

103^D CONGRESS
1ST SESSION

H. R. 3191

To revise the national flood insurance program to promote compliance with requirements for mandatory purchase of flood insurance, to provide assistance for mitigation activities designed to reduce damages to structures subject to flooding and shoreline erosion, and to increase the maximum coverage amounts under the program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 1993

Mr. KENNEDY (for himself and Mr. DEUTSCH) introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To revise the national flood insurance program to promote compliance with requirements for mandatory purchase of flood insurance, to provide assistance for mitigation activities designed to reduce damages to structures subject to flooding and shoreline erosion, and to increase the maximum coverage amounts under 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 “National Flood Insurance Reform Act of 1993”.

1 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title and table of contents.
- Sec. 2. Declaration of purpose under the National Flood Insurance Act of 1968.

TITLE I—DEFINITIONS

- Sec. 101. Flood Disaster Protection Act of 1973.
- Sec. 102. National Flood Insurance Act of 1968.

TITLE II—COMPLIANCE AND INCREASED PARTICIPATION

- Sec. 201. Existing flood insurance purchase requirements.
- Sec. 202. Expanded flood insurance purchase requirements.
- Sec. 203. Escrow of flood insurance payments.
- Sec. 204. Placement of flood insurance by regulated lending institution or Federal agency lender.
- Sec. 205. Fine for failure to require flood insurance or notify.
- Sec. 206. Ongoing compliance with flood insurance purchase requirements.
- Sec. 207. Notice requirements.
- Sec. 208. Standard hazard determination forms.
- Sec. 209. Examinations regarding compliance.
- Sec. 210. Financial Institutions Examination Council.
- Sec. 211. Clerical amendments.

TITLE III—RATINGS AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT PROGRAMS

- Sec. 301. Community rating system and incentives for community floodplain management.
- Sec. 302. Funding.

TITLE IV—MITIGATION OF FLOOD AND EROSION RISKS

- Sec. 401. Repeal of flooded property purchase and loan program.
- Sec. 402. Termination of erosion-threatened structures program.
- Sec. 403. Mitigation assistance responsibilities in Federal insurance administration.
- Sec. 404. State and community mitigation assistance program.
- Sec. 405. Establishment of National Flood Mitigation Fund.
- Sec. 406. Insurance premium mitigation surcharge.
- Sec. 407. Limitations on new flood insurance coverage in erosion hazard areas.
- Sec. 408. Study of mitigation insurance.
- Sec. 409. Riverine erosion study.
- Sec. 410. Coordination with coastal zone management programs.

TITLE V—FLOOD INSURANCE TASK FORCE

- Sec. 501. Flood Insurance Interagency Task Force.

TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Extension of flood insurance program.
- Sec. 602. Maximum flood insurance coverage amounts.
- Sec. 603. Flood insurance program arrangements with private insurance entities.

Sec. 604. Updating of flood maps and assessment and mapping of erosion hazard zones.

Sec. 605. Funding for increased administrative and operational responsibilities.

Sec. 606. Regulations.

1 **SEC. 2. DECLARATION OF PURPOSE UNDER THE NATIONAL**
 2 **FLOOD INSURANCE ACT OF 1968.**

3 Section 1302(e) of the National Flood Insurance Act
 4 of 1968 (42 U.S.C. 4001(e)) is amended—

5 (1) by redesignating clauses (3), (4), and (5),
 6 as clauses (4), (5), and (6), respectively; and

7 (2) by inserting after the comma at the end of
 8 clause (2) the following: “(3) encourage State and
 9 local governments to protect natural and beneficial
 10 floodplain functions that reduce flood-related
 11 losses,”.

12 **TITLE I—DEFINITIONS**

13 **SEC. 101. FLOOD DISASTER PROTECTION ACT OF 1973.**

14 (a) IN GENERAL.—Section 3(a) of the Flood Disaster
 15 Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—

16 (1) by striking paragraph (5) and inserting the
 17 following new paragraph:

18 “(5) ‘Federal entity for lending regulation’
 19 means the Board of Governors of the Federal Re-
 20 serve System, the Federal Deposit Insurance Cor-
 21 poration, the Comptroller of the Currency, the Office
 22 of Thrift Supervision, and the National Credit
 23 Union Administration, and with respect to a particu-

1 lar regulated lending institution means the entity
2 primarily responsible for the supervision, approval,
3 or regulation of the institution;”;

4 (2) in paragraph (6), by striking the period at
5 the end and inserting a semicolon; and

6 (3) by inserting after paragraph (6) the follow-
7 ing new paragraphs:

8 “(7) ‘Federal agency lender’ means a Federal
9 agency that makes direct loans secured by improved
10 real estate or a mobile home, to the extent such
11 agency acts in such capacity;

12 “(8) ‘lender’ includes any regulated lending in-
13 stitution, other lending institution, and Federal
14 agency lender, but does not include any agency en-
15 gaged primarily in the purchase of mortgage loans;

16 “(9) ‘other lending institution’ means any lend-
17 ing institution that is not subject to the supervision,
18 approval, regulation, or insuring of any Federal en-
19 tity for lending regulation and that is not a Federal
20 agency lender, but does not include institutions en-
21 gaged primarily in the purchase of mortgage loans;
22 and

23 “(10) ‘regulated lending institution’ means any
24 bank, savings and loan association, credit union, or
25 similar institution subject to the supervision, ap-

1 proval, regulation, or insuring of a Federal entity for
2 lending regulation.”.

3 (b) CONFORMING AMENDMENT.—Section 202(b) of
4 the Flood Disaster Protection Act of 1973 (42 U.S.C.
5 4106(b)) is amended by striking “Federal instrumentality
6 described in such section shall by regulation require the
7 institutions” and inserting “Federal entity for lending reg-
8 ulation (with respect to regulated lending institutions), the
9 Secretary of Housing and Urban Development (with re-
10 spect to other lending institutions), and the appropriate
11 head of each Federal agency lender, shall by regulation
12 require the lenders”.

13 **SEC. 102. NATIONAL FLOOD INSURANCE ACT OF 1968.**

14 (a) IN GENERAL.—Section 1370(a) of the National
15 Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is
16 amended—

17 (1) in paragraph (5), by striking “and” at the
18 end;

19 (2) in paragraph (6), by striking the period at
20 the end and inserting a semicolon; and

21 (3) by inserting after paragraph (6) the follow-
22 ing new paragraphs:

23 “(7) the term ‘erosion hazard area’ means,
24 based on erosion rate information and other histori-
25 cal data available, an area where erosion or avulsion

1 is likely to result in damage to or loss of buildings
2 and infrastructure within a 60-year period;

3 “(8) the term ‘readily movable structure’ means
4 a small permanent structure of less than 5,000
5 square feet that is designed, sited, and built to ac-
6 complish relocation at a reasonable cost relative to
7 other structures of the same size and construction
8 and that has access of sufficient width and accept-
9 able grade to permit such relocation;

10 “(9) the term ‘coastal’ means relating to the
11 coastlines and bays of the tidal waters of the United
12 States or the shorelines of the Great Lakes, but does
13 not refer to bayous, riverine areas, and riverine por-
14 tions of estuaries;

15 “(10) the term ‘Federal agency lender’ means a
16 Federal agency that makes direct loans secured by
17 improved real estate or a mobile home, to the extent
18 such agency acts in such capacity;

19 “(11) the term ‘Federal entity for lending regu-
20 lation’ means the Board of Governors of the Federal
21 Reserve System, the Federal Deposit Insurance Cor-
22 poration, the Comptroller of the Currency, the Office
23 of Thrift Supervision, and the National Credit
24 Union Administration, and with respect to a particu-
25 lar regulated lending institution means the entity

1 primarily responsible for the supervision, approval,
2 or regulation of the institution;

3 “(12) the term ‘lender’ includes any regulated
4 lending institution, other lending institution, and
5 Federal agency lender, but does not include any
6 agency engaged primarily in the purchase of mort-
7 gage loans;

8 “(13) the term ‘natural and beneficial flood-
9 plain functions’ means (A) the functions associated
10 with the natural or relatively undisturbed floodplain
11 that moderate flooding, retain flood waters, reduce
12 erosion and sedimentation, and mitigate the effect of
13 waves and storm surge from storms, and (B) ancil-
14 lary beneficial functions, including maintenance of
15 water quality, recharge of ground water, and provi-
16 sion of fisheries and wildlife habitat;

17 “(14) the term ‘regulated lending institution’
18 means a bank, savings and loan association, credit
19 union, or similar institution subject to the super-
20 vision, approval, regulation, or insuring of a Federal
21 entity for lending regulation; and

22 “(15) the term ‘other lending institution’ means
23 any lending institution that is not subject to the su-
24 pervision, approval, regulation, or insuring of any
25 Federal entity for lending regulation and that is not

1 a Federal agency lender, but does not include insti-
2 tutions engaged primarily in the purchase of mort-
3 gage loans.”.

4 (b) CONFORMING AMENDMENT.—Section 1322(d) of
5 the National Flood Insurance Act of 1968 (42 U.S.C.
6 4029(d)) is amended by striking “federally supervised, ap-
7 proved, regulated, or insured financial institution” and in-
8 serting “regulated lending institution, other lender, or
9 Federal agency lender”.

