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(Original Signature of Member)

111TH CONGRESS
2D SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

Ms. WATERS introduced the following bill; which was referred to the
Committee on _____

A BILL

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

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

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

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

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Extension of national flood insurance program.
- Sec. 4. Maximum coverage limits.
- Sec. 5. Phase-in of actuarial rates for nonresidential properties and non-primary residences.
- Sec. 6. 5-year delay in effective date of mandatory purchase requirement for new flood hazard areas.
- Sec. 7. 5-year phase-in of flood insurance rates for newly mapped areas.
- Sec. 8. Increase in annual limitation on premium increases.
- Sec. 9. Consideration of construction, reconstruction, and improvement of flood protection systems in determination of flood insurance rates.
- Sec. 10. Treatment of certain flood protection projects.
- Sec. 11. Exception to waiting period for effective date of policies.
- Sec. 12. Enforcement.
- Sec. 13. Notification to tenants of availability of contents insurance.
- Sec. 14. Flood insurance outreach.
- Sec. 15. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 16. Authorization of additional FEMA staff.
- Sec. 17. Plan to verify maintenance of flood insurance on Mississippi and Louisiana properties receiving emergency supplemental funds.
- Sec. 18. Flood insurance advocate.
- Sec. 19. Study regarding mandatory purchase requirement for natural 100-year floodplain and non-federally related loans.
- Sec. 20. Study of methods to increase flood insurance program participation by low-income families.
- Sec. 21. Report on inclusion of building codes in floodplain management criteria.

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

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

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

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

1 (3) although participation in the national flood
2 insurance program has, in the past, largely been lim-
3 ited to properties required to participate in the pro-
4 gram because of the program's mandatory purchase
5 requirement for properties in special flood hazard
6 areas with loans from federally regulated lenders, re-
7 cent annual and extraordinary flooding has resulted
8 in the program enjoying its highest voluntary par-
9 ticipation since the establishment of the mandatory
10 flood insurance purchase requirement;

11 (4) several years of below-average flood claim
12 losses and increased voluntary participation in the
13 national flood insurance program have allowed the
14 program to fully service the debt incurred following
15 Hurricanes Katrina and Rita and allowed the pro-
16 gram to pay \$500,000,000 of the principal of that
17 outstanding debt;

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

24 (6) increased flooding in areas outside des-
25 ignated special flood hazard areas prompted the Ex-

1 executive and the Congress in 2002 to begin calling for
2 the national flood insurance program to develop and
3 disseminate revised, updated flood insurance rate
4 maps that reflect the real risk of flooding for prop-
5 erties not previously identified as being located with-
6 in a special flood hazard area;

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

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

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

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

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

1 (1) to identify priorities essential to the reform
2 and ongoing stable functioning of the national flood
3 insurance program;

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

10 (3) to increase awareness of homeowners of
11 flood risks and improve the information regarding
12 such risks provided to homeowners.

13 **SEC. 3. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-**
14 **GRAM.**

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

19 (b) FINANCING.—Section 1309(a) of such Act (42
20 U.S.C. 4016(a)) is amended by striking “September 30,
21 2008” and inserting “September 30, 2015”.

22 (c) EXTENSION OF PILOT PROGRAM FOR MITIGA-
23 TION OF SEVERE REPETITIVE LOSS PROPERTIES.—Sec-
24 tion 1361A of the National Flood Insurance Act of 1968
25 (42 U.S.C. 4102a) is amended—

1 (1) in subsection (k)(1), by striking “2005,
2 2006, 2007, 2008, and 2009” and inserting “2011,
3 2012, 2013, 2014, and 2015”; and

4 (2) by striking subsection (l).

5 **SEC. 4. MAXIMUM COVERAGE LIMITS.**

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

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

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

12 (3) in paragraph (4)—

13 (A) by striking “\$500,000” each place
14 such term appears and inserting “\$670,000”;
15 and

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

1 insurance so as to enable any such insured or
2 applicant to receive coverage up to a total
3 amount that is equal to the product of the total
4 number of such rental dwelling units in such
5 property and the maximum coverage limit per
6 dwelling unit specified in paragraph (2); except
7 that in the case of any such multi-unit, nonresi-
8 dential rental property that is a pre-FIRM
9 structure (as such term is defined in section
10 578(b) of the National Flood Insurance Reform
11 Act of 1994 (42 U.S.C. 4014 note)), the risk
12 premium rate for the first \$500,000 of coverage
13 shall be determined in accordance with section
14 1307(a)(2) and the risk premium rate for any
15 coverage in excess of such amount shall be de-
16 termined in accordance with section
17 1307(a)(1)”.

