PROGRAM.—The Adminis-
trator shall carry out a pilot program under this
subsection to provide for companies participating in
the Write Your Own program (as such term is defined in section 1370(a) (42 U.S.C. 4121(a)) to investigate preexisting structural conditions of insured properties and potentially insured properties that could result in the denial of a claim under a policy for flood insurance coverage under this title in the event of a flood loss to such property. Participation in the pilot program shall be voluntary on the part of Write Your Own companies.

“(2) Investigation of properties.—Under the pilot program under this subsection, a Write Your Own company participating in the program shall—

“(A) provide in policies for flood insurance coverage under this title covered by the program that, upon the request of the policyholder, the company shall provide for—

“(i) an investigation of the property covered by such policy, using common methods, to determine whether preexisting structural conditions are present that could result in the denial of a claim under such policy for flood losses; and

“(ii) if such investigation is not determinative, an on-site inspection of the prop-
property to determine whether such preexisting structural conditions are present;

“(B) upon completion of an investigation or inspection pursuant to subparagraph (A) that determines that such a preexisting structural condition is present or absent, submit a report to the policyholder and Administrator describing the condition; and

“(C) impose a surcharge on each policy described in subparagraph (A) in such amount that the Administrator determines is appropriate to cover the costs of investigations and inspections performed pursuant to such policies and reimburse Write Your Own companies participating in the program under this subsection for such costs.

“(3) INTERIM REPORT.—Not later than December 31, 2021, the Administrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the operation of the pilot program to that date.
“(4) SUNSET.—The Administrator may not provide any policy for flood insurance described in paragraph (2)(A) after December 31, 2022.

“(5) FINAL REPORT.—Not later than March 31, 2023, the Administrator shall submit a final report regarding the pilot program under this section to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate. The report shall include any findings and recommendations of the Administrator regarding the pilot program.”.
H. R. ______

To improve the integrity of the National Flood Insurance Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. ______ introduced the following bill; which was referred to the Committee on _______________________

A BILL

To improve the integrity of the National Flood Insurance Program, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Flood Insur-
ance Program Integrity Improvement Act of 2017”.

SEC. 2. INDEPENDENT ACTUARIAL REVIEW.

Section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016) is amended by adding at the end the following new subsection:
“(e) INDEPENDENT ACTUARIAL REVIEW.—

“(1) FIDUCIARY RESPONSIBILITY.—The Administrator has a responsibility to ensure that the National Flood Insurance Program remains financially sound. Pursuant to this responsibility, the Administrator shall from time to time review and eliminate nonessential costs and positions within the Program, unless otherwise authorized or required by law, as the Administrator determines to be necessary.

“(2) ANNUAL INDEPENDENT ACTUARIAL STUDY.—The Administrator shall provide for an independent actuarial study of the National Flood Insurance Program to be conducted annually, which shall analyze the financial position of the program based on the long-term estimated losses of the program. The Administrator shall submit a report (together with the independent actuarial study) annually to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the results of such study, including a determination of whether the Program has collected revenue sufficient to cover expected claims payments during the reporting period and an overall assessment of the financial status of the Program.
“(3) Determination of actuarial budget deficit.—

“(A) Requirement.—Within the report submitted under paragraph (2), the Administrator shall issue a determination of whether there exists an actuarial budget deficit for the Program for the year covered in the report. The report shall recommend any changes to the Program, if necessary, to ensure that the program remains financially sound.

“(B) Basis of determination.—The determination required by subparagraph (A) shall be based solely upon whether the portion of premiums available to pay claims collected by the Program during the reporting period is sufficient to covered expected claims for the reporting period.

“(4) Quarterly reports.—During each fiscal year, the Secretary shall submit a report for each calendar quarter to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, which shall specify—

“(A) the cumulative volume of policies that have been underwritten under the National
Flood Insurance Program during such fiscal year through the end of the quarter for which the report is submitted;

“(B) the types of policies insured, categorized by risk;

“(C) any significant changes between actual and projected claim activity;

“(D) projected versus actual loss rates;

“(E) the cumulative number of currently insured repetitive-loss properties, severe repetitive-loss properties, and extreme repetitive-loss properties that have been identified during such fiscal year through the end of the quarter for which the report is submitted;

“(F) the cumulative number of properties that have undergone mitigation assistance, through the National Flood Insurance Program, during such fiscal year through the end of the quarter for which the report is submitted; and

“(G) the number and location, by State or territory, of each policyholder that has been identified for such fiscal year as an eligible household for purposes of the flood insurance affordability program under section 1326.
The first quarterly report under this paragraph shall be submitted on the last day of the first quarter of fiscal year 2018, or on the last day of the first full calendar quarter following the enactment of the National Flood Insurance Program Integrity Improvement Act of 2017, whichever occurs later.”.

SEC. 3. RISK TRANSFER REQUIREMENT.

Subsection (e) of section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(e)) is amended—

(1) by striking “(e) Risk Transfer,—The Administrator” and inserting the following:

“(e) Risk Transfer.—

“(1) Authority.—The Administrator’’; and

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

“(2) Required risk transfer coverage.—

“(A) Requirement.—Not later than the expiration of the 18-month period beginning upon the date of the enactment of this paragraph and at all times thereafter, the Administrator shall annually cede a portion of the risk of the flood insurance program under this title to the private reinsurance or capital markets, or any combination thereof, and at rates and terms that the Administrator determines to be
reasonable and appropriate, in an amount
that—

“(i) is sufficient to maintain the ability of the program to pay claims; and

“(ii) manages and limits the annual exposure of the flood insurance program to flood losses in accordance with the probable maximum loss target established for such year under subparagraph (B).

“(B) PROBABLE MAXIMUM LOSS TARGET.—The Administrator shall for each fiscal year, establish a probable maximum loss target for the national flood insurance program that shall be the maximum probable loss under the National Flood Insurance Program that is expected to occur in such fiscal year.