10 **TITLE II—COMPLIANCE AND** 11 **INCREASED PARTICIPATION**

12 **SEC. 201. EXISTING FLOOD INSURANCE PURCHASE RE-** 13 **QUIREMENTS.**

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

16 (1) by inserting after “(a)” the following: “(a)
17 REQUIREMENT FOR FEDERAL ASSISTANCE FOR AC-
18 QUISSION OR CONSTRUCTION.—”; and

19 (2) by adding at the end the following new sen-
20 tence: “This subsection may not be construed to per-
21 mit the provision of any amount of financial assist-
22 ance with respect to any building or mobile home
23 and related personal property for which flood insur-
24 ance is required under such paragraph, unless the
25 requirements under such paragraph are complied

1 with in full. The prohibitions and requirements in
2 this paragraph relating to financial assistance may
3 not be waived for any purpose.”.

4 **SEC. 202. EXPANDED FLOOD INSURANCE PURCHASE RE-**
5 **QUIREMENTS.**

6 Section 102(b) of the Flood Disaster Protection Act
7 of 1973 (42 U.S.C. 4012a(b)) is amended to read as fol-
8 lows:

9 “(b) REQUIREMENT FOR MORTGAGE LOANS.—

10 “(1) REGULATED LENDING INSTITUTIONS.—

11 Each Federal entity for lending regulation (after
12 consultation and coordination with the Financial In-
13 stitutions Examination Council established under the
14 Federal Financial Institutions Examination Council
15 Act of 1974) shall by regulation direct regulated
16 lending institutions not to make, increase, extend, or
17 renew, after the expiration of 60 days following the
18 date of the enactment of this Act, any loan secured
19 by improved real estate or a mobile home located or
20 to be located in an area that has been identified by
21 the Director as an area having special flood hazards
22 and in which flood insurance has been made avail-
23 able under the National Flood Insurance Act of
24 1968, unless the building or mobile home and any
25 personal property securing such loan is covered for

1 the term of the loan by flood insurance in an
2 amount at least equal to the outstanding principal
3 balance of the loan or the maximum limit of cov-
4 erage made available under the Act with respect to
5 the particular type of property, whichever is less.

6 “(2) OTHER LENDING INSTITUTIONS AND
7 GSE’S.—The Secretary of Housing and Urban Devel-
8 opment (after consultation and coordination with the
9 Financial Institutions Examination Council) shall by
10 regulation direct that—

11 “(A) any other lending institution may not
12 make, increase, extend, or renew any loan se-
13 cured by improved real estate or a mobile home
14 located or to be located in an area that has
15 been identified by the Director of the Federal
16 Emergency Management Agency as an area
17 having special flood hazards and in which flood
18 insurance has been made available under the
19 National Flood Insurance Act of 1968, unless
20 the building or mobile home and any personal
21 property securing such loan is covered for the
22 term of the loan by flood insurance in the
23 amount provided in paragraph (1);

24 “(B) the Federal National Mortgage Asso-
25 ciation and the Federal Home Loan Mortgage

1 Corporation implement procedures reasonably
2 designed to ensure that all loans that are—

3 “(i) secured by improved real estate
4 or a mobile home located in an area that
5 has been identified at the time of the origi-
6 nation of the loan by the Director of the
7 Federal Emergency Management Agency,
8 as an area of special flood hazards and in
9 which flood insurance is available under
10 the National Flood Insurance Act of 1968,
11 and

12 “(ii) purchased by either such entity,
13 are covered for the term of the loan by flood in-
14 surance in the amount provided in paragraph
15 (1); and

16 “(C) all loans that are—

17 “(i) secured by improved real estate
18 or a mobile home located in an area that
19 has been identified at the time of the origi-
20 nation of the loan by the Director of the
21 Federal Emergency Management Agency,
22 as an area of special flood hazards and in
23 which flood insurance is available under
24 the National Flood Insurance Act of 1968,
25 and

1 “(ii) purchased by the Government
2 National Mortgage Association,
3 are covered for the term of the loan by flood in-
4 surance in the amount provided in paragraph
5 (1).

6 “(3) FEDERAL AGENCY LENDERS.—A Federal
7 agency lender may not make, increase, extend, or
8 renew any loan secured by improved real estate or
9 a mobile home located or to be located in an area
10 that has been identified by the Director of the Fed-
11 eral Emergency Management Agency as an area
12 having special flood hazards and in which flood in-
13 surance has been made available under the National
14 Flood Insurance Act of 1968, unless the building or
15 mobile home and any personal property securing
16 such loan is covered for the term of the loan by flood
17 insurance in the amount provided in paragraph (1).
18 The relevant head of each Federal agency lender
19 shall issue any regulations necessary to carry out
20 this paragraph. Such regulations shall be consistent
21 with and substantially identical to the regulations is-
22 sued under paragraphs (1) and (2).

23 “(4) FEE FOR DETERMINING LOCATION.—Not-
24 withstanding any other Federal or State law, any
25 lender may charge the borrower a reasonable fee (as

1 determined by the Director) for the costs of deter-
2 mining whether the improved real estate or mobile
3 home securing the loan is located in an area of spe-
4 cial flood hazards, but only if such determination is
5 made pursuant to the making, increasing, extending,
6 or renewing of a loan described under paragraph
7 (1), (2), or (3) that is initiated by the borrower.

8 “(5) CONTESTED DETERMINATIONS.—If a bor-
9 rower under a loan disputes or challenges the deter-
10 mination of the lender that the improved real estate
11 or mobile home securing the loan is located in an
12 area of special flood hazards, the lender shall review
13 and consider any relevant information submitted to
14 the lender by the borrower.

15 “(6) APPLICABILITY.—Paragraphs (2) through
16 (5) shall apply only with respect to—

17 “(A) any loan made, increased, extended,
18 or renewed after the expiration of the 1-year
19 period beginning on the date of the enactment
20 of the National Flood Insurance Reform Act of
21 1993; and

22 “(B) any loan outstanding after the expi-
23 ration of the 5-year period beginning on the
24 date of the enactment of such Act.”.

1 **SEC. 203. ESCROW OF FLOOD INSURANCE PAYMENTS.**

2 Section 102 of the Flood Disaster Protection Act of
3 1973 (42 U.S.C. 4012a) is amended by adding at the end
4 the following new subsection:

5 “(d) ESCROW OF FLOOD INSURANCE PAYMENTS.—

6 “(1) PRIVATE LENDERS.—For loans secured by
7 residential real estate, each Federal entity for lend-
8 ing regulation (with respect to any loans of regu-
9 lated lending institutions) and the Secretary of
10 Housing and Urban Development (with respect to
11 any loans of other lending institutions), after con-
12 sultation and coordination with the Financial Insti-
13 tutions Examination Council, shall by regulation di-
14 rect that any premiums and fees for flood insurance
15 under the National Flood Insurance Act of 1968 for
16 the residential real estate shall be paid to the lender
17 or servicer of the loan. Premiums and fees paid to
18 the lender or servicer shall be paid in a manner suf-
19 ficient to make payments as due for the duration of
20 the loan. Upon receipt of the premiums, the lender
21 or servicer of the loan shall deposit the premiums in
22 an escrow account on behalf of the borrower. Upon
23 receipt of a notice from the Director or the provider
24 of the insurance that insurance premiums are due,
25 the lender or servicer shall pay from the escrow ac-

1 count to the provider of the insurance the amount
2 of insurance premiums owed.

3 “(2) FEDERAL AGENCY LENDERS.—The appro-
4 priate head of each Federal agency lender shall by
5 regulation require and provide for escrow and pay-
6 ment of any flood insurance premiums and fees re-
7 lating to residential property securing loans made by
8 the Federal agency lender under the circumstances
9 and in the manner provided under paragraph (1).
10 Any regulations issued under this paragraph shall be
11 consistent with and substantially identical to the
12 regulations issued under paragraph (1).

13 “(3) APPLICABILITY OF RESPA.—Escrow ac-
14 counts established pursuant to this subsection shall
15 be subject to the provisions of section 10 of the Real
16 Estate Settlement Procedures Act of 1974.

17 “(4) APPLICABILITY.—This subsection shall
18 apply only with respect to—

19 “(A) any loan made, increased, extended,
20 or renewed after the expiration of the 1-year
21 period beginning on the date of the enactment
22 of the National Flood Insurance Reform Act of
23 1993; and

1 “(B) any loan outstanding after the expi-
2 ration of the 5-year period beginning on the
3 date of the enactment of such Act.”.

4 **SEC. 204. PLACEMENT OF FLOOD INSURANCE BY REGU-**
5 **LATED LENDING INSTITUTION OR FEDERAL**
6 **AGENCY LENDER.**

7 (a) ACTIONS REQUIRED BY LENDER.—Section 102
8 of the Flood Disaster Protection Act of 1973 (42 U.S.C.
9 4012a), as amended by the preceding provisions of this
10 Act, is further amended by adding at the end the following
11 new subsection:

12 “(e) PLACEMENT OF FLOOD INSURANCE BY LEND-
13 ER.—

14 “(1) NOTIFICATION TO BORROWER OF LACK OF
15 COVERAGE.—If, at any time during the term of a
16 loan secured by improved real estate or by a mobile
17 home located in an area that has been identified by
18 the Director as an area having special flood hazards
19 and in which flood insurance is available under the
20 National Flood Insurance Act of 1968, a regulated
21 lending institution, Federal agency lender, or other
22 lender determines that the building or mobile home
23 and any personal property securing the loan held or
24 serviced by the regulated lending institution or Fed-
25 eral agency lender is not covered by flood insurance,

1 in an amount not less than the amount required by
2 subsection (b)(1), the regulated lending institution,
3 Federal agency lender, or other lender shall notify
4 the borrower under the loan that the borrower
5 should obtain, at the borrower's expense, an amount
6 of flood insurance that is not less than the amount
7 required by subsection (b)(1), for the term of the
8 loan.