18 **SEC. 5. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDEN-**
19 **TIAL PROPERTIES AND NON-PRIMARY RESI-**
20 **DENCES.**

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

24 (1) by redesignating paragraph (2) as para-
25 graph (4); and

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

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

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

12 (b) TECHNICAL AMENDMENTS.—Section 1308 of the
13 National Flood Insurance Act of 1968 (42 U.S.C. 4015)
14 is amended—

15 (1) in subsection (c)—

16 (A) in the matter preceding paragraph (1),
17 by striking “the limitations provided under
18 paragraphs (1) and (2)” and inserting “sub-
19 section (e)”; and

20 (B) in paragraph (1), by striking “, ex-
21 cept” and all that follows through “subsection
22 (e)”; and

23 (2) in subsection (e), by striking “paragraph
24 (2) or (3)” and inserting “paragraph (4)”.

25 (c) EFFECTIVE DATE AND TRANSITION.—

1 (1) EFFECTIVE DATE.—The amendments made
2 by subsections (a) and (b) shall apply beginning
3 upon the expiration of the 9-month period that be-
4 gins on the date of the enactment of this Act, except
5 as provided in paragraph (2) of this subsection.

6 (2) TRANSITION FOR PROPERTIES COVERED BY
7 FLOOD INSURANCE UPON EFFECTIVE DATE.—

8 (A) INCREASE OF RATES OVER TIME.—In
9 the case of any property described in paragraph
10 (2) or (3) of section 1308(c) of the National
11 Flood Insurance Act of 1968, as amended by
12 subsection (a) of this section, that, as of the ef-
13 fective date under paragraph (1) of this sub-
14 section, is covered under a policy for flood in-
15 surance made available under the national flood
16 insurance program for which the chargeable
17 premium rates are less than the applicable esti-
18 mated risk premium rate under section
19 1307(a)(1) for the area in which the property
20 is located, the Director of the Federal Emer-
21 gency Management Agency shall increase the
22 chargeable premium rates for such property
23 over time to such applicable estimated risk pre-
24 mium rate under section 1307(a)(1).

1 (B) ANNUAL INCREASE.—Such increase
2 shall be made by increasing the chargeable pre-
3 mium rates for the property (after application
4 of any increase in the premium rates otherwise
5 applicable to such property), once during the
6 12-month period that begins upon the effective
7 date under paragraph (1) of this subsection and
8 once every 12 months thereafter until such in-
9 crease is accomplished, by 20 percent (or such
10 lesser amount as may be necessary so that the
11 chargeable rate does not exceed such applicable
12 estimated risk premium rate or to comply with
13 subparagraph (C)).

14 (C) PROPERTIES SUBJECT TO PHASE-IN
15 AND ANNUAL INCREASES.—In the case of any
16 pre-FIRM property (as such term is defined in
17 section 578(b) of the National Flood Insurance
18 Reform Act of 1974), the aggregate increase,
19 during any 12-month period, in the chargeable
20 premium rate for the property that is attrib-
21 utable to this paragraph or to an increase de-
22 scribed in section 1308(e) of the National Flood
23 Insurance Act of 1968 may not exceed 20 per-
24 cent.

1 (D) FULL ACTUARIAL RATES.—The provi-
2 sions of paragraphs (2) and (3) of such section
3 1308(c) shall apply to such a property upon the
4 accomplishment of the increase under this para-
5 graph and thereafter.

