

**Suspend the Rules and Pass the Bill, H.R. 3370, with an Amendment**

**(The amendment strikes all after the enacting clause and inserts a new text)**

113TH CONGRESS  
2D SESSION

# H. R. 3370

To delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 29, 2013

Mr. GRIMM (for himself, Ms. WATERS, Mr. RICHMOND, Mr. OLSON, Mr. PALAZZO, Mr. CASSIDY, Ms. MATSUI, Mr. CRAMER, Mr. KEATING, Ms. ROS-LEHTINEN, Ms. BROWN of Florida, Mr. HINOJOSA, Mr. MEEKS, Mr. MCINTYRE, Mr. NADLER, Mr. NUGENT, Mr. SCOTT of Virginia, Mr. LANGEVIN, Mr. CROWLEY, Ms. MOORE, Mr. THOMPSON of Pennsylvania, Mr. JONES, Mr. WELCH, Mr. ENYART, Mr. LOBIONDO, Mr. LYNCH, Mr. CARNEY, Mr. SCALISE, Mr. CULBERSON, Ms. CASTOR of Florida, Mr. GARCIA, Ms. FRANKEL of Florida, Ms. VELÁZQUEZ, Ms. SCHAKOWSKY, Mr. KING of New York, Mr. PASCARELL, Mrs. CAROLYN B. MALONEY of New York, Ms. WILSON of Florida, Mr. VELA, Mr. STOCKMAN, Mr. BOUSTANY, Mr. FITZPATRICK, Mr. RODNEY DAVIS of Illinois, Mr. PERLMUTTER, Mr. WHITFIELD, Mr. MCNERNEY, Mr. MURPHY of Florida, Mr. ELLISON, Mr. DIAZ-BALART, Mrs. ELLMERS, Mr. GENE GREEN of Texas, Mr. BUCHANAN, Mr. ANDREWS, Mr. CLEAVER, Mr. DEUTCH, Mr. GARAMENDI, Ms. JACKSON LEE, Mr. JEFFRIES, Mr. CLAY, Mrs. MCCARTHY of New York, Ms. PINGREE of Maine, Ms. TSONGAS, Ms. WASSERMAN SCHULTZ, Mr. DAVID SCOTT of Georgia, Mr. HARPER, Mr. MAFFEI, Mr. SIRES, Mr. CONNOLLY, Mr. POLIS, Mr. PALLONE, Mr. KENNEDY, Ms. LORETTA SANCHEZ of California, Mr. SCHRADER, Mr. BISHOP of New York, Ms. SLAUGHTER, Mr. GUTIÉRREZ, Ms. DEGETTE, Mr. DANNY K. DAVIS of Illinois, Mr. AL GREEN of Texas, and Mr. HOLT) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

# A BILL

To delay the implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act of 2012, 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 “Homeowner Flood Insurance Affordability Act of 2014”.

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. Definitions.
- Sec. 3. Repeal of certain rate increases.
- Sec. 4. Restoration of grandfathered rates.
- Sec. 5. Requirements regarding annual rate increases.
- Sec. 6. Annual premium surcharge.
- Sec. 7. Risk transfer.
- Sec. 8. Monthly installment payment for premiums.
- Sec. 9. Optional high-deductible policies for residential properties.
- Sec. 10. Exclusion of detached structures from mandatory purchase requirement.
- Sec. 11. Accounting for flood mitigation activities in estimates of premium rates.
- Sec. 12. Home improvement fairness.
- Sec. 13. Affordability study and report.
- Sec. 14. Flood insurance rate map certification.
- Sec. 15. Funds to reimburse homeowners for successful map appeals.
- Sec. 16. Flood protection systems.
- Sec. 17. Monthly reports regarding Reserve Fund ratio.
- Sec. 18. Treatment of floodproofed residential basements.
- Sec. 19. Exemption from fees for certain map change requests.
- Sec. 20. Study of voluntary community-based flood insurance options.
- Sec. 21. Designation of flood insurance advocate.
- Sec. 22. Exceptions to eserow requirement for flood insurance payments.
- Sec. 23. Flood mitigation methods for buildings.
- Sec. 24. Mapping of non-structural flood mitigation features.
- Sec. 25. Authority of States to regulate private flood insurance.