9 “(2) PURCHASE OF COVERAGE ON BEHALF OF
10 BORROWER.—If the borrower fails to purchase such
11 flood insurance within 60 days after such notifica-
12 tion, the regulated lending institution, Federal agen-
13 cy lender, or other lender shall purchase the insur-
14 ance on behalf of the borrower and may charge the
15 borrower for the cost of premiums and fees incurred
16 by the regulated lending institution, Federal agency
17 lender, or other lender in purchasing the insurance.

18 “(3) REVIEW OF DETERMINATION REGARDING
19 REQUIRED PURCHASE.—

20 “(A) IN GENERAL.—A borrower may re-
21 quest that the Director review a determination
22 that the improved real estate or mobile home
23 securing the loan is located in an area of special
24 flood hazards. Not later than 45 days after the
25 Director receives the request, the Director shall

1 review the determination and provide the bor-
2 rower with a letter stating whether or not the
3 property is in a special flood hazards area. The
4 determination of the Director shall be final.

5 “(B) EFFECT OF DETERMINATION.—Any
6 person to whom a borrower provides a letter is-
7 sued by the Director pursuant to subparagraph
8 (A), stating that the property of the borrower
9 is not in an area of special flood hazards, shall
10 have no obligation under this title to require the
11 purchase of flood insurance on the property
12 during the 1-year period beginning upon the
13 date that such letter is provided.

14 “(4) APPLICABILITY.—This subsection shall
15 apply to all loans outstanding on or after the date
16 of enactment of the National Flood Insurance Re-
17 form Act of 1993.”.

18 **SEC. 205. FINE FOR FAILURE TO REQUIRE FLOOD INSUR-**
19 **ANCE OR NOTIFY.**

20 Section 102 of the Flood Disaster Protection Act of
21 1973 (42 U.S.C. 4012a), as amended by the preceding
22 provisions of this Act, is further amended by adding at
23 the end the following new subsection:

24 “(f) PENALTIES FOR FAILURE TO REQUIRE FLOOD
25 INSURANCE OR NOTIFY.—

1 “(1) CIVIL MONETARY PENALTIES AGAINST
2 LENDERS.—Any regulated or other lending institu-
3 tion that is found to have a pattern or practice of
4 committing violations under paragraph (2) shall be
5 assessed a civil penalty by the appropriate Federal
6 entity for lending regulation (with respect to regu-
7 lated lending institutions) or the Secretary of Hous-
8 ing and Urban Development (with respect to any
9 other lending institutions) in the amount provided
10 under paragraph (5).

11 “(2) LENDER VIOLATIONS.—The violations re-
12 ferred to in paragraph (2) shall be—

13 “(A) making, increasing, extending, or re-
14 newing loans in violation of—

15 “(i) the regulations issued pursuant to
16 subsection (b) of this section;

17 “(ii) the escrow requirements under
18 subsection (d) of this section; or

19 “(iii) the notice requirements under
20 section 1364 of the National Flood Insur-
21 ance Act of 1968; or

22 “(B) failure to provide notice or purchase
23 flood insurance coverage in violation of sub-
24 section (e) of this section.

1 “(3) CIVIL MONETARY PENALTIES AGAINST
2 GSE’S.—If the Federal National Mortgage Associa-
3 tion or the Federal Home Loan Mortgage Corpora-
4 tion is found by the Secretary of Housing and
5 Urban Development to have a pattern or practice of
6 purchasing loans in violation of the procedures es-
7 tablished pursuant to subsection (b)(2)(B) of this
8 section or the regulations issued by the Secretary
9 pursuant to such subsection, the Secretary shall as-
10 sess a civil penalty against such enterprise in the
11 amount provided under paragraph (5). For purposes
12 of this subsection, the term ‘enterprise’ means the
13 Federal National Mortgage Association and the Fed-
14 eral Home Loan Mortgage Corporation.

15 “(4) NOTICE AND HEARING.—A penalty under
16 this subsection may be issued only after notice and
17 an opportunity for a hearing on the record.

18 “(5) AMOUNT.—A civil monetary penalty under
19 this subsection may not exceed \$350 for each viola-
20 tion under paragraph (2) or paragraph (3). The
21 total amount of penalties assessed under this sub-
22 section against any single lender or enterprise for
23 any calendar year may not exceed \$100,000.

24 “(6) LENDER COMPLIANCE.—Notwithstanding
25 any State or local law, for purposes of this sub-

1 section, any lender that purchases flood insurance or
2 renews a contract for flood insurance on behalf of or
3 as an agent of a borrower of a loan for which flood
4 insurance is required shall be considered to have
5 complied with the regulations issued under sub-
6 section (b).

7 “(7) EFFECT OF TRANSFER ON LIABILITY.—
8 Any sale or other transfer of a loan by a lender who
9 has committed a violation under paragraph (1), that
10 occurs subsequent to the violation, shall not affect
11 the liability of the transferring lender with respect to
12 any penalty under this subsection. A lender shall not
13 be liable for any violations relating to a loan com-
14 mitted by another lender who previously held the
15 loan.

16 “(8) DEPOSIT OF PENALTIES.—Any penalties
17 collected under this subsection shall be paid into the
18 National Flood Mitigation Fund under section 1367
19 of the National Flood Insurance Act of 1968.

20 “(9) ADDITIONAL PENALTIES.—Any penalty
21 under this subsection shall be in addition to any civil
22 remedy or criminal penalty otherwise available.

23 “(10) STATUTE OF LIMITATIONS.—No penalty
24 may be imposed under this subsection after the expi-
25 ration of the 5-year period beginning on the date of

1 the occurrence of the violation for which the penalty
2 is authorized under this subsection.”.

3 **SEC. 206. ONGOING COMPLIANCE WITH FLOOD INSURANCE**
4 **PURCHASE REQUIREMENTS.**

5 Section 102 of the Flood Disaster Protection Act of
6 1973 (42 U.S.C. 4012a), as amended by the preceding
7 provisions of this Act, is further amended by adding at
8 the end the following new subsection:

9 “(g) NOTIFICATION OF FLOOD HAZARDS TO LOAN
10 TRANSFEREE.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graphs (2), (3), and (4), before the sale or transfer
13 of any loan secured by improved real estate or a mo-
14 bile home, the seller or transferor of the loan shall
15 determine whether the property is in an area that
16 has been designated by the Director as an area hav-
17 ing special flood hazards. The seller or transferor
18 shall, before sale or transfer, notify the purchaser or
19 transferee and any servicer of the loan in writing re-
20 garding the results of the determination. A deter-
21 mination under this paragraph shall be evidenced
22 using the standard hazard determination form under
23 section 1365 of the National Flood Insurance Act of
24 1968.

1 “(2) EXCEPTIONS.—For any loan secured by
2 improved real estate or a mobile home, a determina-
3 tion and notice under paragraph (1) shall not be re-
4 quired if, during the 5-year period ending on the
5 date of the sale or transfer of the loan—

6 “(A) a determination and notice under
7 paragraph (1) has been made for the property
8 secured by the loan; or

9 “(B)(i) the loan has been made, increased,
10 extended, or renewed; and

11 “(ii) the lender making, increasing, extend-
12 ing, or renewing the loan was subject, at the
13 time of such transaction, to regulations issued
14 pursuant to paragraph (1), (2), or (3) of sub-
15 section (b).

16 “(3) LOANS TRANSFERRED BY FDIC.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), for any loan secured by im-
19 proved real estate or a mobile home that is sold
20 or transferred by the Federal Deposit Insurance
21 Corporation acting in its corporate capacity or
22 in its capacity as conservator or receiver, the
23 purchaser or transferee of the loan shall deter-
24 mine whether the property is in an area that

1 has been designated by the Director as an area
2 having special flood hazards.

3 “(B) EXCEPTIONS.—Such determination
4 and notice shall not be required for any loan—

5 “(i) sold or transferred to an entity
6 under the control of the Federal Deposit
7 Insurance Corporation; or

8 “(ii) for which the purchaser or trans-
9 feree exercises any available option to
10 transfer or put the loan back to the Fed-
11 eral Deposit Insurance Corporation.

12 “(C) NOTICE TO DIRECTOR.—A purchaser
13 or transferee of a loan required to make a de-
14 termination and notification under subpara-
15 graph (A) shall notify the Director and any
16 servicer of the loan of the results of the deter-
17 mination (using the standard hazard determina-
18 tion form under section 1365 of the National
19 Flood Insurance Act of 1968) before the expira-
20 tion of the 90-day period beginning on the later
21 of (i) the purchase or transfer of the loan, or
22 (ii) the expiration of any option that the pur-
23 chaser or transferee may have to transfer or
24 put the loan back to the Federal Deposit Insur-
25 ance Corporation.

1 “(4) LOANS TRANSFERRED BY RTC.—

2 “(A) IN GENERAL.—For any loan secured
3 by improved real estate or a mobile home that
4 is sold or transferred by the Resolution Trust
5 Corporation acting in its corporate capacity or
6 in its capacity as a conservator or receiver, the
7 purchaser or transferee of the loan shall deter-
8 mine whether the property is in an area that
9 has been designated by the Director as an area
10 having special flood hazards if—

11 “(i) the Resolution Trust Corporation
12 acquires the loan after the date of the ef-
13 fectiveness of this subsection and sells or
14 transfers the loan before the expiration of
15 the 12-month period beginning on such ef-
16 fective date; or

17 “(ii) the Corporation holds the loan
18 on the date of the effectiveness of this sub-
19 section and sells or transfers the loan be-
20 fore the expiration of the 6-month period
21 beginning on such effective date.