“(C) CONSIDERATIONS.—In establishing the probable maximum loss target under subparagraph (B) for each fiscal year and carrying out subparagraph (A), the Administrator shall consider—

“(i) the probable maximum loss targets for other United States public natural catastrophe insurance programs, including
as State wind pools and earthquake programs;

“(ii) the probable maximum loss targets of other risk management organizations, including the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

“(iii) catastrophic, actuarial, and other appropriate data modeling results of the National Flood Insurance Program portfolio;

“(iv) the availability of funds in the National Flood Insurance Fund established under section 1310 (42 U.S.C. 4017);

“(v) the availability of funds in the National Flood Insurance Reserve Fund established under section 1310A (42 U.S.C. 4017a);

“(vi) the availability of borrowing authority under section 1309 (42 U.S.C. 4016);

“(vii) the ability of the Administrator to repay outstanding debt;
“(viii) amounts appropriated to the Administrator to carry out the national flood insurance program;

“(ix) reinsurance, capital markets, catastrophe bonds, collateralized reinsurance, resilience bonds, and other insurance-linked securities, and other risk transfer opportunities; and

“(x) any other factor the Administrator determines appropriate.

“(D) Multi-year contracts.—Nothing in this paragraph may be construed to prevent or prohibit the Administrator from complying with the requirement under subparagraph (A) regarding ceding risk through contracts having a duration longer than one year.”.

SEC. 4. ADJUSTMENTS TO HOMEOWNER FLOOD INSURANCE AFFORDABILITY SURCHARGE.

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

(1) in subsection (a), by striking the first sentence and inserting the following: “The Administrator shall impose and collect a non-refundable annual surcharge, in the amount provided in sub-
section (b), on all policies for flood insurance coverage under the National Flood Insurance Program that are newly issued or renewed after the date of the enactment of this section” ; and

(2) by striking subsection (b) and inserting the following new subsection:

“(b) AMOUNT.—The amount of the surcharge under subsection (a) shall be $40, except as follows:

“(1) NON-PRIMARY RESIDENCES ELIGIBLE FOR PRP.—The amount of the surcharge under subsection (a) shall be $125 in the case of a policy for any property that is—

“(A) a residential property that is not the primary residence of an individual, and

“(B) eligible for preferred risk rate method premiums.

“(2) NON-RESIDENTIAL PROPERTIES AND NON-PRIMARY RESIDENCES NOT ELIGIBLE FOR PRP.—The amount of the surcharge under subsection (a) shall be $275 in case of a policy for any property that is—

“(A) a non-residential property; or

“(B) a residential property that is—

“(i) not the primary residence of an individual; and
“(ii) not eligible for preferred risk rate method premiums.”.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to policies for flood insurance coverage under the National Flood Insurance Act of 1968 that are newly issued or renewed after the expiration of the 12-month period beginning on the date of the enactment of this Act.

SEC. 5. NATIONAL FLOOD INSURANCE RESERVE FUND COMPLIANCE.

Section 1310A of the National Flood Insurance Act of 1968 (42 U.S.C. 4017A) is amended—

(1) in subsection (c)(2)(D), by inserting before the period at the end the following: “, including any provisions relating to chargeable premium rates or annual increases of such rates”;

(2) in subsection (c)(3), by striking subparagraph (A) and inserting the following new subparagraph:

“(A) PARITY.—In exercising the authority granted under paragraph (1) to increase premiums, the Administrator shall institute a single annual, uniform rate of assessment for all individual policyholders.”; and

(3) in subsection (d)—
(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) IN GENERAL.—Beginning in fiscal year 2018 and not ending until the fiscal year in which the ratio required under subsection (b) is achieved—

“(A) in each fiscal year the Administrator shall place in the Reserve Fund an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b); and

“(B) if in any given fiscal year the Administrator fails to comply with subparagraph (A), for the following fiscal year the Administrator shall increase the rate of the annual assessment pursuant to subsection (c)(3)(A) by at least one percentage point over the rate of the annual assessment pursuant to subsection (c)(3)(A) in effect on the first day of such given fiscal year.”;

(B) in paragraph (2), by inserting before the period at the end the following: “nor to increase assessments pursuant to paragraph (1)(B)”;

(C) in paragraph (3), by inserting before the period at the end the following: “and paragraph (1)(B) shall apply until the fiscal year in
which the ratio required under subsection (b) is achieved”.

SEC. 6. DESIGNATION AND TREATMENT OF MULTIPLE LOSS PROPERTIES.

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

(1) in subsection (a)—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (15) as paragraphs (7) through (14), respectively; and

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

“(d) MULTIPLE-LOSS PROPERTIES.—

“(1) DEFINITIONS.—As used in this title:

“(A) MULTIPLE-LOSS PROPERTY.—The term ‘multiple-loss property’ means any property that is a repetitive-loss property, a severe repetitive-loss property, or an extreme repetitive-loss property.

“(B) REPEITIVE-LOSS PROPERTY.—The term ‘repetitive-loss property’ means a structure that has incurred flood damage for which two or more separate claims payments of any
amount have been made under flood insurance coverage under this title;

“(C) Severe repetitive-loss property.—The term ‘severe repetitive-loss property’ means a structure that has incurred flood damage for which—

“(i) 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding $5,000, and with the cumulative amount of such claims payments exceeding $20,000; or

“(ii) at least 2 separate claims payments have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding the value of the structure.

“(D) Extreme repetitive-loss property.—The term ‘extreme repetitive-loss property’ means a structure that has incurred flood damage for which at least 2 separate claims have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding 150 percent of
the maximum coverage amount available for the structure.

“(2) TREATMENT OF CLAIMS BEFORE COMPLIANCE WITH STATE AND LOCAL REQUIREMENTS.—
The Administrator shall not consider claims that occurred before a structure was made compliant with State and local floodplain management requirements for purposes of determining a structure’s status as a multiple-loss property.”.