1 **SEC. 2. DEFINITIONS.**

2 For purposes of this title, the following definitions  
3 shall apply:

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

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

12 **SEC. 3. REPEAL OF CERTAIN RATE INCREASES.**

13 (a) REPEAL.—

14 (1) IN GENERAL.—Section 1307(g) of the Na-  
15 tional Flood Insurance Act of 1968 (42 U.S.C.  
16 4014(g)) is amended—

17 (A) by striking paragraphs (1) and (2);

18 (B) in paragraph (3), by striking “as a re-  
19 sult of the deliberate choice of the holder of  
20 such policy” and inserting “, unless the decision  
21 of the policy holder to permit a lapse in flood  
22 insurance coverage was as a result of the prop-  
23 erty covered by the policy no longer being re-  
24 quired to retain such coverage” ; and

25 (C) by redesignating paragraphs (3) and  
26 (4) as paragraphs (1) and (2), respectively.

1           (2) EFFECTIVE DATE.—The Administrator  
2 shall promulgate such regulations, and make avail-  
3 able such rate tables, as necessary to implement the  
4 amendments made by paragraph (1) as if it were en-  
5 acted as part of the Biggert-Waters Flood Insurance  
6 Reform Act of 2012 (Public Law 112-141; 126 Stat.  
7 957).

8           (3) REGULATIONS.—To ensure community,  
9 stakeholder, and expert participation, regulations  
10 and rate tables necessary to implement the amend-  
11 ments made by paragraph (1) shall be published in  
12 the Federal Register and be open for comment for  
13 not less than 45 days before promulgation as final.

14           (4) REFUND OF EXCESS PREMIUM CHARGES  
15 COLLECTED.—The Administrator of the Federal  
16 Emergency Management Agency shall refund to in-  
17 sureds any premiums for flood insurance coverage  
18 under the National Flood Insurance Program col-  
19 lected in excess of the rates required under the  
20 amendments made by paragraph (1). To allow for  
21 necessary and appropriate implementation of the  
22 amendments made by paragraph (1), any premium  
23 changes necessary to implement such amendments,  
24 including any such premium refund due to policy-  
25 holders, which shall be paid directly by the National

1 Flood Insurance Program, shall not be charged or  
2 paid to policyholders until after the Administrator  
3 promulgates final regulations and makes available  
4 such rate tables to implement such amendments.

5 (b) ASSUMPTION OF POLICIES AT EXISTING PRE-  
6 MIUM RATES.—Section 1306 of the National Flood Insur-  
7 ance Act of 1968 (42 U.S.C. 4013) is amended by adding  
8 at the end the following new subsection:

9 “(d) ASSUMPTION OF POLICIES.—The Administrator  
10 shall provide that the purchaser of a property that, as of  
11 the date of such purchase, is covered under an existing  
12 flood insurance policy under this title may assume such  
13 existing policy and coverage for the remainder of the term  
14 of the policy at the chargeable premium rates under such  
15 existing policy. Such rates shall continue with respect to  
16 such property until the later of (1) the expiration of the  
17 assumed policy, or (2) implementation by the Adminis-  
18 trator of the Homeowner Flood Insurance Affordability  
19 Act of 2014.”.

20 **SEC. 4. RESTORATION OF GRANDFATHERED RATES.**

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

23 (1) by striking subsection (h); and

24 (2) by redesignating subsection (i) as subsection

25 (h).

1 **SEC. 5. REQUIREMENTS REGARDING ANNUAL RATE IN-**  
2 **CREASES.**

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

5 (1) by redesignating paragraphs (1) and (2) as  
6 paragraphs (2) and (3), respectively;

7 (2) by inserting before paragraph (2) the fol-  
8 lowing new paragraph:

9 “(1) within any single risk classification, ex-  
10 cluding properties for which the chargeable risk pre-  
11 mium rate is not less than the applicable estimated  
12 risk premium rate under section 1307(a)(1), shall be  
13 increased by an amount that results in an average  
14 of such rate increases for properties within the risk  
15 classification during any 12-month period of not less  
16 than 5 percent of the average of the risk premium  
17 rates for such properties within the risk classifica-  
18 tion upon the commencement of such 12-month pe-  
19 riod;”;

20 (3) in paragraph (2) (as redesignated by sub-  
21 paragraph (A) of this paragraph), by striking “20  
22 percent” and inserting “15 percent”; and

23 (4) in paragraph (3) (as so redesignated), by  
24 striking “paragraph (1)” and inserting “paragraph  
25 (2)”.