22 “(B) NOTICE TO DIRECTOR.—A purchaser
23 or transferee of a loan required to make a de-
24 termination and notification under subpara-
25 graph (A) shall notify the Director and any

1 estate or a mobile home located or to be located in
2 an area that has been identified by the Director
3 under this title or the Flood Disaster Protection Act
4 of 1973 as an area having special flood hazards, to
5 notify the purchaser or lessee (or obtain satisfactory
6 assurances that the seller or lessor has notified the
7 purchaser or lessee) and the servicer of the loan of
8 such special flood hazards, in writing, a reasonable
9 period in advance of the signing of the purchase
10 agreement, lease, or other documents involved in the
11 transaction. The regulations shall also require that
12 the lenders retain a record of the receipt of the no-
13 tices by the purchaser or lessee and the servicer.

14 “(2) FEDERAL AGENCY LENDERS.—The appro-
15 priate head of each Federal agency lender shall by
16 regulation require notification in the manner pro-
17 vided under paragraph (1) with respect to any loan
18 that is made by the Federal agency lender and se-
19 cured by improved real estate or a mobile home lo-
20 cated or to be located in an area that has been iden-
21 tified by the Director under this title or the Flood
22 Disaster Protection Act of 1973 as an area having
23 special flood hazards. Any regulations issued under
24 this paragraph shall be consistent with and substan-

1 tially identical to the regulations issued under para-
2 graph (1).

3 “(3) CONTENTS OF NOTICE.—Written notifica-
4 tion required under this subsection shall include—

5 “(A) a warning, in a form to be established
6 in consultation with and subject to the approval
7 of the Director, stating that the real estate or
8 mobile home securing the loan is located or is
9 to be located in an area having special flood
10 hazards;

11 “(B) a description of the flood insurance
12 purchase requirements under section 102(b) of
13 the Flood Disaster Protection Act of 1973;

14 “(C) a statement that flood insurance cov-
15 erage may be purchased under the national
16 flood insurance program and is also available
17 from private insurers; and

18 “(D) any other information that the Direc-
19 tor considers necessary to carry out the pur-
20 poses of the national flood insurance program.

21 “(b) NOTIFICATION OF CHANGE OF LOAN HOLDER
22 AND SERVICER.—

23 “(1) LENDING INSTITUTIONS.—Each Federal
24 entity for lending regulation (with respect to regu-
25 lated lending institutions) and the Secretary of

1 Housing and Urban Development (with respect to
2 other lending institutions), after consultation and co-
3 ordination with the Financial Institutions Examina-
4 tion Council, shall by regulation require such institu-
5 tions, as a condition of making, increasing, extend-
6 ing, renewing, selling, or transferring any loan de-
7 scribed in subsection (a)(1), to notify the Director
8 (or the designee of the Director) in writing during
9 the term of the loan of the owner and servicer of the
10 loan. Such institutions shall also notify the Director
11 (or such designee) of any change in the owner or
12 servicer of the loan, not later than 60 days after the
13 effective date of such change. The regulations under
14 this subsection shall provide that upon any sale or
15 transfer of a loan, the duty to provide notification
16 under this subsection shall transfer to the transferee
17 of the loan.

18 “(2) FEDERAL AGENCY LENDERS.—The appro-
19 priate head of each Federal agency lender shall by
20 regulation provide for notification in the manner
21 provided under paragraph (1) with respect to any
22 loan described in subsection (a)(1) that is made by
23 the Federal agency lender. Any regulations issued
24 under this paragraph shall be consistent with and

1 substantially identical to the regulations issued
2 under paragraph (1) of this subsection.

3 “(c) NOTIFICATION OF EXPIRATION OF INSUR-
4 ANCE.—The Director (or the designee of the Director)
5 shall, not less than 45 days before the expiration of any
6 contract for flood insurance under this title, issue notice
7 of such expiration by first class mail to the owner of the
8 property, the servicer of any loan secured by the property
9 covered by the contract, and the owner of the loan.”.

10 **SEC. 208. STANDARD HAZARD DETERMINATION FORMS.**

11 Chapter III of the National Flood Insurance Act of
12 1968 (42 U.S.C. 4101 et seq.) is amended by adding at
13 the end the following new section:

14 “STANDARD HAZARD DETERMINATION FORMS

15 “SEC. 1365. (a) DEVELOPMENT.—The Director, in
16 consultation with representatives of the mortgage and
17 lending industry, the Federal entities for lending regula-
18 tion, the Federal agency lenders, and any other appro-
19 priate individuals, shall develop standard written and elec-
20 tronic forms for determining flood hazard exposure of a
21 property for use in connection with loans secured by im-
22 proved real estate or a mobile home.

23 “(b) DESIGN AND CONTENTS.—

24 “(1) PURPOSE.—The form under subsection (a)
25 shall be designed to facilitate a determination of the
26 exposure to flood hazards of structures located on

1 the property to which the loan application relates.
2 The form shall be consistent with and appropriate to
3 facilitate compliance with the provisions of this title.

4 “(2) CONTENTS.—The form shall require iden-
5 tification of the type of flood-risk zone in which the
6 property is located, the complete map and panel
7 numbers for the property, and the date of the map
8 used for the determination, with respect to flood
9 hazard information on file with the Director. If the
10 property is not located in an area of special flood
11 hazard the form shall require a statement to such
12 effect and shall indicate the complete map and panel
13 numbers of the property. If the complete map and
14 panel numbers for the property are not available be-
15 cause the property is not located in a community
16 that is participating in the national flood insurance
17 program or because no map exists for the relevant
18 area, the form shall require a statement to such ef-
19 fect. The form shall provide for inclusion or attach-
20 ment of any relevant documents indicating revisions
21 or amendments to maps.

22 “(c) REQUIRED USE.—The Federal entities for lend-
23 ing regulation shall by regulation require the use of the
24 form under this section by regulated lending institutions.
25 The appropriate head of each Federal agency lender shall

1 by regulation provide for the use of the form with respect
2 to any loan made by such Federal agency lender. The Sec-
3 retary of Housing and Urban Development shall by regu-
4 lation require use of the form in connection with loans
5 purchased by Federal National Mortgage Association and
6 the Federal Home Loan Mortgage Corporation and the
7 Government National Mortgage Association. The Sec-
8 retary of Housing and Urban Development shall encour-
9 age the use of the form by other lending institutions.

10 “(d) GUARANTEES REGARDING INFORMATION.—In
11 providing information regarding special flood hazards on
12 the form developed under this section (or otherwise re-
13 quired of a lender not required to use the form under this
14 section) any lender making, increasing, extending, or re-
15 newing a loan secured by improved real estate or a mobile
16 home may provide for the acquisition or determination of
17 such information to be made by a person other than such
18 institution, only to the extent such person guarantees the
19 accuracy of the information. The Director shall by regula-
20 tions establish requirements relating to the nature and
21 manner of such guarantees.

22 “(e) ELECTRONIC FORM.—The Federal entities for
23 lending regulation, the Secretary of Housing and Urban
24 Development, and the appropriate head of each Federal
25 agency lender shall by regulation require any lender using

1 the electronic form developed under this section with re-
2 spect to any loan to make available upon the request of
3 such Federal entity, Secretary, or agency head, a written
4 form under this section for such loan within 48 hours after
5 such request.”.

6 **SEC. 209. EXAMINATIONS REGARDING COMPLIANCE.**

7 (a) AMENDMENT TO FEDERAL DEPOSIT INSURANCE
8 ACT.—

9 (1) IN GENERAL.—Section 10 of the Federal
10 Deposit Insurance Act (12 U.S.C. 1820) is amended
11 by adding at the end the following new subsection:

12 “(h) FLOOD INSURANCE COMPLIANCE BY INSURED
13 DEPOSITORY INSTITUTIONS.—

14 “(1) EXAMINATIONS.—The appropriate Federal
15 banking agency shall, during each scheduled on-site
16 examination required by this section, determine
17 whether the insured depository institution is comply-
18 ing with the requirements of the national flood in-
19 surance program.

20 “(2) REPORT.—Not later than 1 year after the
21 date of enactment of the National Flood Insurance
22 Reform Act of 1993 and biannually thereafter for
23 the next 4 years, each appropriate Federal banking
24 agency shall submit a report to the Congress on
25 compliance by insured depository institutions with

1 the requirements of the national flood insurance pro-
2 gram. The report shall include a description of the
3 methods used to determine compliance, the number
4 of institutions examined during the reporting year,
5 a listing and total number of institutions found not
6 to be in compliance, actions taken to correct inci-
7 dents of noncompliance, and an analysis of compli-
8 ance, including a discussion of any trends, patterns,
9 and problems, and recommendations regarding rea-
10 sonable actions to improve the efficiency of the ex-
11 aminations processes.”.

12 (2) CLERICAL AMENDMENT.—Notwithstanding
13 section 302(d) of the Federal Deposit Insurance
14 Corporation Improvement Act of 1991 (Public Law
15 102–242; 105 Stat. 2349), the material to be added
16 to section 10 of the Federal Deposit Insurance Act
17 by the amendment to be made by such section
18 302(d) shall be inserted after subsection (f) of such
19 section 10 rather than at the end of section 10.