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

9 (a) IN GENERAL.—Section 102 of the Flood Disaster
10 Protection Act of 1973 (42 U.S.C. 4012a) is amended by
11 adding at the end the following new subsection:

12 “(i) DELAYED EFFECTIVE DATE OF MANDATORY
13 PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD
14 AREAS.—

15 “(1) IN GENERAL.—In the case of any area
16 that was not previously designated as an area having
17 special flood hazards and that, pursuant to any
18 issuance, revision, updating, or other change in flood
19 insurance maps, becomes designated as an area hav-
20 ing special flood hazards, if each State and local
21 government having jurisdiction over any portion of
22 the geographic area has complied with paragraph
23 (2), such designation shall not take effect for pur-
24 poses of subsection (a), (b), or (e) of this section, or
25 section 202(a) of this Act, until the expiration of the

1 5-year period beginning upon the date that such
2 maps, as issued, revised, update, or otherwise
3 changed, become effective.

4 “(2) NOTICE REQUIREMENTS.—A State or local
5 government having shall be considered to have com-
6 plied with this paragraph with respect to any geo-
7 graphic area described in paragraph (1) only if the
8 State or local government has, before the effective
9 date of the issued, revised, updated, or changed
10 maps, and in accordance with such standards as
11 shall be established by the Director—

12 “(A) developed an evacuation plan to be
13 implemented in the event of flooding in such
14 portion of the geographic area; and

15 “(B) developed and implemented an out-
16 reach and communication plan to advise occu-
17 pants in such portion of the geographic area of
18 potential flood risks, the opportunity to pur-
19 chase flood insurance, and the consequences of
20 failure to purchase flood insurance.

21 “(3) RULE OF CONSTRUCTION.—Nothing in
22 paragraph (1) may be construed to affect the appli-
23 cability of a designation of any area as an area hav-
24 ing special flood hazards for purposes of the avail-
25 ability of flood insurance coverage, criteria for land

1 management and use, notification of flood hazards,
2 eligibility for mitigation assistance, or any other pur-
3 pose or provision not specifically referred to in para-
4 graph (1).”.

5 (b) CONFORMING AMENDMENT.—The second sen-
6 tence of subsection (h) of section 1360 of the National
7 Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is
8 amended by striking “Such” and inserting “Except for no-
9 tice regarding a change described in section 102(i)(1) of
10 the Flood Disaster Protection Act of 1973 (42 U.S.C.
11 4012a(i)(1)), such”.

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

14 Section 1308 of the National Flood Insurance Act of
15 1968 (42 U.S.C. 4015), as amended by the preceding pro-
16 visions of this Act, is further amended—

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

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

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

24 “(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES
25 FOR NEWLY MAPPED AREAS.—Notwithstanding any

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

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

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

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

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

25 and

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

5 **SEC. 8. INCREASE IN ANNUAL LIMITATION ON PREMIUM IN-**
6 **CREASES.**

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

10 **SEC. 9. CONSIDERATION OF CONSTRUCTION, RECON-**
11 **STRUCTION, AND IMPROVEMENT OF FLOOD**
12 **PROTECTION SYSTEMS IN DETERMINATION**
13 **OF FLOOD INSURANCE RATES.**

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

17 (1) in subsection (e)—

18 (A) in the first sentence, by striking “con-
19 struction of a flood protection system” and in-
20 serting “construction, reconstruction, or im-
21 provement of a flood protection system (without
22 respect to the level of Federal investment or
23 participation)”; and

24 (B) in the second sentence—

1 (i) by striking “construction of a flood
2 protection system” and inserting “con-
3 struction, reconstruction, or improvement
4 of a flood protection system”; and

5 (ii) by inserting “based on the present
6 value of the completed system” after “has
7 been expended”; and

8 (2) in subsection (f)—

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

13 (B) in the third sentence in the matter
14 preceding paragraph (1), by inserting “, wheth-
15 er coastal or riverine,” after “special flood haz-
16 ard”; and

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

22 (b) REGULATIONS.—Not later than 90 days after the
23 date of the enactment of this Act, the Administrator of
24 the Federal Emergency Management Agency shall promul-
25 gate regulations to carry out the amendments made by

1 subsection (a). Section 5 may not be construed to annul,
2 alter, affect, authorize any waiver of, or establish any ex-
3 ception to, the requirement under the preceding sentence.