(b) PREMIUM ADJUSTMENT TO REFLECT CURRENT FLOOD RISK.—

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

“(n) PREMIUM ADJUSTMENT TO REFLECT CURRENT FLOOD RISK.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Administrator shall rate a multiple-loss property that is charged a risk premium rate estimated under section 1307(a)(1) (42 U.S.C. 4014(a)(1)) based on the current risk of flood reflected in the flood insurance rate map in effect at the time of rating.
“(2) ADJUSTMENT FOR EXISTING POLICIES.—

For policies for flood insurance under this title in force on the date of the enactment of this Act for properties described in paragraph (1)—

“(A) notwithstanding subsection (e) of this section, the Administrator shall increase risk premium rates by not less than 15 percent each year until such rates comply with paragraph (1) of this subsection.; and

“(B) any rate increases required by paragraph (1) shall commence following a claim payment for flood loss under coverage made available this title that occurred after the date of enactment of this Act.”.

(2) CONFORMING AMENDMENT.—Section 1307(g)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(2)) is amended by striking subparagraph (B) and inserting the following new subparagraph:

“(B) in connection with a multiple-loss property.”.

(c) PRE-FIRM MULTIPLE LOSS PROPERTY.—

(1) TERMINATION OF SUBSIDY.—Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended—
(A) in subsection (a)(2)—

(i) by striking subparagraph (C) and inserting the following new subparagraph:

“(C) any extreme repetitive-loss property;”;

(ii) in subparagraph (D), by striking “or”;

(iii) in subparagraph (E)—

(I) in clause (i), by striking “fair”; and

(II) in clause (ii)—

(aa) by striking “fair”; and

(bb) by striking “and” and inserting “or”; and

(iv) by adding at the end the following new subparagraph:

“(F) any repetitive-loss property that has received a claim payment for flood loss under coverage made available this title that occurred after the date of enactment of this Act; and”;

and

(B) by striking subsection (h).

(2) ANNUAL LIMITATION ON PREMIUM INCREASES.—Subsection (e) of section 1308 of the
National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4), by striking “described under paragraph (3).” and inserting “estimated under section 1307(a)(1); and”; and

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

“(5) the chargeable risk premium rates for flood insurance under this title for any properties described in subparagraph (F) of section 1307(a)(2) shall be increased by not less than 15 percent each year, until the average risk premium rate for such properties is equal to the average of the risk premium rates for properties estimated under section 1307(a)(1).”.

(d) Minimum Deductibles for Multiple-Loss Properties.—

(1) Clerical Amendment.—The National Flood Insurance Act of 1968 is amended—

(A) by transferring subsection (b) of section 1312 (42 U.S.C. 4019(b)) to 1306 (42 U.S.C. 4013), inserting such subsection at the
end of such section, and redesignating such
subsection as subsection (e);

(B) in section 1312 (42 U.S.C. 4019), by
redesignating subsection (e) as subsection (b).

(2) MULTIPLE-LOSS PROPERTIES.—Subsection
(e) of section 1306 of the National Flood Insurance
Act of 1968 (42 U.S.C. 4013(e)), as so added and
redesignated by paragraph (1) of this subsection, is
amended adding at the end the following new para-
graph:

“(3) MULTIPLE-LOSS PROPERTIES.—Notwith-
standing paragraph (1) or (2), the minimum annual
deductible for damage to any multiple-loss property
shall be not less than $5,000.”.

(e) CLAIM HISTORY VALIDATION.—Beginning not
later than the expiration of the 180-day period beginning
on the date of the enactment of this Act, the Adminis-
trator of the Federal Emergency Management Agency
shall undertake efforts to validate the reasonable accuracy
of claim history data maintained pursuant to the National
Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

(f) INCREASED COST OF COMPLIANCE COVERAGE.—
Paragraph (1) of section 1304(b) of the National Flood
Insurance Act of 1968 (42 U.S.C. 4011(b)(1)) is amended
by striking “repetitive loss structures” and inserting “multiple-loss properties”.

(g) Availability of Insurance for Multiple-Loss Properties.—

(1) In General.—The National Flood Insurance Act of 1968 is amended by inserting after section 1304 (42 U.S.C. 4011) the following new section:

“SEC. 1304A. AVAILABILITY OF INSURANCE FOR MULTIPLE-LOSS PROPERTIES.

“(a) Date and Information Identifying Current Flood Risk.—The Administrator may provide flood insurance coverage under this title for a multiple-loss property only if the owner of the property submits to the Administrator such data and information necessary to determine such property’s current risk of flood, as determined by the Administrator, at the time of application for or renewal of such coverage.

“(b) Refusal to Mitigate.—The Administrator may not make flood insurance coverage available under this title for any extreme repetitive-loss property for which a claim payment for flood loss was made under coverage made available under this title that occurred after the date of enactment of the National Flood Insurance Program Integrity Improvement Act of 2017 if the property owner
refuses an offer of mitigation for the property under section 1366(a)(2) (42 U.S.C. 4104c(a)(2))."

(2) EFFECTIVE DATE.—Section 1304A of the National Flood Insurance Act of 1968, as added by paragraph (1) of this subsection, shall apply beginning upon the expiration of the 12-month period beginning on the date of the enactment of this Act.

(h) RATES FOR PROPERTIES NEWLY MAPPED INTO AREAS WITH SPECIAL FLOOD HAZARDS.—Subsection (i) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(i)) is amended—

(1) by striking the subsection designation and all that follows through "Notwithstanding" and inserting the following:

"(i) RATES FOR PROPERTIES NEWLY MAPPED INTO AREAS WITH SPECIAL FLOOD HAZARDS.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving the left margins of such subparagraphs, as so redesignated, and the matter following subparagraph (B), 2 ems to the right;

(3) by adding at the end the following new paragraph:
“(2) Inapplicability to multiple-loss properties.—Paragraph (1) shall not apply to multiple-loss properties.”.