1 **SEC. 6. ANNUAL PREMIUM SURCHARGE.**

2 (a) PREMIUM SURCHARGE.—Chapter I of the Na-  
3 tional Flood Insurance Act of 1968 (42 U.S.C. 4011 et  
4 seq.) is amended by inserting after section 1308 the fol-  
5 lowing new section:

6 **“SEC. 1308A. PREMIUM SURCHARGE.**

7 “(a) IMPOSITION AND COLLECTION.—The Adminis-  
8 trator shall impose and collect an annual surcharge, in the  
9 amount provided in subsection (b), on all policies for flood  
10 insurance coverage under the National Flood Insurance  
11 Program that are newly issued or renewed after the date  
12 of the enactment of this section. Such surcharge shall be  
13 in addition to the surcharge under section 1304(b) and  
14 any other assessments and surcharges applied to such cov-  
15 erage.

16 “(b) AMOUNT.—The amount of the surcharge under  
17 subsection (a) shall be—

18 “(1) \$25, except as provided in paragraph (2);

19 and

20 “(2) \$250, in the case of a policy for any prop-  
21 erty that is—

22 “(A) a non-residential property; or

23 “(B) a residential property that is not the  
24 primary residence of an individual.

25 “(c) TERMINATION.—Subsections (a) and (b) shall  
26 cease to apply on the date on which the chargeable risk

1 premium rate for flood insurance under this title for each  
2 property covered by flood insurance under this title is not  
3 less than the applicable estimated risk premium rate  
4 under section 1307(a)(1) for such property.”.

5 (b) DEPOSIT IN RESERVE FUND.—Subsection (c) of  
6 section 1310A of the National Flood Insurance Act of  
7 1968 (42 U.S.C. 4017a) is amended by adding at the end  
8 the following new paragraph:

9 “(4) DEPOSIT OF PREMIUM SURCHARGES.—The  
10 Administrator shall deposit in the Reserve Fund any  
11 surcharges collected pursuant to section 1308A.”.

12 **SEC. 7. DRAFT AFFORDABILITY FRAMEWORK.**

13 (a) IN GENERAL.—The Administrator shall prepare  
14 a draft affordability framework that proposes to address,  
15 via programmatic and regulatory changes, the issues of  
16 affordability of flood insurance sold under the National  
17 Flood Insurance Program, including issues identified in  
18 the affordability study required under section 100236 of  
19 the Bigger-Waters Flood Insurance Reform Act of 2012  
20 (Public Law 112–141; 126 Stat. 957).

21 (b) CRITERIA.—In carrying out the requirements  
22 under subsection (a), the Administrator shall consider the  
23 following criteria:

24 (1) Accurate communication to consumers of  
25 the flood risk associated with their properties.



1           (2) Targeted assistance to flood insurance poli-  
2           icy holders based on their financial ability to con-  
3           tinue to participate in the National Flood Insurance  
4           Program.

5           (3) Individual or community actions to mitigate  
6           the risk of flood or lower the cost of flood insurance.

7           (4) The impact of increases in risk premium  
8           rates on participation in the National Flood Insur-  
9           ance Program.

10          (5) The impact flood insurance rate map up-  
11          dates have on the affordability of flood insurance.

12          (c) DEADLINE FOR SUBMISSION.—Not later than 18  
13          months after the date on which the Administrator submits  
14          the affordability study referred to in subsection (a), the  
15          Administrator shall submit to the full Committee on  
16          Banking, Housing, and Urban Affairs and the full Com-  
17          mittee on Appropriations of the Senate and the full Com-  
18          mittee on Financial Services and the full Committee on  
19          Appropriations of the House of Representatives the draft  
20          affordability framework.

21          **SEC. 8. RISK TRANSFER.**

22          Section 1345 of the National Flood Insurance Act of  
23          1968 (42 U.S.C. 4081) is amended by adding at the end  
24          the following new subsection:



1       age to the covered property in various amounts, up  
2       to and including \$10,000.

3           “(2) DISCLOSURE.—

4               “(A) FORM.—The Administrator shall pro-  
5       vide the information described in subparagraph  
6       (B) clearly and conspicuously on the application  
7       form for flood insurance coverage or on a sepa-  
8       rate form, segregated from all unrelated infor-  
9       mation and other required disclosures.

10           “(B) INFORMATION.—The information de-  
11       scribed in this subparagraph is—

12               “(i) information sufficient to inform  
13       the applicant of the availability of the cov-  
14       erage option required by paragraph (1) to  
15       applicants for flood insurance coverage;  
16       and

17               “(ii) a statement explaining the effect  
18       of an annual loss-deductible and that, in  
19       the event of an insured loss, the insured is  
20       responsible out-of-pocket for losses to the  
21       extent of the deductible selected.”.