20 (b) AMENDMENT TO FEDERAL CREDIT UNION
21 ACT.—Section 204 of the Federal Credit Union Act (12
22 U.S.C. 1784) is amended by adding at the end the follow-
23 ing new subsection:

24 “(e) FLOOD INSURANCE COMPLIANCE BY INSURED
25 CREDIT UNIONS.—

1 “(1) EXAMINATION.—The Board shall, during
2 each examination conducted under this section, de-
3 termine whether the insured credit union is comply-
4 ing with the requirements of the national flood in-
5 surance program.

6 “(2) REPORT.—Not later than 1 year after the
7 date of enactment of the National Flood Insurance
8 Reform Act of 1993 and biannually thereafter for
9 the next 4 years, the Board shall submit a report to
10 Congress on compliance by insured credit unions
11 with the requirements of the national flood insur-
12 ance program. The report shall include a description
13 of the methods used to determine compliance, the
14 number of insured credit unions examined during
15 the reporting year, a listing and total number of in-
16 sured credit unions found not to be in compliance,
17 actions taken to correct incidents of noncompliance,
18 and an analysis of compliance, including a discussion
19 of any trends, patterns, and problems, and rec-
20 ommendations regarding reasonable actions to im-
21 prove the efficiency of the examinations processes.”.

22 (c) AMENDMENT TO FEDERAL HOUSING ENTER-
23 PRISES FINANCIAL SAFETY AND SOUNDNESS ACT OF
24 1992.—Section 1317 of the Federal Housing Enterprises
25 Financial Safety and Soundness Act of 1992 (12 U.S.C.

1 4517) is amended by adding at the end the following new
2 subsection:

3 “(g) FLOOD INSURANCE COMPLIANCE BY ENTER-
4 PRISES.—

5 “(1) EXAMINATION.—The Director shall, dur-
6 ing each annual examination of an enterprise con-
7 ducted under this section, determine whether the en-
8 terprise is complying with the requirements of sec-
9 tion 102(b)(2)(B) of the Flood Disaster Protection
10 Act of 1973.

11 “(2) REPORT.—Not later than 1 year after the
12 date of enactment of the National Flood Insurance
13 Reform Act of 1993 and biannually thereafter for
14 the next 4 years, the Director shall submit a report
15 to Congress on compliance by the enterprises with
16 the requirements of section 102(b)(2)(B) of the
17 Flood Disaster Protection Act of 1973. The report
18 shall include a description of the methods used to
19 determine compliance, identification of any enter-
20 prise found not to be in compliance, actions taken to
21 correct incidents of noncompliance, and an analysis
22 of compliance, including a discussion of any trends,
23 patterns, and problems, and recommendations re-
24 garding reasonable actions to improve the efficiency
25 of the examinations processes.”.

1 **SEC. 210. FINANCIAL INSTITUTIONS EXAMINATION COUN-**
2 **CIL.**

3 Section 1006 of the Federal Financial Institutions
4 Examination Council Act of 1978 (12 U.S.C. 3305) is
5 amended by adding at the end the following new sub-
6 section:

7 “(g) The council shall consult and assist the Federal
8 entities for lending regulation and the Secretary of Hous-
9 ing and Urban Development in developing and coordinat-
10 ing uniform standards and requirements for use by lenders
11 as provided under the National Flood Insurance Act of
12 1968 and the Flood Disaster Protection Act of 1973.”.

13 **SEC. 211. CLERICAL AMENDMENTS.**

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

16 (1) by striking the section heading and insert-
17 ing the following new section heading:

18 “FLOOD INSURANCE PURCHASE AND COMPLIANCE
19 REQUIREMENTS AND ESCROW ACCOUNTS”; and

20 (2) in subsection (c), by inserting “EXCEPTION
21 TO PURCHASE REQUIREMENTS FOR STATE-OWNED
22 PROPERTY.—” before “Notwithstanding”.

1 **TITLE III—RATINGS AND INCEN-**
2 **TIVES FOR COMMUNITY**
3 **FLOODPLAIN MANAGEMENT**
4 **PROGRAMS**

5 **SEC. 301. COMMUNITY RATING SYSTEM AND INCENTIVES**
6 **FOR COMMUNITY FLOODPLAIN MANAGE-**
7 **MENT.**

8 Section 1315 of the National Flood Insurance Act of
9 1968 (42 U.S.C. 4022) is amended—

10 (1) by inserting after “SEC. 1315.” the follow-
11 ing: “(a) REQUIREMENT FOR PARTICIPATION IN
12 FLOOD INSURANCE PROGRAM.—”; and

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

15 “(b) COMMUNITY RATING SYSTEM AND INCENTIVES
16 FOR COMMUNITY FLOODPLAIN MANAGEMENT.—

17 “(1) AUTHORITY AND GOALS.—The Director
18 shall carry out a community rating system program
19 to evaluate the measures adopted by areas (and sub-
20 divisions thereof) in which the Director has made
21 flood insurance coverage available to provide for ade-
22 quate land use and control provisions consistent with
23 the comprehensive criteria for such land manage-
24 ment and use under section 1361, to facilitate accu-
25 rate risk-rating, to promote flood insurance aware-

1 ness, and to complement adoption of more effective
2 measures for floodplain and coastal erosion manage-
3 ment.

4 “(2) INCENTIVES.—The program under this
5 subsection shall provide incentives in the form of ad-
6 justments in the premium rates for flood insurance
7 coverage in areas that the Director determines have
8 adopted and enforced the goals of the community
9 rating system under this subsection. In providing in-
10 centives under this paragraph, the Director may pro-
11 vide for additional adjustments in premium rates for
12 flood insurance coverage in areas that the Director
13 determines have implemented measures relating to
14 the protection of natural and beneficial floodplain
15 functions.

16 “(3) FUNDS.—The Director shall carry out the
17 program under this subsection with amounts, as the
18 Director determines necessary, from the National
19 Flood Insurance Fund under section 1310 and any
20 other amounts that may be appropriated for such
21 purpose.

22 “(4) REPORTS.—The Director shall submit a
23 report to the Congress regarding the program under
24 this subsection not later than the expiration of the
25 2-year period beginning on the date of the enact-

1 ment of the National Flood Insurance Reform Act of
2 1993. The Director shall submit a report under this
3 paragraph not less than every 2 years thereafter.
4 Each report under this paragraph shall include an
5 analysis of the cost-effectiveness and other accom-
6 plishments and shortcomings of the program and
7 any recommendations of the Director for legislation
8 regarding the program.”.

9 **SEC. 302. FUNDING.**

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

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

14 (2) by redesignating paragraph (5) as para-
15 graph (9); and

16 (3) by inserting after paragraph (4) the follow-
17 ing new paragraph:

18 “(5) for carrying out the program under section
19 1315(b);”.

20 **TITLE IV—MITIGATION OF**
21 **FLOOD AND EROSION RISKS**

22 **SEC. 401. REPEAL OF FLOODED PROPERTY PURCHASE AND**
23 **LOAN PROGRAM.**

24 (a) REPEAL.—Section 1362 of the National Flood In-
25 surance Act of 1968 (42 U.S.C. 4103) is hereby repealed.

1 (b) TRANSITION PHASE.—Notwithstanding sub-
2 section (a), during the 1-year period beginning on the date
3 of the enactment of this Act, the Director of the Federal
4 Emergency Management Agency may enter into loan and
5 purchase commitments as provided under section 1362 of
6 such Act (as in effect immediately before the enactment
7 of this Act).

8 (c) SAVINGS PROVISION.—Notwithstanding sub-
9 section (a), the Director shall take any action necessary
10 to comply with any purchase or loan commitment entered
11 into before the expiration of the period referred to in sub-
12 section (b) pursuant to authority under section 1362 of
13 the National Flood Insurance Act of 1968 or subsection
14 (b).

15 **SEC. 402. TERMINATION OF EROSION-THREATENED STRUC-**
16 **TURES PROGRAM.**

17 (a) IN GENERAL.—Section 1306 of the National
18 Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended
19 by striking subsection (c).

20 (b) TRANSITION PHASE.—Notwithstanding sub-
21 section (a), during the 1-year period beginning on the date
22 of the enactment of this Act, the Director of the Federal
23 Emergency Management Agency may pay amounts under
24 flood insurance contracts for demolition or relocation of
25 structures as provided in section 1306(c) of the National

1 Flood Insurance Act of 1968 (as in effect immediately be-
2 fore the enactment of this Act).

3 (c) SAVINGS PROVISION.—Notwithstanding sub-
4 section (a), the Director shall take any action necessary
5 to make payments under flood insurance contracts pursu-
6 ant to any commitments made before the expiration of the
7 period referred to in subsection (b) pursuant to the au-
8 thority under section 1306(c) of the National Flood Insur-
9 ance Act of 1968 or subsection (b).

10 **SEC. 403. MITIGATION ASSISTANCE RESPONSIBILITIES IN**
11 **FEDERAL INSURANCE ADMINISTRATION.**

12 Section 1105(a) of the Housing and Urban Develop-
13 ment Act of 1968 (42 U.S.C. 4129(a)) is amended—

14 (1) by inserting “(1)” after “(a)”; and

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

17 “(2) The Director of the Federal Emergency Man-
18 agement Agency shall coordinate all mitigation activities,
19 including the administration of the program for mitigation
20 assistance under section 1366, under the Federal Insur-
21 ance Administrator. Such activities shall include the devel-
22 opment and implementation of various mitigation activi-
23 ties and techniques, the provision of advice and assistance
24 regarding mitigation to States, communities, and individ-
25 uals, including planning assistance under section 1366(b),

1 coordination with other Federal flood and erosion mitiga-
2 tion efforts, and coordination with State and local govern-
3 ments and public and private agencies and organizations
4 for collection and dissemination of information regarding
5 erosion.”.