(i) Clear Communication of Multiple-loss Property Status.—

(1) In general.—Subsection (l) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(l)) is amended—

(A) by striking the subsection designation and all that follows through “The Administrator” and inserting the following:

“(l) Clear Communications.—

“(1) Individual property owners.—The Administrator’; and

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

“(2) Multiple-loss properties.—Pursuant to paragraph (1), the Administrator shall clearly communicate to all policyholders for multiple-loss properties the effect on the premium rates charged for such a property of filing any further claims under a flood insurance policy with respect to that property”.
(j) MITIGATION ASSISTANCE PROGRAM.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting after the period at the end of the first sentence the following: “Priority under the program shall be given to providing assistance with respect to multiple-loss properties.”;

(B) in paragraph (1), by inserting “and” after the semicolon at the end; and

(C) by striking paragraphs (2) and (3) and inserting the following:

“(2) to property owners, in coordination with the State and community, in the form of direct grants under this section for carrying out mitigation activities that reduce flood damage to extreme repetitive-loss properties.

The Administrator shall take such actions as may be necessary to ensure that grants under this subsection are provided in a manner that is consistent with the delivery of coverage for increased cost of compliance provided under section 1304(b).”;}
(2) in subsection (c)(2)(A)(ii), by striking “severe repetitive loss structures” and inserting “multiple-loss properties”;

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking “SEVERE REPETITIVE LOSS STRUCTURES” and inserting “EXTREME REPETITIVE-LOSS PROPERTIES”; and

(ii) by striking “severe repetitive loss structures” and inserting “extreme repetitive-loss properties”;

(B) in paragraph (2)—

(i) by striking “REPETITIVE LOSS STRUCTURES” and inserting “SEVERE REPETITIVE-LOSS PROPERTIES”; and

(ii) by striking “repetitive loss structures” and inserting “severe repetitive-loss properties”; and

(iii) by striking “90 percent” and inserting “100 percent”;

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following new paragraph:
“(3) REPETITIVE-LOSS PROPERTY.—In the case
of mitigation activities to repetitive-loss properties,
in an amount up to 100 percent of all eligible
costs.”;

(4) in subsection (h)—

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

(B) by striking the subsection designation
and all that follows through “shall apply:”; and

(C) in paragraph (1)—

(i) by striking “COMMUNITY” and in-
serting “DEFINITION OF COMMUNITY”;

(ii) by striking “The” and inserting
“For purposes of this section, the”;

(iii) by redesignating such paragraph
as subsection (i);

(iv) in subparagraph (B), by striking
“subparagraph (A)” and inserting “para-
graph (1)”;

(v) by redesignating subparagraphs
(A) and (B) as paragraphs (1) and (2), re-
spectively; and

(vi) by moving the left margins of
subsection (h) and paragraphs (1) and (2),
all as so redesignated, two ems to the left;
(5) by inserting after subsection (g) the following new subsection:

“(h) FUNDING.—Notwithstanding any provision of law, any funds appropriated for assistance under this title may be transferred to the National Flood Insurance Fund established under section 1310 (42 U.S.C. 4017) for the payment of claims to enable the Administrator to deliver grants under subsection (a)(2) of this section to align with the delivery of coverage for increased cost of compliance for extreme repetitive-loss properties.”.

SEC. 7. ELIMINATION OF COVERAGE FOR PROPERTIES WITH EXCESSIVE LIFETIME CLAIMS.

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

“(e) PROHIBITION OF COVERAGE FOR PROPERTIES WITH EXCESSIVE LIFETIME CLAIMS.—After the expiration of the 18-month period beginning on the date of the enactment of this subsection, the Administrator may not make available any new or renewed coverage for flood insurance under this title for any multiple-loss property for which the aggregate amount in claims payments that have been made after the expiration of such period under flood insurance coverage under this title exceeds twice the amount of the replacement value of the structure.”.
SEC. 8. ADDRESSING TOMORROW’S HIGH-RISK STRUCTURES TODAY.

The National Flood Insurance Act of 1968 is amended—

(1) in section 1305 (42 U.S.C. 4012), by adding at the end the following new subsections:

“(e) REDUCING FUTURE RISKS OF THE NATIONAL FLOOD INSURANCE FUND.—

“(1) PROHIBITION OF NEW COVERAGE FOR HIGH-RISK PROPERTIES.—Except as provided in subsection (f) and notwithstanding any other provision of this title, in carrying out the fiduciary responsibility to the National Flood Insurance Program under section 1309(e) (42 U.S.C. 4016(e)) and to reduce future risks to the National Flood Insurance Fund, on or after January 1, 2021, the Administrator may not make available flood insurance coverage under this title as follows:

“(A) NEW STRUCTURES ADDED TO FLOOD HAZARD ZONES.—Any new coverage for any property for which new construction is commenced on or after such date and that, upon completion of such construction, is located in an area having special flood hazards.

“(B) STRUCTURES WITH HIGH-VALUE REPLACEMENT COSTS.—Any new or renewed cov-
verage for any residential property having 4 or fewer residences and a replacement value of the structure, at the time, exclusive of the value of the real estate on which the structure is located, of $1,000,000 or more (as such amount is adjusted pursuant to clause (i)), subject to the following provisions:

“(i) ADJUSTMENT OF AMOUNTS.—

The dollar amount in the matter of this subparagraph that precedes this clause (as it may have been previously adjusted) shall be adjusted for inflation by the Administrator upon the expiration of the 5-year period beginning upon the enactment of this subsection and upon the expiration of each successive 5-year period thereafter, in accordance with an inflationary index selected by the Administrator.

“(ii) VALUATION.—The Administrator shall determine the replacement value of a property for purposes of this subparagraph using such valuation methods or indicia as the Administrator determines are reasonably accurate, consistent, reliable, and available for such purposes.
“(C) Actuarial structures with hidden risks.—Any renewal of coverage, for any property for which the chargeable risk premium rate under the policy being renewed is not less than the applicable estimated risk premium rate under section 1307(a)(1), having a chargeable risk premium rate that is less than the applicable estimated risk premium rate under section 1307(a)(1).

“(2) Implementation.—The Administrator may implement this subsection without rulemaking, except that any such implementation shall include advance publication of notice in the Federal Register or advance notice by another comparable method, such as posting on an official website of the Administrator.

“(f) Availability of otherwise prohibited flood insurance during counter-cyclical market adjustment.—

“(1) Authority.—Upon the effectiveness of a determination under paragraph (2) with respect to a geographical area, the Administrator may temporarily make available, for properties that are described in subparagraph (A) or (B), or both, of subsection (e)(1), and are located in such area, direct
coverage for flood insurance under such Act, not-withstanding subsection (e), during the period that begins upon such determination and ends upon the termination date with respect to such period determined under paragraph (7) of this subsection.