1 **SEC. 11. EXCLUSION OF DETACHED STRUCTURES FROM**  
2 **MANDATORY PURCHASE REQUIREMENT.**

3 Subsection (c) of section 102 of the Flood Disaster  
4 Protection Act of 1973 (42 U.S.C. 4012a(c)) is amended  
5 by adding at the end the following new paragraph:

6 “(3) DETACHED STRUCTURES.—Notwith-  
7 standing any other provision of this section, flood in-  
8 surance shall not be required, in the case of any resi-  
9 dential property, for any structure that is a part of  
10 such property but is detached from the primary resi-  
11 dential structure of such property and does not serve  
12 as a residence.”.

13 **SEC. 12. ACCOUNTING FOR FLOOD MITIGATION ACTIVITIES**  
14 **IN ESTIMATES OF PREMIUM RATES.**

15 Subparagraph (A) of section 1307(a)(1) of the Na-  
16 tional Flood Insurance Act of 1968 (42 U.S.C.  
17 4014(a)(1)(A)) is amended to read as follows:

18 “(A) based on consideration of—  
19 “(i) the risk involved and accepted ac-  
20 tuarial principles; and  
21 “(ii) the flood mitigation activities  
22 that an owner or lessee has undertaken on  
23 a property, including differences in the risk  
24 involved due to land use measures,  
25 floodproofing, flood forecasting, and simi-  
26 lar measures,”.

1 **SEC. 13. HOME IMPROVEMENT FAIRNESS.**

2 Section 1307(a)(2)(E)(ii) of the National Flood In-  
3 surance Act of 1968 (42 U.S.C. 4014(a)(2)(E)(ii)) is  
4 amended by striking “30 percent” and inserting “50 per-  
5 cent”.

6 **SEC. 14. AFFORDABILITY STUDY AND REPORT.**

7 (a) **STUDY ISSUES.**—Subsection (a) of section  
8 100236 of the Biggert-Waters Flood Insurance Reform  
9 Act of 2012 (Public Law 112–141; 126 Stat. 957) is  
10 amended—

11 (1) in paragraph (3), by striking “and” at the  
12 end;

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

15 (3) by adding at the end the following new  
16 paragraphs:

17 “(5) options for maintaining affordability if an-  
18 nual premiums for flood insurance coverage were to  
19 increase to an amount greater than 2 percent of the  
20 liability coverage amount under the policy, including  
21 options for enhanced mitigation assistance and  
22 means-tested assistance;

23 “(6) the effects that the establishment of catas-  
24 trophe savings accounts would have regarding long-  
25 term affordability of flood insurance coverage; and

1           “(7) options for modifying the surcharge under  
2           1308A, including based on homeowner income, prop-  
3           erty value or risk of loss.”.

4           (b) **TIMING OF SUBMISSION.**—Notwithstanding the  
5           deadline under section 100236(e) of the Biggert-Waters  
6           Flood Insurance Reform Act of 2012 (Public Law 112-  
7           141; 126 Stat. 957), not later than 2 years after the date  
8           of enactment of this Act, the Administrator shall submit  
9           to the full Committee on Banking, Housing, and Urban  
10          Affairs and the full Committee on Appropriations of the  
11          Senate and the full Committee on Financial Services and  
12          the full Committee on Appropriations of the House of  
13          Representatives the affordability study and report re-  
14          quired under such section 100236.

15          (c) **AFFORDABILITY STUDY FUNDING.**—Section  
16          100236(d) of the Biggert-Waters Flood Insurance Reform  
17          Act of 2012 (Public Law 112–141; 126 Stat. 957) is  
18          amended by striking “\$750,000” and inserting  
19          “\$2,000,000”.

20          **SEC. 15. FLOOD INSURANCE RATE MAP CERTIFICATION.**

21          The Administrator shall implement a flood mapping  
22          approach for the National Flood Insurance Program that,  
23          when applied, results in technically credible flood hazard  
24          data in all areas where Flood Insurance Rate Maps are

1 prepared or updated and shall certify in writing to the  
2 Congress when such an approach has been implemented.

3 **SEC. 16. FUNDS TO REIMBURSE HOMEOWNERS FOR SUC-**  
4 **CESSFUL MAP APPEALS.**

5 (a) IN GENERAL.—Section 1363(f) of the National  
6 Flood Insurance Act of 1968 (42 U.S.C. 4104(f)) is  
7 amended by striking the second sentence and inserting the  
8 following: “The Administrator may use such amounts  
9 from the National Flood Insurance Fund established  
10 under section 1310 as may be necessary to carry out this  
11 subsection.”.