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

10 **SEC. 10. TREATMENT OF CERTAIN FLOOD PROTECTION**
11 **PROJECTS.**

12 Section 1308 of the National Flood Insurance Act of
13 1968 (42 U.S.C. 4015), as amended by the preceding pro-
14 visions of this Act, is further amended by adding at the
15 end the following new subsection:

16 “(h) TREATMENT OF CERTAIN FLOOD PROTECTION
17 PROJECTS.—

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

24 “(A) shall not be considered to be an area
25 having special flood hazards for purposes of this

1 Act or subsections (a), (b), or (e) of section
2 102, or section 202(a) of the Flood Disaster
3 Protection Act of 1973; and

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

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

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

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

24 “(I) construction, reconstruction, or
25 improvement has not been completed;

1 “(II) adequate progress, within the
2 meaning of section 1307(e), has been made
3 on such construction, reconstruction, or
4 improvement; and

5 “(III) is in an area having special
6 flood hazards; or

7 “(ii) for which, as of such date—

8 “(I) construction, reconstruction, or
9 improvement has been completed;

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

12 “(III) is in an area having special
13 flood hazards;

14 “(B) that was designed to provide protec-
15 tion for at least the 100-year frequency flood;
16 and

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

1 **SEC. 11. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE**
2 **DATE OF POLICIES.**

3 Section 1306(e)(2)(A) of the National Flood Insur-
4 ance Act of 1968 (42 U.S.C. 4013(e)(2)(A)) is amended
5 by inserting before the semicolon the following: “or is in
6 connection with the purchase or other transfer of the prop-
7 erty for which the coverage is provided (regardless of
8 whether a loan is involved in the purchase or transfer
9 transaction), but only when such initial purchase of cov-
10 erage is made not later 30 days after such making, in-
11 creasing, extension, or renewal of the loan or not later
12 than 30 days after such purchase or other transfer of the
13 property, as applicable”.

14 **SEC. 12. ENFORCEMENT.**

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

17 (1) in paragraph (5)—

18 (A) in the first sentence, by striking
19 “\$350” and inserting “\$2,000”; and

20 (B) in the last sentence, by striking
21 “\$100,000” and inserting “\$1,000,000; except
22 that such limitation shall not apply to a regu-
23 lated lending institution or enterprise for a cal-
24 endar year if, in any three (or more) of the five
25 calendar years immediately preceding such cal-
26 endar year, the total amount of penalties as-

1 the manager or landlord deems most appropriate, to
2 each such tenant and to each new tenant upon com-
3 mencement of such a tenancy.

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

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

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

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

16 “(4) of where to obtain information regarding
17 how to obtain such coverage, including a telephone
18 number, mailing address, and Internet site of the
19 Director where such information is available.”.

20 **SEC. 14. FLOOD INSURANCE OUTREACH.**

21 Chapter I of the National Flood Insurance Act of
22 1968 (42 U.S.C. 4011 et seq.), as amended by the pre-
23 ceding provisions of this Act, is further amended by add-
24 ing at the end the following new section:

1 **“SEC. 1326. GRANTS FOR OUTREACH TO PROPERTY OWN-**
2 **ERS AND RENTERS.**

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

17 “(b) OUTREACH ACTIVITIES.—Amounts from a grant
18 under this section shall be used only for activities designed
19 to—

20 “(1) identify owners and renters of properties
21 in communities that participate in the national flood
22 insurance program, including owners of residential
23 and commercial properties;

24 “(2) notify such owners and renters when their
25 properties become included in, or when they are ex-
26 eluded from, an area having special flood hazards

1 and the effect of such inclusion or exclusion on the
2 applicability of the mandatory flood insurance pur-
3 chase requirement under section 102 of the Flood
4 Disaster Protection Act of 1973 (42 U.S.C. 4012a)
5 to such properties;

6 “(3) educate such owners and renters regarding
7 the flood risk and reduction of this risk in their
8 community, including the continued flood risks to
9 areas that are no longer subject to the flood insur-
10 ance mandatory purchase requirement;

11 “(4) educate such owners and renters regarding
12 the benefits and costs of maintaining or acquiring
13 flood insurance, including, where applicable, lower-
14 cost preferred risk policies under this title for such
15 properties and the contents of such properties; and

16 “(5) encouraging such owners and renters to
17 maintain or acquire such coverage.

18 “(c) COST SHARING REQUIREMENT.—

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

1 grant amounts only for carrying out activities de-
2 scribed in subsection (b).