“(2) Determination of market contraction.—A determination under this paragraph for a geographical area is a determination, made by the State insurance regulator for the affected geographical area, that the availability or affordability of private flood insurance coverage in the United States for properties that are described in subparagraph (A) or (B), or both, of subsection (e)(1) and are located in such area has contracted significantly, made in accordance with the following requirements:

“(A) The State insurance coordinator has determined that there is no evidence that the State regulatory or legislative structure has unduly hindered the ability of private insurance carriers to compete in the State.

“(B) The State insurance coordinator has determined that there is evidence of a low market penetration of private flood insurance in the State, or a geographic area of the State, where
private insurance carriers have been allowed to participate in the market in a fair process.

“(C) The State insurance coordinator has determined that private insurers have been given an opportunity to offer flood insurance but have failed to penetrate the markets by more than 10 percent of the market share for flood insurance.

“(D) The determination under this paragraph was made after the State insurance commissioner provided private insurance carriers and consumers an opportunity to provide information regarding the determination under this paragraph, which included holding a public hearing regarding such determination at which to provide such information that was held not less than 45 days after public notice of the time and place of such hearing was first made available.

“(E) The Secretary of the Treasury has confirmed the determination under this paragraph based on the conditions of the insurance market for such determination, including the geographic area subject to the determination.
“(3) Effective Date.—A determination under paragraph (2) shall take effect for purposes of paragraph (1) upon receipt by the Administrator of written notice of such determination, in accordance with such requirements as the Administrator shall establish.

“(4) Surcharge.—Any flood insurance coverage made available for a property pursuant to this subsection shall be made available at chargeable premium rates otherwise determined under this title for such property, notwithstanding subsection (e), except that the Administrator shall impose and collect a surcharge for such coverage in an amount equal to 10 percent of such chargeable premium rate.

“(5) Conditions for Termination.—Upon making a determination under paragraph (2), the Administrator shall also identify measurable criteria for determining when the conditions determined under paragraph (2) have ceased to exist for the affected geographical area.

“(6) Notice to Congress.—Upon making a determination under paragraph (2), the Administrator shall provide, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs
of the Senate, written notice of such determination, the geographical area to which such determination applies, and the specific measurable criteria identified pursuant to paragraph (5).

“(7) TERMINATION.—The authority to make direct flood insurance coverage available pursuant to this subsection shall terminate upon the earlier of—

“(A) the expiration of the 12-month period beginning upon the date that notice under paragraph (6) is provided to the specified Committees; or

“(B) the occurrence of the conditions identified pursuant to paragraph (5).

“(8) RULES OF CONSTRUCTION.—

“(A) MULTIPLE DETERMINATIONS.—Nothing in this subsection may be construed to prevent multiple or consecutive periods during which direct flood insurance coverage may be made available pursuant to this subsection for properties referred to in subsection (e)(1).

“(B) EFFECTIVENESS OF POLICIES.—The termination pursuant to paragraph (7) of authority to make direct flood insurance coverage available pursuant to this subsection may not be construed to affect the effectiveness or term
of coverage of any policy for such coverage pur-
chased pursuant to such authority.”; and

(2) in section 1306(a)(1) (42 U.S.C.
4013(a)(1)), by inserting “, subject to subsections
(e) and (f) of section 1305” before the semicolon at
the end.

SEC. 9. ALLOWANCE FOR WRITE YOUR OWN COMPANIES.

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

“(f) ALLOWANCE FOR WRITE YOUR OWN COMPANIES.—The allowance paid to companies participating in
the Write Your Own Program (as such term is defined
in section 1370 (42 U.S.C. 4121) with respect to a policy
for flood insurance coverage made available under this
title shall not be greater than 25 percent of the chargeable
premium for such coverage.”.

SEC. 10. ENFORCEMENT OF MANDATORY PURCHASE RE-
QUIREMENTS.

(a) PENALTIES.—Paragraph (5) of section 102(f) of
the Flood Disaster Protection Act of 1973 (42 U.S.C.
4012a(f)(5)) is amended by striking “$2,000” and insert-
ing “$5,000”.

(b) INSURED DEPOSITORY INSTITUTIONS.—Subpara-
graph (A) of section 10(i)(2) of the Federal Deposit Insur-
ance Act (12 U.S.C. 1820(i0(2)(A)) is amended by striking “date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 and biennially thereafter for the next 4 years” and inserting “date of enactment of the National Flood Insurance Program Integrity Improvement Act of 2017 and biennially thereafter”.

(c) CREDIT UNIONS.—Subparagraph (A) of section 204(e)(2) of the Federal Credit Union Act (12 U.S.C. 1784(e)(2)(A)) is amended by striking “date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 and biennially thereafter for the next 4 years” and inserting “date of enactment of the National Flood Insurance Program Integrity Improvement Act of 2017 and annually thereafter”.

(d) GOVERNMENT-SPONSORED ENTERPRISES.—Paragraph (4) of section 1319B(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4521(a)(4)) is amended, in the matter after and below subparagraph (B), by striking “first, third, and fifth annual reports under this subsection required to be submitted after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994” and inserting “first annual report under this
subsection required to be submitted after the expiration of the 1-year period beginning on the date of enactment of the National Flood Insurance Program Integrity Improvement Act of 2017 and every such second annual report thereafter”.

(e) MANDATORY PURCHASE GUIDELINES.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall update and reissue the rescinded document of the Administrator entitled “Mandatory Purchase of Flood Insurance Guidelines” (last updated on October 29, 2014).

SEC. 11. SATISFACTION OF MANDATORY PURCHASE REQUIREMENT IN STATES REQUIRING FLOOD COVERAGE IN ALL-PERILS POLICIES.