12 (b) CONFORMING AMENDMENT.—Section 1310(a) of  
13 the National Flood Insurance Act of 1968 (42 U.S.C.  
14 4017(a)) is amended—

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

17 (2) in paragraph (7), by striking the period at  
18 the end and inserting “; and”; and

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

20 “(8) for carrying out section 1363(f).”.

21 **SEC. 17. FLOOD PROTECTION SYSTEMS.**

22 (a) ADEQUATE PROGRESS ON CONSTRUCTION OF  
23 FLOOD PROTECTION SYSTEMS.—Section 1307(e) of the  
24 National Flood Insurance Act of 1968 (42 U.S.C.  
25 4014(e)) is amended—

1 (1) in the first sentence, by inserting “or recon-  
2 struction” after “construction”;

3 (2) by amending the second sentence to read as  
4 follows: “The Administrator shall find that adequate  
5 progress on the construction or reconstruction of a  
6 flood protection system, based on the present value  
7 of the completed flood protection system, has been  
8 made only if (1) 100 percent of the cost of the sys-  
9 tem has been authorized, (2) at least 60 percent of  
10 the cost of the system has been appropriated, (3) at  
11 least 50 percent of the cost of the system has been  
12 expended, and (4) the system is at least 50 percent  
13 completed.”; and

14 (3) by adding at the end the following: “Not-  
15 withstanding any other provision of law, in deter-  
16 mining whether a community has made adequate  
17 progress on the construction, reconstruction, or im-  
18 provement of a flood protection system, the Adminis-  
19 trator shall consider all sources of funding, including  
20 Federal, State, and local funds.”.

21 (b) COMMUNITIES RESTORING DISACCREDITED  
22 FLOOD PROTECTION SYSTEMS.—Section 1307(f) of the  
23 National Flood Insurance Act of 1968 (42 U.S.C.  
24 4014(f)) is amended by amending the first sentence to  
25 read as follows: “Notwithstanding any other provision of



1 law, this subsection shall apply to riverine and coastal lev-  
2 ees that are located in a community which has been deter-  
3 mined by the Administrator of the Federal Emergency  
4 Management Agency to be in the process of restoring flood  
5 protection afforded by a flood protection system that had  
6 been previously accredited on a Flood Insurance Rate Map  
7 as providing 100-year frequency flood protection but no  
8 longer does so, and shall apply without regard to the level  
9 of Federal funding of or participation in the construction,  
10 reconstruction, or improvement of the flood protection sys-  
11 tem.”.

12 **SEC. 18. MONTHLY REPORTS REGARDING RESERVE FUND**  
13 **RATIO.**

14 Subsection (e) of section 1310A of the National  
15 Flood Insurance Act of 1968 (42 U.S.C. 4017a) is amend-  
16 ed, in the matter preceding paragraph (1), by inserting  
17 “monthly” before “report”.

18 **SEC. 19. TREATMENT OF FLOODPROOFED RESIDENTIAL**  
19 **BASEMENTS.**

20 The Administrator shall continue to extend excep-  
21 tions and variances for flood-proofed basement consistent  
22 with section 60.6 of title 44, Code of Federal Regulations,  
23 which are effective April 3, 2009; and section 60.3 of such  
24 title, which are effective April 3, 2009.

1 **SEC. 20. EXEMPTION FROM FEES FOR CERTAIN MAP**  
2 **CHANGE REQUESTS.**

3 Notwithstanding any other provision of law, a re-  
4 quester shall be exempt from submitting a review or proc-  
5 essing fee for a request for a flood insurance rate map  
6 change based on a habitat restoration project that is fund-  
7 ed in whole or in part with Federal or State funds, includ-  
8 ing dam removal, culvert redesign or installation, or the  
9 installation of fish passage.

10 **SEC. 21. STUDY OF VOLUNTARY COMMUNITY-BASED FLOOD**  
11 **INSURANCE OPTIONS.**

12 (a) STUDY.—

13 (1) STUDY REQUIRED.—The Administrator  
14 shall conduct a study to assess options, methods,  
15 and strategies for making available voluntary com-  
16 munity-based flood insurance policies through the  
17 National Flood Insurance Program.

18 (2) CONSIDERATIONS.—The study conducted  
19 under paragraph (1) shall—

20 (A) take into consideration and analyze  
21 how voluntary community-based flood insurance  
22 policies—

23 (i) would affect communities having  
24 varying economic bases, geographic loca-  
25 tions, flood hazard characteristics or classi-

1           fications, and flood management ap-  
2           proaches; and

3                   (ii) could satisfy the applicable re-  
4           quirements under section 102 of the Flood  
5           Disaster Protection Act of 1973 (42  
6           U.S.C. 4012a); and

7                   (B) evaluate the advisability of making  
8           available voluntary community-based flood in-  
9           surance policies to communities, subdivisions of  
10          communities, and areas of residual risk.