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

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

19 “(e) APPLICATION AND SELECTION.—

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

1 “(2) SELECTION CONSIDERATIONS.—In select-
2 ing applications of local government agencies to re-
3 ceive grants under paragraph (1), the Director shall
4 consider—

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

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

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

17 “(D) demonstrated success of the local
18 governmental agency in generating voluntary
19 purchase of flood insurance; and

20 “(E) demonstrated technical capacity of
21 the local governmental agency for outreach to
22 individual property owners.

23 “(f) DIRECT OUTREACH BY FEMA.—In each fiscal
24 year that amounts for grants are made available pursuant
25 to subsection (h), the Director may use not more than 50

1 percent of such amounts to carry out, and to enter into
2 contracts with other entities to carry out, activities de-
3 scribed in subsection (b) in areas that the Director deter-
4 mines have the most immediate need for such activities.

5 “(g) REPORTING.—Each local government agency
6 that receives a grant under this section, and each entity
7 that receives amounts pursuant to subsection (f), shall
8 submit a report to the Director, not later than 12 months
9 after such amounts are first received, which shall include
10 such information as the Director considers appropriate to
11 describe the activities conducted using such amounts and
12 the effect of such activities on the retention or acquisition
13 of flood insurance coverage.

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

18 **SEC. 15. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**
19 **AND ESCROW IN RESPA GOOD FAITH ESTI-**
20 **MATE.**

21 Subsection (c) of section 5 of the Real Estate Settle-
22 ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is
23 amended by adding at the end the following new sentence:
24 “Each such good faith estimate shall include the following
25 conspicuous statements and information: (1) that flood in-

1 surance coverage for residential real estate is generally
2 available under the national flood insurance program
3 whether or not the real estate is located in an area having
4 special flood hazards and that, to obtain such coverage,
5 a home owner or purchaser should contact the national
6 flood insurance program; (2) a telephone number and a
7 location on the Internet by which a home owner or pur-
8 chaser can contact the national flood insurance program;
9 and (3) that the escrowing of flood insurance payments
10 is required for many loans under section 102(d) of the
11 Flood Disaster Protection Act of 1973, and may be a con-
12 venient and available option with respect to other loans.”.

13 **SEC. 16. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

14 Notwithstanding any other provision of law, the Di-
15 rector of the Federal Emergency Management Agency
16 may employ such additional staff as may be necessary to
17 carry out all of the responsibilities of the Director pursu-
18 ant to this Act and the amendments made by this Act.
19 There are authorized to be appropriated to Director such
20 sums as may be necessary for costs of employing such ad-
21 ditional staff.

1 **SEC. 17. PLAN TO VERIFY MAINTENANCE OF FLOOD INSUR-**
2 **ANCE ON MISSISSIPPI AND LOUISIANA PROP-**
3 **ERTIES RECEIVING EMERGENCY SUPPLE-**
4 **MENTAL FUNDS.**

5 The Secretary of Housing and Urban Development
6 and the Director of the Federal Emergency Management
7 Agency shall jointly develop and implement a plan to
8 verify that persons receiving funds under the Homeowner
9 Grant Assistance Program of the State of Mississippi or
10 the Road Home Program of the State of Louisiana from
11 amounts allocated to the State of Mississippi or the State
12 of Louisiana, respectively, from the Community develop-
13 ment fund under the Emergency Supplemental Appropria-
14 tions Act to Address Hurricanes in the Gulf of Mexico and
15 Pandemic Influenza, 2006 (Public Law 109–148) are
16 maintaining flood insurance on the property for which
17 such persons receive such funds as required by each such
18 Program.

19 **SEC. 18. FLOOD INSURANCE ADVOCATE.**

20 Chapter II of the National Flood Insurance Act of
21 1968 is amended by inserting after section 1330 (42
22 U.S.C. 4041) the following new section:

23 **“SEC. 1330A. OFFICE OF THE FLOOD INSURANCE ADVO-**
24 **CATE.**

25 **“(a) ESTABLISHMENT OF POSITION.—**

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

13 “(2) APPOINTMENT.—The National Flood In-
14 surance Advocate shall be appointed by the Director,
15 and without regard to the provisions of title 5,
16 United States Code, relating to appointments in the
17 competitive service or the Senior Executive Service.