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

(1) in subsection (a), by striking “After” and inserting “Subject to subsection (i) of this section, after”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “Each” and inserting “Subject to subsection (i) of this section, each”;
(B) in paragraph (2), by striking “Each” and inserting “Subject to subsection (i) of this section, A”; and

(C) in paragraph (3), by striking “The” and inserting “Subject to subsection (i) of this section, the”;

(3) in subsection (e)(1), by striking “If” and inserting “Subject to subsection (i) of this section, if”; and

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

“(i) SATISFACTION OF MANDATORY PURCHASE REQUIREMENT IN STATES REQUIRING FLOOD COVERAGE IN ALL-PERILS POLICIES.—

“(1) Waivers.—Subsections (a), (b), and (e) of section 102 shall not apply with respect to residential properties in any State for which the Administrator determines that State law, including any regulation or executive order, requires that with respect to residential properties any property insurance coverage that covers all perils except specifically excluded perils shall include coverage for flood perils in an amount at least equal to the outstanding principal balance of the loan or the maximum limit of flood insurance coverage made available under this
title with respect to such type of residential property, whichever is less.

“(2) DEFINITIONS, PROCEDURES, STANDARDS.—The Administrator may establish such definitions, procedures, and standards as the Administrator considers necessary for making determinations under paragraph (1).”.

SEC. 12. FLOOD INSURANCE PURCHASE REQUIREMENTS.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by section 11 of this Act, is further amended —

(1) in subsection (c)(2)(A), by striking “$5,000 or less” and inserting the following: “$25,000 or less, except that such amount (as it may have been previously adjusted) shall be adjusted for inflation by the Administrator upon the expiration of the 5-year period beginning upon the enactment of the National Flood Insurance Program Integrity Improvement Act of 2017 and upon the expiration of each successive 5-year period thereafter, in accordance with an inflationary index selected by the Administrator”; and

(2) by adding at the end the following new subsection:
“(j) Flood Insurance Purchase Requirements.—Notwithstanding any other provision of law, a State or local government or private lender may require the purchase of flood insurance coverage for a structure that is located outside of an area having special flood hazards.”.
115TH CONGRESS
1ST SESSION

H. R. ______

To provide for administrative reforms to the National Flood Insurance Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. ______ introduced the following bill; which was referred to the Committee on ______________________

A BILL

To provide for administrative reforms to the National Flood Insurance Program, and for other purposes.

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

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “National Flood Insurance Program Administrative Reform Act of 2017”.

SEC. 2. PENALTIES FOR FRAUD AND FALSE STATEMENTS IN THE NATIONAL FLOOD INSURANCE PROGRAM.

Part C of chapter 2 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding at the end the following new section:

“SEC. 1349. PENALTIES FOR FRAUD AND FALSE STATEMENTS IN THE NATIONAL FLOOD INSURANCE PROGRAM.

“(a) OFFENSE.—The Administrator shall prohibit, in the preparation, production, or submission of any report in connection with the proving or adjusting of a claim for flood insurance coverage made available under this title, including any engineering report or claims adjustment report, any person to knowingly engage in the practice of engineering without a license, to knowingly forge any such report, or to knowingly make any materially false, fictitious, or fraudulent statement or representation in such a report.

“(b) PENALTIES.—Whoever violates subsection (a) shall be subject to such penalties as the Administrator and the Secretary of Homeland Security shall, by regulation, establish, which may include suspension and debarment from participation in the National Flood Insurance Program.”.
SEC. 3. ENHANCED POLICYHOLDER APPEALS PROCESS RIGHTS.

Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“SEC. 1350. APPROVAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

“(a) In General.—The Administrator shall establish an appeals process to enable holders of a flood insurance policy provided under this title to appeal the decisions of their insurer, with respect to the disallowance, in whole or in part, of any claims for proved and approved losses covered by flood insurance. Such appeals shall be limited to the claim or portion of the claim disallowed by the insurer.

“(b) Appeal Decision.—Upon a decision in an appeal under subsection (a), the Administrator shall provide the policyholder with a written appeal decision. The appeal decision shall explain the Administrator’s determination to uphold or overturn the decision of the flood insurer. The Administrator may direct the flood insurer to take action necessary to resolve the appeal, to include re-inspection, re-adjustment, or payment, as appropriate.

“(c) Rules of Construction.—This section shall not be construed as—
“(1) making the Federal Emergency Management Agency or the Administrator a party to the flood insurance contract; or
“(2) creating any action or remedy not otherwise provided by this title.’”

SEC. 4. DEADLINE FOR APPROVAL OF CLAIMS.

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

(1) in subsection (a), by striking “The Administrator” and inserting “Subject to other provisions of this section, the Administrator”; and

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

“(d) DEADLINE FOR APPROVAL OF CLAIMS.—

“(1) IN GENERAL.—The Administrator shall provide that, in the case of any claim for damage to or loss of property under flood insurance coverage made available under this title, a final determination regarding approval of a claim for payment or disapproval of the claim be made, and notification of such determination be provided to the insured making such claim, not later than the expiration of the 90-day period (as such period may be extended pursuant to paragraph (2)) beginning upon the day on
which such claim was made. Payment of approved claims shall be made as soon as possible after such approval.

“(2) Extension of Deadline.—The Administrator shall provide that the period referred to in paragraph (1) may be extended by a single additional period of 15 days in cases where extraordinary circumstances are demonstrated. The Administrator shall, by regulation, establish criteria for demonstrating such extraordinary circumstances and for determining to which claims such extraordinary circumstances apply.”.

(b) Applicability.—The amendments made by subsection (a) shall apply to any claim under flood insurance coverage made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) pending on the date of the enactment of this Act and any claims made after such date of enactment.

SEC. 5. Litigation Process Oversight and Reform.

(a) In General.—Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:
“SEC. 1351. OVERSIGHT OF LITIGATION.

“(a) OVERSIGHT.—The Administrator shall monitor and oversee litigation conducted by Write Your Own companies arising under contracts for flood insurance sold pursuant to this title, to ensure that—

“(1) litigation expenses are reasonable, appropriate, and cost-effective; and

“(2) Write Your Own companies comply with guidance and procedures established by the Administrator regarding the conduct of litigation.