11          (3) CONSULTATION.—In conducting the study  
12          required under paragraph (1), the Administrator  
13          may consult with the Comptroller General of the  
14          United States, as the Administrator determines is  
15          appropriate.

16          (b) REPORT BY THE ADMINISTRATOR.—

17                  (1) REPORT REQUIRED.—Not later than 18  
18          months after the date of enactment of this Act, the  
19          Administrator shall submit to the Committee on  
20          Banking, Housing, and Urban Affairs of the Senate  
21          and the Committee on Financial Services of the  
22          House of Representatives a report that contains the  
23          results and conclusions of the study conducted under  
24          subsection (a).

1           (2) CONTENTS.—The report submitted under  
2 paragraph (1) shall include recommendations for—

3           (A) the best manner to incorporate vol-  
4 untary community-based flood insurance poli-  
5 cies into the National Flood Insurance Pro-  
6 gram; and

7           (B) a strategy to implement voluntary  
8 community-based flood insurance policies that  
9 would encourage communities to undertake  
10 flood mitigation activities, including the con-  
11 struction, reconstruction, or improvement of  
12 levees, dams, or other flood control structures.

13       (c) REPORT BY COMPTROLLER GENERAL.—Not later  
14 than 6 months after the date on which the Administrator  
15 submits the report required under subsection (b), the  
16 Comptroller General of the United States shall—

17           (1) review the report submitted by the Adminis-  
18 trator; and

19           (2) submit to the Committee on Banking,  
20 Housing, and Urban Affairs of the Senate and the  
21 Committee on Financial Services of the House of  
22 Representatives a report that contains—

23           (A) an analysis of the report submitted by  
24 the Administrator;

1 (B) any comments or recommendations of  
2 the Comptroller General relating to the report  
3 submitted by the Administrator; and

4 (C) any other recommendations of the  
5 Comptroller General relating to community-  
6 based flood insurance policies.

7 **SEC. 22. DESIGNATION OF FLOOD INSURANCE ADVOCATE.**

8 (a) IN GENERAL.—The Administrator shall designate  
9 a Flood Insurance Advocate to advocate for the fair treat-  
10 ment of policy holders under the National Flood Insurance  
11 Program and property owners in the mapping of flood  
12 hazards, the identification of risks from flood, and the im-  
13 plementation of measures to minimize the risk of flood.

14 (b) DUTIES AND RESPONSIBILITIES.—The duties  
15 and responsibilities of the Flood Insurance Advocate des-  
16 ignated under subsection (a) shall be to—

17 (1) educate property owners and policyholders  
18 under the National Flood Insurance Program on—

19 (A) individual flood risks;

20 (B) flood mitigation;

21 (C) measures to reduce flood insurance  
22 rates through effective mitigation; and

23 (D) the flood insurance rate map review  
24 and amendment process;

1           (2) assist policy holders under the National  
2 Flood Insurance Program and property owners to  
3 understand the procedural requirements related to  
4 appealing preliminary flood insurance rate maps and  
5 implementing measures to mitigate evolving flood  
6 risks;

7           (3) assist in the development of regional capac-  
8 ity to respond to individual constituent concerns  
9 about flood insurance rate map amendments and re-  
10 visions;

11           (4) coordinate outreach and education with  
12 local officials and community leaders in areas im-  
13 pacted by proposed flood insurance rate map amend-  
14 ments and revisions; and

15           (5) aid potential policy holders under the Na-  
16 tional Flood Insurance Program in obtaining and  
17 verifying accurate and reliable flood insurance rate  
18 information when purchasing or renewing a flood in-  
19 surance policy.

20 **SEC. 23. EXCEPTIONS TO ESCROW REQUIREMENT FOR**  
21 **FLOOD INSURANCE PAYMENTS.**

22           (a) IN GENERAL.—Section 102(d)(1) of the Flood  
23 Disaster Protection Act of 1973 (42 U.S.C. 4012a(d)(1))  
24 is amended—

1           (1) in subparagraph (A), in the second sen-  
2           tence, by striking “subparagraph (C)” and inserting  
3           “subparagraph (B)”; and

4           (2) in subparagraph (B)—

5                 (A) in clause (ii), by redesignating sub-  
6                 clauses (I) and (II) as items (aa) and (bb), re-  
7                 spectively, and adjusting the margins accord-  
8                 ingly;