6 **SEC. 404. STATE AND COMMUNITY MITIGATION ASSIST-**
7 **ANCE PROGRAM.**

8 (a) IN GENERAL.—Chapter III of the National Flood
9 Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as
10 amended by the preceding provisions of this Act, is further
11 amended by adding at the end the following new section:

12 “STATE AND COMMUNITY MITIGATION ASSISTANCE

13 “SEC. 1366. (a) AUTHORITY.—The Director shall
14 carry out a program to provide financial assistance to
15 States and communities, using amounts made available
16 from the National Flood Mitigation Fund under section
17 1367, for planning and carrying out activities designed to
18 reduce the risk of flood and erosion damage to structures
19 covered under contracts for flood insurance under this
20 title. Such financial assistance shall be made available in
21 the form of grants under subsection (b) for planning as-
22 sistance and grants under this section for carrying out
23 mitigation activities.

24 “(b) PLANNING ASSISTANCE GRANTS.—

25 “(1) IN GENERAL.—The Director may make
26 grants under this subsection to States and commu-

1 nities to assist in developing mitigation plans under
2 subsection (c).

3 “(2) FUNDING.—Of any amounts made avail-
4 able from the National Flood Mitigation Fund for
5 use under this section in any fiscal year, the Direc-
6 tor may use not more than \$1,500,000 to provide
7 planning assistance grants under this subsection.

8 “(3) LIMITATIONS.—

9 “(A) TIMING.—A grant under this sub-
10 section may be awarded to a State or commu-
11 nity not more than once every 5 years and each
12 grant may cover a period of 1 to 3 years.

13 “(B) SINGLE GRANTEE AMOUNT.—A grant
14 for planning assistance may not exceed—

15 “(i) \$150,000, to any State; or

16 “(ii) \$50,000, to any community.

17 “(C) CUMULATIVE STATE GRANT
18 AMOUNT.—The sum of the amounts of grants
19 under this subsection in any fiscal year to any
20 one State and all communities located in such
21 State may not exceed \$300,000.

22 “(c) MITIGATION PLAN REQUIREMENT.—To be eligi-
23 ble to receive financial assistance under this section for
24 mitigation activities, a State or community shall develop,
25 and have approved by the Director, a flood and erosion

1 risk mitigation plan (hereafter in this section referred to
2 as a ‘mitigation plan’), that is more protective against
3 flood losses and, if applicable, erosion losses, than the cri-
4 teria established by the Director under section 1361 and
5 provides such protection with respect to structures covered
6 by contracts for flood insurance under this title. The miti-
7 gation plan shall include a comprehensive strategy for
8 mitigation activities adopted by the State or community
9 following a public hearing.

10 “(d) NOTIFICATION OF APPROVAL.—The Director
11 shall notify a State or community submitting a mitigation
12 plan of the approval or disapproval of the plan not later
13 than 120 days after submission of the plan. If the Director
14 does not approve a plan, the Director shall notify the State
15 or community in writing of the reasons for such dis-
16 approval.

17 “(e) ELIGIBLE MITIGATION ACTIVITIES.—

18 “(1) DETERMINATION.—Amounts provided
19 under this section (other than under subsection (b))
20 may be used only for mitigation activities specified
21 in a mitigation plan approved by the Director under
22 subsection (d). The Director may approve only miti-
23 gation plans that specify mitigation activities that
24 the Director determines are technically feasible and
25 cost-effective.

1 “(2) ELIGIBLE ACTIVITIES.—The Director shall
2 determine whether mitigation activities described in
3 a mitigation plan submitted under subsection (d) by
4 a State or community comply with the requirements
5 under paragraph (1). Such activities may include—

6 “(A) elevation, relocation, demolition, or
7 floodproofing of structures, particularly struc-
8 tures incurring repetitive flood-related damage;

9 “(B) acquisition by States and commu-
10 nities of property substantially damaged by
11 flood for public use as the Director determines
12 is consistent with sound land management and
13 use in such area;

14 “(C) the provision of technical assistance
15 by States to communities and individuals to
16 conduct eligible mitigation activities;

17 “(D) other activities that the Director con-
18 siders appropriate and specifies in regulation;
19 and

20 “(E) other mitigation activities not de-
21 scribed in subparagraphs (A) through (C) or
22 the regulations issued under subparagraph (D),
23 that are described in the mitigation plan of a
24 State or community.

1 “(f) MATCHING REQUIREMENT.—The Director may
2 not provide mitigation assistance under this section to a
3 State or community in an amount exceeding 3 times the
4 amount that the State or community certifies, as the Di-
5 rector shall require, that the State or community will con-
6 tribute from other funds to develop a mitigation plan
7 under subsection (c) and to carry out mitigation activities
8 under the approved mitigation plan of the State or com-
9 munity.

10 “(g) OVERSIGHT OF MITIGATION PLANS.—The Di-
11 rector shall conduct oversight of recipients of mitigation
12 assistance under this section to ensure that the assistance
13 is used in compliance with the approved mitigation plans
14 of the recipients and that matching funds certified under
15 subsection (f) are used in accordance with such certifi-
16 cation.

17 “(h) RECAPTURE.—

18 “(1) NONCOMPLIANCE WITH PLAN.—If the Di-
19 rector determines that a State or community that
20 has received mitigation assistance under this section
21 has not carried out the mitigation activities as set
22 forth in the mitigation plan, the Director shall re-
23 capture any unexpended amounts and deposit the
24 amounts in the National Flood Mitigation Fund
25 under section 1367.

1 “(2) FAILURE TO PROVIDE MATCHING
2 FUNDS.—If the Director determines that a State or
3 community that has received mitigation assistance
4 under this section has not provided matching funds
5 in the amount certified under subsection (f), the Di-
6 rector shall recapture any unexpended amounts of
7 mitigation assistance exceeding 3 times the amount
8 of such matching funds actually provided and de-
9 posit the amounts in the National Flood Mitigation
10 Fund under section 1367.

11 “(i) REPORTS.—Not later than 1 year after the date
12 of enactment of the National Flood Insurance Reform Act
13 of 1993 and biannually thereafter, the Director shall sub-
14 mit a report to the Congress describing the status of flood
15 and erosion mitigation activities carried out with assist-
16 ance provided under this section.

17 “(j) DEFINITION OF COMMUNITY.—For purposes of
18 this section, the term ‘community’ means a political sub-
19 division that (1) has zoning and building code jurisdiction
20 over a particular area of special flood hazards, and (2)
21 is participating in the national flood insurance program.”.

22 “(b) REGULATIONS.—Not later than 6 months after
23 date of enactment of this Act, the Director of the Federal
24 Emergency Management Agency shall issue regulations to

1 carry out section 1366 of the National Flood Insurance
2 Act of 1968, as added by subsection (a).

3 **SEC. 405. ESTABLISHMENT OF NATIONAL FLOOD MITIGA-**
4 **TION FUND.**

5 (a) IN GENERAL.—Chapter III of the National Flood
6 Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as
7 amended by the preceding provisions of this Act, is further
8 amended by adding at the end the following new section:

9 “NATIONAL FLOOD MITIGATION FUND
10 “SEC. 1367. (a) ESTABLISHMENT AND AVAILABIL-
11 ITY.—The Director shall establish in the Treasury of the
12 United States a fund to be known as the National Flood
13 Mitigation Fund, which shall be credited with amounts de-
14 scribed in subsection (b) and shall be available, to the ex-
15 tent provided in appropriation Acts, for providing assist-
16 ance under section 1366.

17 “(b) CREDITS.—The National Flood Mitigation Fund
18 shall be credited with—

19 “(1) any premium surcharges assessed under
20 section 1308(e);

21 “(2) any penalties collected under section
22 102(f) of the Flood Disaster Protection Act of 1973;

23 “(3) any amounts recaptured under section
24 1366(h); and

25 “(4) any amounts advanced from the National
26 Flood Insurance Fund under section 1310(a)(6).

1 “(c) INVESTMENT.—If the Director determines that
2 the amounts in the National Flood Mitigation Fund are
3 in excess of amounts needed under subsection (a), the Di-
4 rector may invest any excess amounts the Director deter-
5 mines advisable in interest-bearing obligations issued or
6 guaranteed by the United States.

7 “(d) REPORT.—The Director shall submit a report
8 to the Congress not later than the expiration of the 1-
9 year period beginning on the date of the enactment of this
10 Act and not less than once during each successive 2-year
11 period thereafter. The report shall describe the status of
12 the Fund and any activities carried out with amounts from
13 the Fund.”.

14 (b) ADVANCES FROM NATIONAL FLOOD INSURANCE
15 FUND.—Section 1310(a) of the National Flood Insurance
16 Act of 1968 (42 U.S.C. 4017) is amended by inserting
17 after paragraph (5) (as added by the preceding provisions
18 of this Act) the following new paragraph:

19 “(6) for advances to the National Mitigation In-
20 surance Fund under section 1367, which shall be
21 nonrepayable and shall not exceed \$10,000,000 in
22 any fiscal year;”.