“(b) DENIAL OF REIMBURSEMENT FOR EXPENSES.—The Administrator may deny reimbursement for litigation expenses that are determined to be unreasonable, excessive, contrary to guidance issued by the Administrator, or outside the scope of any arrangement entered into with a Write Your Own company.

“(c) LITIGATION STRATEGY.—The Administrator may direct litigation strategy for claims arising under a contract for flood insurance sold by a Write Your Own company.

“(d) SUBSTITUTION.—If at any time, the Administrator determines there is a conflict of interest between the Write Your Own company and the National Flood Insurance Program, or it is in the best interest of the United States, the Administrator may promptly take any necessary action to be substituted for the WYO company in
any action arising out of any claim arising under a con-
tract for flood insurance sold by a Write Your Own com-
pany.”.

(b) IMPLEMENTATION.—The Administrator of the
Federal Emergency Management Agency shall initiate
compliance with Section 1352(d) of the National Flood In-
surance Act of 1968, as added by the amendment made
by subsection (a) of this section, not later than the expira-
tion of the 12-month period beginning on the date of the
enactment of this Act.

SEC. 6. PROHIBITION ON HIRING DISBARRED ATTORNEYS.

Part C of chapter II of the National Flood Insurance
Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the
preceding provisions of this Act, is further amended by
adding at the end the following new section:

“SEC. 1352. PROHIBITION ON HIRING DISBARRED ATTOR-
NEYS.

“The Administrator may not at any time newly em-
ploy in connection with the flood insurance program under
this title any attorney who has been suspended or dis-
barred by any court, bar, or Federal or State agency to
which the individual was previously admitted to practice.”.
SEC. 7. UNDERPAYMENT OF CLAIMS BY WRITE YOUR OWN COMPANIES.

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

“(f) UNDERPAYMENT OF CLAIMS BY WYO COMPANIES.—The Administrator shall establish penalties for companies participating in the Write Your Own program knowingly underpaying claims for losses covered by flood insurance made available under this title, which penalties shall be commensurate, with respect to the amount of the penalty, to the penalties applicable to overpayment of such claims by a similar amount by such companies.”.

SEC. 8. TECHNICAL ASSISTANCE REPORTS.

(a) USE.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(e) USE OF TECHNICAL ASSISTANCE REPORTS.—When adjusting claims for any damage to or loss of property which is covered by flood insurance made available under this title, the Administrator may rely upon technical assistance reports, as such term is defined in section 1312A, only if such reports are final and are prepared in compliance with applicable State and Federal laws regarding professional licensure and conduct.”.
(b) DISCLOSURE.—The National Flood Insurance Act of 1968 is amended by inserting after section 1312 (42 U.S.C. 4019) the following new section:

“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE REPORTS.

“(a) IN GENERAL.—Notwithstanding section 552a of title 5, United States Code, upon request by a policyholder, the Administrator shall provide a true, complete, and unredacted copy of any technical assistance report that the Administrator relied upon in adjusting and paying for any damage to or loss of property insured by the policyholder and covered by flood insurance made available under this title. Such disclosures shall be in addition to any other right of disclosure otherwise made available pursuant such section 552a or any other provision of law.

“(b) DIRECT DISCLOSURE BY WRITE YOUR OWN COMPANIES AND DIRECT SERVICING AGENTS.—A Write Your Own company or direct servicing agent in possession of a technical assistance report subject to disclosure under subsection (a) may disclose such technical assistance report without further review or approval by the Administrator.

“(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:
“(1) POLICYHOLDER.—The term ‘policyholder’ means a person or persons shown as an insured on the declarations page of a policy for flood insurance coverage sold pursuant to this title.

“(2) TECHNICAL ASSISTANCE REPORT.—The term ‘technical assistance report’ means a report created for the purpose of furnishing technical assistance to an insurance claims adjuster assigned by the National Flood Insurance Program, including by engineers, surveyors, salvors, architects, and certified public accounts.’”

SEC. 9. IMPROVED DISCLOSURE REQUIREMENT FOR STANDARD FLOOD INSURANCE POLICIES.

Section 100234 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4013a) is amended by adding at the end the following new subsections:

“(c) DISCLOSURE OF COVERAGE.—

“(1) DISCLOSURE SHEET.—Each policy under the National Flood Insurance Program shall include a disclosure sheet that sets forth, in plain language—

“(A) the definition of the term ‘flood’ for purposes of coverage under the policy;

“(B) a description of what type of flood forces are necessary so that losses from an
event are covered under the policy, including overflow of inland or tidal waves, unusual and rapid accumulation or runoff of a surface any source, and mudflow;

“(C) a statement of the types and characteristics of losses that are not covered under the policy;

“(D) a summary of total cost and amount of insurance coverage, and any other information relating to such coverage required to be disclosed under section 1308(l) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(l));

“(E) a statement that the disclosure sheet provides general information about the policyholder’s standard flood insurance policy;

“(F) a statement that the standard flood insurance policy, together with the application, endorsements, and declarations page, make up the official contract and are controlling in the event that there is any difference between the information on the disclosure sheet and the information in the policy; and

“(G) a statement that if the policyholder has any questions regarding information in the
disclosure sheet or policy he or she should con-
tact the entity selling the policy on behalf of the
Program, together with contact information suf-
ficient to allow the policyholder to contact such
entity.

“(2) ACKNOWLEDGMENT SHEET.—Each policy
under the National Flood Insurance Program shall
include an acknowledgment sheet that sets forth, in
plain language—

“(A) a statement of whether or not there
is a basement in the property to be covered by
the policy;

“(B) a statement of whether or not the
policy provides coverage for the contents of the
property covered by the policy;

“(C) a statement that the standard flood
insurance policy, together with the application,
endorsements, and declarations page, make up
the official contract and are controlling in the
event that there is any difference between the
information on the acknowledgment sheet and
the information in the policy; and

“(D) a statement that if the policyholder
has any questions regarding information in the
acknowledgment sheet or policy he or she
should contact the entity selling the policy on behalf of the Program, together with contact information sufficient to allow the policyholder to contact such entity.