9                 (B) by redesignating clauses (i) and (ii) as  
10                subclauses (I) and (II), respectively, and adjust-  
11                ing the margins accordingly;

12               (C) in the matter preceding subclause (I),  
13               as redesignated by subparagraph (B), by strik-  
14               ing “(A) or (B), if—” and inserting the fol-  
15               lowing: “(A)—

16                         “(i) if—”;

17               (D) by striking the period at the end and  
18               inserting “; or”; and

19               (E) by adding at the end the following

20                         “(ii) in the case of a loan that—

21                                 “(I) is in a junior or subordinate  
22                                 position to a senior lien secured by  
23                                 the same residential improved real es-  
24                                 tate or mobile home for which flood

1 insurance is being provided at the  
2 time of the origination of the loan;

3 “(II) is secured by residential im-  
4 proved real estate or a mobile home  
5 that is part of a condominium, cooper-  
6 ative, or other project development, if  
7 the residential improved real estate or  
8 mobile home is covered by a flood in-  
9 surance policy that—

10 “(aa) meets the require-  
11 ments that the regulated lending  
12 institution is required to enforce  
13 under subsection (b)(1);

14 “(bb) is provided by the con-  
15 dominium association, coopera-  
16 tive, homeowners association, or  
17 other applicable group; and

18 “(cc) the premium for which  
19 is paid by the condominium asso-  
20 ciation, cooperative, homeowners  
21 association, or other applicable  
22 group as a common expense;

23 “(III) is secured by residential  
24 improved real estate or a mobile home



1 that is used as collateral for a busi-  
2 ness purpose;

3 “(IV) is a home equity line of  
4 credit;

5 “(V) is a nonperforming loan; or

6 “(VI) has a term of not longer  
7 than 12 months.”.

8 (b) APPLICABILITY.—

9 (1) IN GENERAL.—

10 (A) REQUIRED APPLICATION.—The  
11 amendments to section 102(d)(1) of the Flood  
12 Disaster Protection Act of 1973 (42 U.S.C.  
13 4012a(d)(1)) made by section 100209(a) of the  
14 Biggert-Waters Flood Insurance Reform Act of  
15 2012 (Public Law 112–141; 126 Stat. 920) and  
16 by subsection (a) of this section shall apply to  
17 any loan that is originated, refinanced, in-  
18 creased, extended, or renewed on or after Janu-  
19 ary 1, 2016.

20 (B) OPTIONAL APPLICATION.—

21 (i) DEFINITIONS.—In this subpara-  
22 graph—

23 (I) the terms “Federal entity for  
24 lending regulation”, “improved real  
25 estate”, “regulated lending institu-

1 tion”, and “servicer” have the mean-  
2 ings given the terms in section 3 of  
3 the Flood Disaster Protection Act of  
4 1973 (42 U.S.C. 4003);

5 (II) the term “outstanding loan”  
6 means a loan that—

7 (aa) is outstanding as of  
8 January 1, 2016;

9 (bb) is not subject to the re-  
10 quirement to escrow premiums  
11 and fees for flood insurance  
12 under section 102(d)(1) of the  
13 Flood Disaster Protection Act of  
14 1973 (42 U.S.C. 4012a(d)(1)) as  
15 in effect on July 5, 2012; and

16 (cc) would, if the loan had  
17 been originated, refinanced, in-  
18 creased, extended, or renewed on  
19 or after January 1, 2016, be sub-  
20 ject to the requirements under  
21 section 102(d)(1)(A) of the Flood  
22 Disaster Protection Act of 1973,  
23 as amended; and

24 (III) the term “section  
25 102(d)(1)(A) of the Flood Disaster

1 Protection Act of 1973, as amended”  
2 means section 102(d)(1)(A) of the  
3 Flood Disaster Protection Act of 1973  
4 (42 U.S.C. 4012a(d)(1)(A)), as  
5 amended by—

6 (aa) section 100209(a) of  
7 the Biggert-Waters Flood Insur-  
8 ance Reform Act of 2012 (Public  
9 Law 112–141; 126 Stat. 920);  
10 and

11 (bb) subsection (a) of this  
12 section.

13 (ii) OPTION TO ESCROW FLOOD IN-  
14 SURANCE PAYMENTS.—Each Federal enti-  
15 ty for lending regulation (after consulta-  
16 tion and coordination with the Federal Fi-  
17 nancial Institutions Examination Council)  
18 shall, by regulation, direct that each regu-  
19 lated lending institution or servicer of an  
20 outstanding loan shall offer and make  
21 available to a borrower the option to have  
22 the borrower’s payment of premiums and  
23 fees for flood insurance under the National  
24 Flood Insurance Act of 1968 (42 U.S.C.  
25 4001 et seq.), including the escrow of such

1           payments, be treated in the same manner  
2           provided under section 102(d)(1)(A) of the  
3           Flood Disaster Protection Act of 1973, as  
4           amended.