1 **SEC. 406. INSURANCE PREMIUM MITIGATION SURCHARGE.**

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

5 “(e) INSURANCE PREMIUM MITIGATION SUR-
6 CHARGE.—

7 “(1) ASSESSMENT.—Notwithstanding any other
8 provision of this title, the Director shall assess, with
9 respect to each contract for flood insurance coverage
10 under this title, a mitigation surcharge of—

11 “(A) \$10 per policy term, for policies cov-
12 ering structures that are principal residences;
13 and

14 “(B) the amount established by the Direc-
15 tor, not to exceed \$25 per policy term, for poli-
16 cies covering other structures.

17 “(2) DEPOSIT IN MITIGATION FUND.—Any
18 mitigation surcharges collected shall be paid into the
19 National Flood Mitigation Fund under section 1367.

20 “(3) EXEMPTION.—The mitigation surcharges
21 shall not be subject to any agents’ commissions,
22 company expenses allowances, or State or local pre-
23 mium taxes.”.

24 (b) APPLICABILITY.—The amendment made by sub-
25 section (a) shall apply only to any contract for flood insur-
26 ance under the National Flood Insurance Act of 1968 is-

1 sued or renewed after the expiration of the 24-month pe-
2 riod beginning on the date of the enactment of this Act.

3 **SEC. 407. LIMITATIONS ON NEW FLOOD INSURANCE COV-**
4 **ERAGE IN EROSION HAZARD AREAS.**

5 The National Flood Insurance Act of 1968 (42
6 U.S.C. 4001 et seq.) is amended by inserting after section
7 1313 the following new section:

8 **“SEC. 1314. PROPERTIES LOCATED WITHIN 30-YEAR AND 60-**
9 **YEAR EROSION HAZARD AREAS.**

10 “(a) PROPERTIES LOCATED WITHIN 30-YEAR ERO-
11 SION HAZARD ZONE.—After the establishment of erosion
12 hazard areas under section 1360(g), the Director may not
13 make flood insurance available within a 30-year erosion
14 hazard zone with respect to any new—

15 “(1) construction; or

16 “(2) addition to an existing structure, if the ad-
17 dition makes the structure not a readily movable
18 structure.

19 “(b) PROPERTIES LOCATED WITHIN 60-YEAR ERO-
20 SION HAZARD AREA AND OUTSIDE 30-YEAR EROSION
21 HAZARD ZONE.—After the establishment of erosion haz-
22 ard zones under section 1360(g), the Director may not
23 make flood insurance available with respect to any new—

24 “(1) nonresidential structure;

1 “(2) residential structure that is not a readily
2 movable structure; or

3 “(3) addition to an existing structure, if the ad-
4 dition makes the structure not a readily movable
5 structure;

6 that is constructed or relocated landward of the 30-year
7 erosion hazard zone and within the 60-year erosion hazard
8 zone established by the Director under such section.”.

9 **SEC. 408. STUDY OF MITIGATION INSURANCE.**

10 (a) STUDY.—The Director of the Federal Emergency
11 Management Agency shall conduct a study to determine
12 the feasibility of providing, as part of the flood insurance
13 policy, insurance coverage to provide for increases in the
14 costs of repair and reconstruction of repetitively and se-
15 verely flood-damaged insured buildings, in order to repair,
16 reconstruct, or otherwise mitigate future hazards to those
17 buildings to comply with local building codes and flood-
18 plain management ordinances to the greatest extent pos-
19 sible. In conducting the study, the Director shall seek in-
20 volvement from other Federal, State, and local agencies,
21 and representation from the insurance, construction, and
22 floodplain management interests. Under the study the Di-
23 rector shall—

24 (1) identify potential activities related to repair,
25 reconstruction, or otherwise achieving mitigation re-

1 required to comply with standards under the national
2 flood insurance program and local building codes,
3 and evaluate the costs of such activities;

4 (2) evaluate how such insurance coverage could
5 be utilized to achieve economically justified acqui-
6 sition or relocation of certain structures under certain
7 circumstances;

8 (3) evaluate the cost of providing the additional
9 coverage and investigate a full range of measures for
10 funding such costs, including changes in coverage,
11 rates, and deductibles;

12 (4) evaluate the effect changes identified in
13 paragraph (3) would have on the entire policy base,
14 the cost of flood insurance, retention of policies,
15 marketing of policies, the number and magnitude of
16 claims paid, and the economic soundness and value
17 of flood-prone property, and provide detail on such
18 effects by State and flood hazard zone; and

19 (5) identify mechanisms required to identify
20 qualifying structures, determine appropriate mitiga-
21 tion measures, coordinate with State and local offi-
22 cials, provide consistency with State and local plans
23 and programs, deliver the increased insurance pay-
24 ments, and verify appropriate actions by policy-
25 holders.

1 (b) REPORT.—The Director shall submit to the Con-
2 gress a report describing the study not later than the expi-
3 ration of the 18-month period beginning on the date of
4 the enactment of this Act. The report shall include conclu-
5 sions and recommendations of the Director in conducting
6 the study.

7 **SEC. 409. RIVERINE EROSION STUDY.**

8 (a) STUDY.—The Director of the Federal Emergency
9 Management Agency shall conduct a study to determine
10 the feasibility of identifying and establishing erosion rates
11 for communities subject to riverine erosion hazards and
12 the best manner of identifying and establishing such rates.
13 Under the study the Director shall—

14 (1) investigate and assess existing and state-of-
15 the-art technical methodologies for assessing riverine
16 erosion;

17 (2) examine natural riverine processes, environ-
18 mental conditions, and human-induced changes to
19 the banks of rivers and streams, examples of erosion
20 and likely causes, and examples of erosion control
21 and reasons for their performance; and

22 (3) analyze riverine erosion management strate-
23 gies, the technical standards, methods, and data nec-
24 essary to support such strategies, and methods of

1 administering such strategies through the national
2 flood insurance program.

3 (b) REPORT.—The Director shall submit a report to
4 the Congress regarding the findings and conclusions of the
5 study under this section not later than the expiration of
6 the 2-year period beginning on the date of the enactment
7 of this Act. The report shall include any recommendations
8 of the Director regarding appropriate methods and ap-
9 proaches for identifying and determining riverine erosion
10 rates and management strategies relating to riverine ero-
11 sion.

12 **SEC. 410. COORDINATION WITH COASTAL ZONE MANAGE-**
13 **MENT PROGRAMS.**

14 (a) IN GENERAL.—In implementing this title and the
15 amendments made by this title, the Director of the Fed-
16 eral Emergency Management Agency shall consult with
17 the Under Secretary of Commerce for Oceans and Atmos-
18 phere and representatives from State coastal zone man-
19 agement programs to promote full coordination of the ero-
20 sion management provisions of the National Flood Insur-
21 ance Act of 1968 as amended by this Act, and the provi-
22 sions of the Coastal Zone Management Act of 1972. The
23 Director shall, to the greatest extent possible, utilize State
24 management programs approved under section 306 of the
25 Coastal Zone Management Act of 1972 to facilitate devel-

1 opment and implementation of regulations and guidelines
2 for this title.

3 (b) COORDINATION REPORT.—The Director shall
4 prepare a report that details the proposed mechanisms for
5 achieving the coordination required in subsection (a). In
6 preparing the report, the Director shall consult with the
7 Under Secretary of Commerce for Oceans and Atmosphere
8 This report shall be transmitted to the Congress not later
9 than 2 years after the date of enactment of this Act.

10 **TITLE V—FLOOD INSURANCE** 11 **TASK FORCE**

12 **SEC. 501. FLOOD INSURANCE INTERAGENCY TASK FORCE.**

13 (a) ESTABLISHMENT.—There is hereby established
14 an interagency task force to be known as the Flood Insur-
15 ance Task Force (in this section referred to as the “Task
16 Force”).

17 (b) MEMBERSHIP.—

18 (1) IN GENERAL.—The Task Force shall be
19 composed of 7 members, who shall be the designees
20 of—

21 (A) the Federal Insurance Administrator;

22 (B) the Federal Housing Commissioner;

23 (C) the Secretary of Veterans Affairs;

24 (D) the Administrator of the Farmers

25 Home Administration;

1 (E) the Administrator of the Small Busi-
2 ness Administration;

3 (F) a designee of the Financial Institutions
4 Examination Council;

5 (G) the chairman of the Board of Direc-
6 tors of the Federal Home Loan Mortgage Cor-
7 poration;

8 (H) the chairman of the Board of Direc-
9 tors of the Federal National Mortgage Associa-
10 tion;

11 (I) the Under Secretary of Commerce for
12 Oceans and Atmosphere;

13 (J) the Director of the United States Fish
14 and Wildlife Service; and

15 (K) the Administrator of the Environ-
16 mental Protection Agency.

17 (2) QUALIFICATIONS.—Members of the Task
18 Force shall be designated for membership on the
19 Task Force by reason of demonstrated knowledge
20 and competence regarding the national flood insur-
21 ance program.

22 (c) DUTIES.—The Task Force shall carry out the fol-
23 lowing duties:

24 (1) Make recommendations to the head of each
25 Federal agency and corporation referred to under

1 subsection (b)(1) regarding establishment or adop-
2 tion of standardized enforcement procedures among
3 such agencies and corporations responsible for en-
4 forcing compliance with the requirements under the
5 national flood insurance program to ensure fullest
6 possible compliance with such requirements.

7 (2) Conduct a study of the extent to which Fed-
8 eral agencies and the secondary mortgage market
9 can provide assistance in ensuring compliance with
10 the requirements under the national flood insurance
11 program and submit to the Congress a report de-
12 scribing the study and any conclusions.