“(3) REQUIRED SIGNATURES.—A policy for flood insurance coverage under the National Flood Insurance Program may not take effect unless the disclosure sheet required under paragraph (1) and the acknowledgment sheet required under paragraph (2), with respect to the policy, are signed and dated by the policyholder and the seller of the policy who is acting on behalf of the Program.”.

SEC. 10. RESERVE FUND AMOUNTS.

Section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017) is amended by adding at the end the following new subsection:

“(g) CREDITING OF RESERVE FUND AMOUNTS.—Funds collected pursuant to section 1310A may be credited to the Fund under this section to be available for the purpose described in subsection (d)(1).”.

SEC. 11. SUFFICIENT STAFFING FOR OFFICE OF FLOOD INSURANCE ADVOCATE.

(a) IN GENERAL.—Section 24 of the Homeowner Flood Insurance Affordability Act of 2014 (42 U.S.C.
is amended by adding at the end the following new subsection:

“(c) STAFF.—The Administrator shall ensure that the Flood Insurance Advocate has sufficient staff to carry out all of the duties and responsibilities of the Advocate under this section, which shall include providing direction as necessary, including by direct conversations with insurance agents.”.

(b) TIMING.—The Administrator of the Federal Emergency Management Agency shall take such actions as may be necessary to provide for full compliance with section 24(c) of the Homeowner Flood Insurance Affordability Act of 2014, as added by the amendment made by subsection (a) of this section, not later than the expiration of the 180-day period beginning on the date of the enactment of this Act.

SEC. 12. TECHNICAL INSURANCE ADVISORY COUNCIL.

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

(b) MEMBERSHIP.—The Council shall consist of—

(1) the Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”, or the designee thereof;
(2) the Secretary of the Treasury, or the designee thereof; and

(3) additional members appointed by the Administrator or the designee of the Administrator, who shall be—

(A) two representatives of the property and casualty insurance sector;

(B) two individuals who served in the past, or are currently serving, as an insurance regulator of a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, or any federally-recognized Indian tribe;

(C) two representatives of the financial or insurance sectors who are involved in risk transfers, including reinsurance, resilience bonds, and other insurance-linked securities;

(D) one representative of a recognized consumer advocacy organization;

(E) one individual having demonstrated expertise in the challenges in insuring low-income communities;
(F) one representative from an academic institution who has demonstrated expertise in insurance; and

(G) such other recognized experts in the field of insurance as the Administrator considers necessary.

(e) DUTIES.—The Council shall review, and make recommendations to the Administrator, on matters related to the insurance aspects of the National Flood Insurance Program, including ratemaking, technology to administer insurance, risk assessment, compensation and allowances, generally and based on the complexities of the program, and best insurance practices.

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

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

(f) MEETINGS AND ACTIONS.—

(1) IN GENERAL.—The Council shall meet not less frequently than twice each year at the request of the Chairperson or a majority of its members, and may take action by a vote of the majority of the members.
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(2) INITIAL MEETING.—The Administrator, or a person designated by the Administrator, shall request and coordinate the initial meeting of the Council.

(g) STAFF OF FEMA.—Upon the request of the Chairperson, the Administrator may detail, on a non-reimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

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

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

(1) the recommendations made by the Council;

(2) actions taken by the Federal Emergency Management Agency to address such recommendations to improve the insurance aspects of the national flood insurance program; and
(3) any recommendations made by the Council that have been deferred or not acted upon, together with an explanatory statement.

SEC. 13. INTERAGENCY GUIDANCE ON COMPLIANCE.

Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, and at least biennial thereafter, the Administrator of the Federal Emergency Management Agency, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration shall update and reissue the document entitled “Interagency Questions and Answers Regarding Flood Insurance”.

SEC. 14. GAO STUDY OF CLAIMS ADJUSTMENT PRACTICES.

The Comptroller General of the United States shall conduct a study of the policies and practices for adjustment of claims for losses under flood insurance coverage made available under the National Flood Insurance Act, which shall include—

(1) a comparison such policies and practices with the policies and practices for adjustment of claims for losses under other insurance coverage;
(2) an assessment the quality of the adjustments conducted and the effects of such policies and practices on such quality;

(3) identification of any incentives under such policies and practices that affect the speed with which such adjustments are conducted; and

(4) identification of the affects of such policies and practices on insureds submitting such claims for losses.

Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the findings and conclusions of the study conducted pursuant to this section.

SEC. 15. GAO STUDY OF FLOOD INSURANCE COVERAGE

TREATMENT OF EARTH MOVEMENT.

The Comptroller General of the United States shall conduct a study of the treatment, under flood insurance coverage made available under the National Flood Insurance Act, of earth movement and subsidence, including earth movement and subsidence caused by flooding, which shall include—
(1) identification and analysis of the effects of such treatment on the National Flood Insurance Program and insureds under the program;

(2) an assessment of the availability and affordability of coverage in the private insurance market for earth movement and subsidence caused by flooding; and

(3) an assessment of the effects on the National Flood Insurance Program of covering earth movement and subsidence caused by flooding.

Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the findings and conclusions of the study conducted pursuant to this section.

SEC. 16. DEFINITIONS.

(a) NATIONAL FLOOD INSURANCE ACT OF 1968.—

Subsection (a) of section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

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

(2) in paragraph (15), by striking the period at the end and inserting a semicolon; and
(3) by adding at the end the following new paragraphs:

“(16) the term ‘Write Your Own Program’ means the program under which the Federal Emergency Management Agency enters into a standard arrangement with private property insurance companies to sell contracts for flood insurance coverage under this title under their own business lines of insurance, and to adjust and pay claims arising under such contracts; and

“(17) the term ‘Write Your Own company’ means a private property insurance company that participates in the Write Your Own Program.”.

(b) BIGGERT-WATERS FLOOD INSURANCE REFORM ACT OF 2012.—Subsection (a) of section 100202 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4004(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

“(5) WRITE YOUR OWN.—The terms ‘Write Your Own Program’ and ‘Write Your Own company’ have the meanings given such terms in section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)).”.