5           (2) REPEAL OF 2-YEAR DELAY ON APPLICA-  
6           BILITY.—Subsection (b) of section 100209 of the  
7           Biggert-Waters Flood Insurance Reform Act of  
8           2012 (Public Law 112–141; 126 Stat. 920) is re-  
9           pealed.

10          (3) RULE OF CONSTRUCTION.—Nothing in this  
11          section or the amendments made by this section  
12          shall be construed to supersede, during the period  
13          beginning on July 6, 2012 and ending on December  
14          31, 2015, the requirements under section 102(d)(1)  
15          of the Flood Disaster Protection Act of 1973 (42  
16          U.S.C. 4012a(d)(1)), as in effect on July 5, 2012.

17 **SEC. 24. FLOOD MITIGATION METHODS FOR BUILDINGS.**

18          Not later than 1 year after the date of the enactment  
19          of this Act, the Administrator shall issue guidelines for  
20          property owners that—

21               (1) provide alternative methods of mitigation,  
22               other than building elevation, to reduce flood risk to  
23               residential buildings that cannot be elevated due to  
24               their structural characteristics, including—

25                       (A) types of building materials; and

1 (B) types of floodproofing; and

2 (2) inform property owners about how the im-  
3 plementation of mitigation methods described in  
4 paragraph (1) may affect risk premium rates for  
5 flood insurance coverage under the National Flood  
6 Insurance Program.

7 **SEC. 25. MAPPING OF NON-STRUCTURAL FLOOD MITIGA-**  
8 **TION FEATURES.**

9 Section 100216 of the Biggert-Waters Flood Insur-  
10 ance Reform Act of 2012 (42 U.S.C. 4101b) is amended—

11 (1) in subsection (b)(1)(A)—

12 (A) in clause (iv), by striking “and” at the  
13 end;

14 (B) by redesignating clause (v) as clause  
15 (vi);

16 (C) by inserting after clause (iv) the fol-  
17 lowing new clause:

18 “(v) areas that are protected by non-  
19 structural flood mitigation features; and”;  
20 and

21 (D) in clause (vi) (as so redesignated), by  
22 inserting before the semicolon at the end the  
23 following: “and by non-structural flood mitiga-  
24 tion features”; and

25 (2) in subsection (d)(1)—

1 (A) by redesignating subparagraphs (A)  
2 through (C) as subparagraphs (B) through (D),  
3 respectively;

4 (B) in subparagraph (C) (as so redesign-  
5 ated), by striking “subparagraph (A)” and in-  
6 serting “subparagraph (B)”; and

7 (C) by inserting before subparagraph (B)  
8 (as so redesignated) the following new subpara-  
9 graph:

10 “(A) work with States, local communities,  
11 and property owners to identify areas and fea-  
12 tures described in subsection (b)(1)(A)(v);”.

13 **SEC. 26. AUTHORITY OF STATES TO REGULATE PRIVATE**  
14 **FLOOD INSURANCE.**

15 Paragraph (7) of section 102(b) of the Flood Dis-  
16 aster Protection Act of 1973 (42 U.S.C. 4012a(b)(7)) is  
17 amended to read as follows:

18 “(7) PRIVATE FLOOD INSURANCE DEFINED.—

19 In this subsection, the term ‘private flood insurance’  
20 means an insurance policy that—

21 “(A) provides flood insurance coverage;

22 “(B) is issued by an insurance company  
23 that is—

24 “(i) licensed, admitted, or otherwise  
25 approved to engage in the business of in-

1 insurance in the State or jurisdiction in  
2 which the insured building is located, by  
3 the insurance regulator of that State or ju-  
4 risdiction; or

5 “(ii) eligible as a nonadmitted insurer  
6 to provide insurance in the State or juris-  
7 diction where the property to be insured is  
8 located, in accordance with sections 521  
9 through 527 of the Dodd-Frank Wall  
10 Street Reform and Consumer Protection  
11 Act (15 U.S.C. 8201-6); and

12 “(C) is issued by an insurance company  
13 that is not otherwise disapproved as a surplus  
14 lines insurer by the insurance regulator of the  
15 State or jurisdiction where the property to be  
16 insured is located.”.