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

21 “(4) STAFF.—To the extent amounts are pro-
22 vided pursuant to subsection (f), the National Flood
23 Insurance Advocate may employ such personnel as
24 may be necessary to carry out the duties of the Of-
25 fice.

1 “(b) FUNCTIONS OF OFFICE.—

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

4 “(A) assist insureds under the national
5 flood insurance program in resolving problems
6 with the Federal Emergency Management
7 Agency relating to such program;

8 “(B) identify areas in which such insureds
9 have problems in dealings with the Agency re-
10 lating to such program; and

11 “(C) identify potential legislative, adminis-
12 trative, or regulatory changes which may be ap-
13 propriate to mitigate such problems.

14 “(2) ANNUAL REPORTS.—

15 “(A) ACTIVITIES.—Not later than Decem-
16 ber 31 of each calendar year, the National
17 Flood Insurance Advocate shall report to the
18 Committee on Financial Services of the House
19 of Representatives and the Committee on Bank-
20 ing, Housing, and Urban Affairs of the Senate
21 on the activities of the Office of the Flood In-
22 surance Advocate during the fiscal year ending
23 during such calendar year. Any such report
24 shall contain full and substantive analysis, in
25 addition to statistical information, and shall—

1 “(i) identify the initiatives the Office
2 of the Flood Insurance Advocate has taken
3 on improving services for insureds under
4 the national flood insurance program and
5 responsiveness of the Federal Emergency
6 Management Agency with respect to such
7 program;

8 “(ii) identify areas of the law or regu-
9 lations relating to the national flood insur-
10 ance program that impose significant com-
11 pliance burdens on such insureds or the
12 Federal Emergency Management Agency,
13 including specific recommendations for
14 remedying these problems;

15 “(iii) include such other information
16 as the National Flood Insurance Advocate
17 may deem advisable.

18 “(B) DIRECT SUBMISSION OF REPORT.—
19 Each report required under this paragraph
20 shall be provided directly to the committees
21 identified in subparagraph (A) without any
22 prior review or comment from the Director, the
23 Secretary of Homeland Security, or any other
24 officer or employee of the Federal Emergency
25 Management Agency or the Department of

1 Homeland Security, or the Office of Manage-
2 ment and Budget.

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

13 **SEC. 19. STUDY REGARDING MANDATORY PURCHASE RE-**
14 **QUIREMENT FOR NATURAL 100-YEAR FLOOD-**
15 **PLAIN AND NON-FEDERALLY RELATED**
16 **LOANS.**

17 (a) IN GENERAL.—The Comptroller General shall
18 conduct a study to assess the impact, effectiveness, and
19 feasibility of, and basis under the Constitution of the
20 United States for, amending the provisions of the Flood
21 Disaster Protection Act of 1973 regarding the properties
22 that are subject to the mandatory flood insurance coverage
23 purchase requirements under such Act to extend such re-
24 quirements to any property that is located in any area hav-
25 ing special flood hazards and which secures the repayment

1 of a loan that is not described in paragraph (1), (2), or
2 (3) of section 102(b) of such Act, and shall determine how
3 best to administer and enforce such a requirement, taking
4 into consideration other insurance purchase requirements
5 under Federal and State law.

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

11 **SEC. 20. STUDY OF METHODS TO INCREASE FLOOD INSUR-**
12 **ANCE PROGRAM PARTICIPATION BY LOW-IN-**
13 **COME FAMILIES.**

14 (a) IN GENERAL.—The Comptroller General of the
15 United States shall conduct a study to identify and ana-
16 lyze potential methods, practices, and incentives that
17 would increase the extent to which low-income families (as
18 such term is defined in section 3(b) of the United States
19 Housing Act of 1937 (42 U.S.C. 1437a(b))) that own resi-
20 dential properties located within areas having special flood
21 hazards purchase flood insurance coverage for such prop-
22 erties under the national flood insurance program. In con-
23 ducting the study, the Comptroller General shall analyze
24 the effectiveness and costs of the various methods, prac-

1 tices, and incentives identified, including their effects on
2 the national flood insurance program.

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

7 **SEC. 21. REPORT ON INCLUSION OF BUILDING CODES IN**
8 **FLOODPLAIN MANAGEMENT CRITERIA.**

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

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

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

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

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

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

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