

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.

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.”.