13 (3) Conduct a study of the extent to which ex-
14 isting programs of Federal agencies and corpora-
15 tions for compliance with the requirements under
16 the national flood insurance program can serve as a
17 model for other Federal agencies responsible for en-
18 forcing compliance, and submit to the Congress a re-
19 port describing the study and any conclusions.

20 (4) Develop guidelines regarding enforcement
21 and compliance procedures, based on the studies and
22 findings of the Task Force and publishing the guide-
23 lines in a usable format.

1 (d) NONCOMPENSATION.—Members of the Task
2 Force shall receive no additional pay by reason of their
3 service on the Task Force.

4 (e) CHAIRPERSON.—The members of the Task Force
5 shall elect one member as chairperson of the Task Force.

6 (f) MEETINGS AND ACTION.—The Task Force shall
7 meet at the call of the chairman or a majority of the mem-
8 bers of the Task Force and may take action by a vote
9 of the majority of the members. The Federal Insurance
10 Administrator shall coordinate and call the initial meeting
11 of the Task Force.

12 (g) OFFICERS.—The chairperson of the Task Force
13 may appoint any officers to carry out the duties of the
14 Task Force under subsection (c).

15 (h) STAFF OF FEDERAL AGENCIES.—Upon request
16 of the chairperson of the Task Force, the head of any of
17 the Federal agencies and corporations referred to under
18 subsection (b)(1) may detail, on a nonreimbursable basis,
19 any of the personnel of such agency to the Task Force
20 to assist the Task Force in carrying out its duties under
21 this Act.

22 (i) POWERS.—In carrying out this section, the Task
23 Force may hold hearings, sit and act at times and places,
24 take testimony, receive evidence and assistance, provide

1 information, and conduct research as the Task Force con-
2 siders appropriate.

3 (j) SUBCOMMITTEE ON NATURAL AND BENEFICIAL
4 FUNCTIONS OF THE FLOODPLAIN.—The members of the
5 Task Force appointed under subsections (b)(1) (I), (J),
6 and (K) shall constitute a select subcommittee which, in
7 addition to their duties under subsection (c), shall make
8 recommendations regarding the implementation of the
9 provisions of the National Flood Insurance Act of 1968
10 that deal with protection of the natural and beneficial
11 functions of the floodplain.

12 (k) TERMINATION.—The Task Force shall terminate
13 upon the expiration of the 24-month period beginning
14 upon the designation of the last member to be designated
15 under subsection (b)(1).

16 **TITLE VI—MISCELLANEOUS** 17 **PROVISIONS**

18 **SEC. 601. EXTENSION OF FLOOD INSURANCE PROGRAM.**

19 (a) IN GENERAL.—Section 1319 of the National
20 Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended
21 by striking “September 30, 1995” and inserting “Septem-
22 ber 30, 1999”.

23 (b) EMERGENCY IMPLEMENTATION.—Section
24 1336(a) of the National Flood Insurance Act of 1968 (42

1 U.S.C. 4056(a)) is amended by striking “September 30,
2 1995” and inserting “September 30, 1999”.

3 (c) LIMITATION ON ANNUAL PREMIUM INCREASES.—
4 Section 541(d) of the Housing and Community Develop-
5 ment Act of 1987 (42 U.S.C. 4015 note) is amended by
6 striking “September 30, 1995” and inserting “September
7 30, 1999”.

8 **SEC. 602. MAXIMUM FLOOD INSURANCE COVERAGE**
9 **AMOUNTS.**

10 (a) IN GENERAL.—Section 1306(b) of the National
11 Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is as
12 follows:

13 (1) RESIDENTIAL PROPERTY.—In paragraph
14 (2), by striking “an amount of \$150,000 under the
15 provisions of this clause” and inserting the follow-
16 ing: “a total amount (including such limits specified
17 in paragraph (1)(A)(i)) equal to the dollar amount
18 limitation pursuant to section 305(a)(2) of the Fed-
19 eral Home Loan Mortgage Corporation Act in effect
20 for a single-family residence”.

21 (2) RESIDENTIAL PROPERTY CONTENTS.—In
22 paragraph (3), by striking “an amount of \$50,000
23 under the provisions of this clause” and inserting
24 the following: “a total amount (including such limits
25 specified in paragraph (1)(A)(ii)) of \$100,000”.

1 (3) NONRESIDENTIAL PROPERTY AND CON-
2 TENTS.—By striking paragraph (4) and inserting
3 the following new paragraph:

4 “(4) in the case of any nonresidential property,
5 including churches, for which the risk premium rate
6 is determined in accordance with the provisions of
7 section 1307(a)(1), additional flood insurance in ex-
8 cess of the limits specified in subparagraphs (B) and
9 (C) of paragraph (1) shall be made available to
10 every insured upon renewal and every applicant for
11 insurance, in respect to any single structure, up to
12 a total amount (including such limits specified in
13 subparagraph (B) or (C) or paragraph (1), as appli-
14 cable) of \$500,000 for each structure and \$500,000
15 for any contents related to each structure; and”.

16 (b) REMOVAL OF CEILING ON COVERAGE RE-
17 QUIRED.—Section 1306(b) of the National Flood Insur-
18 ance Act of 1968 (42 U.S.C. 4013(b)) is amended—

19 (1) in paragraph (5), by striking “; and” at the
20 end and inserting a period; and

21 (2) by striking paragraph (6).

22 **SEC. 603. FLOOD INSURANCE PROGRAM ARRANGEMENTS**
23 **WITH PRIVATE INSURANCE ENTITIES.**

24 Section 1345(b) of the National Flood Insurance Act
25 of 1968 (42 U.S.C. 4081(b)) is amended by striking the

1 period at the end and inserting the following: “and without
2 regard to the provisions of the Federal Advisory Commit-
3 tee Act (5 U.S.C. App.).”.

4 **SEC. 604. UPDATING OF FLOOD MAPS AND ASSESSMENT**
5 **AND MAPPING OF EROSION HAZARD ZONES.**

6 Section 1360 of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4101) is amended by adding at the end
8 the following new subsections:

9 “(e) REVIEW OF FLOOD MAPS.—Once during each
10 5-year period (the 1st such period beginning on the date
11 of the enactment of the National Flood Insurance Reform
12 Act of 1993) or more often as the Director determines
13 necessary because of storm-induced erosion, increased wa-
14 tershed development, or other extraordinary situations,
15 the Director shall assess the need to revise and update
16 all floodplain areas and flood risk zones identified, delin-
17 eated, or established under this section.

18 “(f) UPDATING FLOOD MAPS.—The Director shall
19 revise and update any floodplain areas and flood-risk
20 zones—

21 “(1) upon the determination of the Director,
22 according to the assessment under subsection (e),
23 that revision and updating are necessary for the
24 areas and zones; or

1 “(2) upon the request from any State or local
2 government stating that specific floodplain areas or
3 flood-risk zones in the State or locality need revision
4 or updating, if sufficient technical data justifying
5 the request is submitted and the unit of government
6 making the request agrees to provide funds in an
7 amount equal to the amount of funds provided by
8 the Director (or the equivalent value of data, tech-
9 nical analysis, or other in-kind services) for the re-
10 quested revision or update.

11 “(g) ESTABLISHMENT OF EROSION HAZARD
12 ZONES.—

13 “(1) IN GENERAL.—Not later than the expira-
14 tion of the 6-year period beginning on the date of
15 the enactment of the National Flood Insurance Re-
16 form Act of 1993, the Director shall assess, identify,
17 and map, before all areas along the shorelines of the
18 Great Lakes and the tidal waters of the United
19 States that have special erosion hazards (in this sec-
20 tion referred to as ‘erosion hazard zones’), as pro-
21 vided in this subsection.

22 “(2) 60-YEAR EROSION ZONES.—On each flood
23 insurance rate map established under this section,
24 the Director shall identify and provide legible demar-
25 cation for areas that are subject to special erosion

1 hazards within a 60-year period based on past an-
2 nual average rates of shoreline retreat in such areas
3 (in this section referred to as '60-year erosion
4 zones').

5 “(3) 30-YEAR EROSION ZONES.—On each flood
6 insurance rate map established under this section,
7 the Director shall provide information by area re-
8 garding the existing annual average rate of erosion
9 for each area, so that users of the maps can delin-
10 eate boundaries for areas subject to erosion within
11 30 years (in this section referred to as '30-year ero-
12 sion zones').

13 “(4) UPDATING.—The Director shall provide
14 for revising and updating erosion hazard zones as
15 frequently as the Director determines to be nec-
16 essary for purposes of this title. In revising the geo-
17 graphical boundaries of erosion hazard zones, the
18 Director shall place special emphasis on consider-
19 ing—

20 “(A) areas (or subdivisions thereof) that
21 are experiencing or have recently experienced
22 erosion rates in excess of the annual average
23 erosion rate, due to storms, high lake levels, or
24 other factors; and

1 the fund shall be available for the purpose under
2 this paragraph in an amount not to exceed
3 \$2,000,000 in each fiscal year beginning after the
4 expiration of the 6-year period beginning on the date
5 of the enactment of the National Flood Insurance
6 Reform Act of 1993; and”.

7 **SEC. 606. REGULATIONS.**

8 The Director of the Federal Emergency Management
9 Agency, the Secretary of Housing and Urban Develop-
10 ment, and any appropriate head of any Federal agency
11 may each issue any regulations necessary to carry out the
12 applicable provisions of this Act and the applicable amend-
13 ments made by this Act.

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