

103^D CONGRESS
1ST SESSION

S. 1405

To strengthen the National Flood Insurance Program and to reduce risk to the national flood insurance fund by increasing compliance, providing incentives for community floodplain management, providing for mitigation assistance, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6 (legislative day, JUNE 30), 1993

Mr. KERRY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To strengthen the National Flood Insurance Program and to reduce risk to the national flood insurance fund by increasing compliance, providing incentives for community floodplain management, providing for mitigation assistance, 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”.

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. Congressional findings.
- Sec. 3. 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. Expanded flood insurance purchase requirements.
- Sec. 202. Escrow of flood insurance payments.
- Sec. 203. Notice requirements.
- Sec. 204. Placement of flood insurance by regulated lending institution or Federal agency lender.
- Sec. 205. Standard flood hazard determination forms.
- Sec. 206. Examinations regarding compliance by regulated lending institutions.
- Sec. 207. Penalties and corrective actions for failure to require flood insurance, escrow, or notify.
- Sec. 208. Financial Institutions Examination Council.
- Sec. 209. Conforming amendment.

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. Mitigation assistance in Federal Insurance Administration.
- Sec. 402. Authorization of National Flood and Erosion Mitigation Funds under section 1362.
- Sec. 403. State and community mitigation assistance program.
- Sec. 404. Repeal of program for purchase of certain insured properties.
- Sec. 405. Termination of erosion threatened structures program.
- Sec. 406. Limitations on new flood insurance coverage in erosion hazard areas.
- Sec. 407. Riverine erosion study.
- Sec. 408. 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. Maximum flood insurance coverage amounts.
- Sec. 602. Additional coverage for compliance with land use and control measures.
- Sec. 603. Flood insurance program arrangements with private insurance entities.
- Sec. 604. Updating of flood insurance maps and identification of erosion hazard areas.
- Sec. 605. Technical Mapping Advisory Council.
- Sec. 606. Funding for increased administrative and operational responsibilities.

Sec. 607. Regulations.

1 **SEC. 2. CONGRESSIONAL FINDINGS.**

2 The Congress finds that—

3 (1) unprecedented growth in population and de-
4 velopment has occurred along the coasts and rivers
5 of the United States and a significant portion of the
6 United States population is exposed to the hazards
7 of flood, mudslide, and erosion damage;

8 (2) the number of properties insured against
9 floods remained roughly constant during the 1980's,
10 despite continuing growth in real estate activity in
11 coastal, lakeshore, and riverine areas, and the level
12 of flood insurance coverage that an individual can
13 purchase has not been increased since 1977;

14 (3) due to substantial increases in construction
15 costs, many property owners are prevented from
16 purchasing flood insurance for the replacement value
17 of the building, potentially resulting in an owner not
18 receiving a payment to fully restore flood-damaged
19 property;

20 (4) since 1989, there has been a significant in-
21 crease in the incidence of major storms and hurri-
22 canes and severity of related damages in the United
23 States;

24 (5) as a consequence of the increase in the inci-
25 dence of storms, the national flood insurance fund

1 has been depleted, creating the risk of borrowing
2 from the Treasury, and threatening to exacerbate
3 the Federal budget deficit;

4 (6) no comprehensive Federal program exists to
5 assist in the removal of structures from high risk
6 areas, such as regulatory floodways and coastal high
7 hazard areas, before disaster strikes;

8 (7) no comprehensive Federal program exists to
9 evaluate and provide technical assistance and funds
10 to communities for the mitigation of damages to re-
11 petitively and severely damaged structures or in-
12 sured structures threatened by shoreline erosion,
13 and such a program would reduce the vulnerability
14 of the Federal Government to flood- and erosion-re-
15 lated losses;

16 (8) a Federal flood insurance program that
17 combines predisaster mitigation efforts together with
18 an insurance and compliance program will reduce
19 the physical and economic effects of flood-related
20 damage on the Federal Government, State and local
21 governments, and individuals;

22 (9) requiring regulated lending institutions,
23 government agencies, and government-sponsored en-
24 terprises to make sure that flood insurance coverage
25 is purchased on all properties in areas of special

1 flood hazards in participating communities will in-
2 crease compliance with the program, and increase
3 the pool of funds, thereby decreasing the impact on
4 the fund of individual flood events;

5 (10) the relative rise in sea level and the fluc-
6 tuations in water levels of the Great Lakes expose
7 the National Flood Insurance Program to greater
8 risks, and such risks should be adequately consid-
9 ered in order to determine a comprehensive assess-
10 ment of risk under the program;

11 (11) erosion hazard areas have not been identi-
12 fied or adequately considered for the purposes of in-
13 surance established under the National Flood Insur-
14 ance Act of 1968;

15 (12) identification of erosion hazard areas and
16 erosion management can improve public safety,
17 guide appropriate development, and help reduce ero-
18 sion losses to existing structures and protect new
19 structures from erosion losses, thereby reducing
20 Federal, State, local, and private expenditures due
21 to erosion;

22 (13) a community-based approach to mitigation
23 and erosion management, to reduce losses in
24 floodplains and to minimize adverse impacts on nat-
25 ural and beneficial floodplain functions, is the most

1 comprehensive, effective, and cost-efficient method
2 to reduce losses in floodplains and disaster assist-
3 ance expenditures, and such benefits could be en-
4 hanced if combined with insurance protection for in-
5 sured property owners to meet the increased recon-
6 struction costs required by Federal, State, or local
7 mitigation standards;

8 (14) incentives in the form of reduced premium
9 rates for flood insurance under the National Flood
10 Insurance Program should be provided in commu-
11 nities that have adopted and enforced exemplary or
12 particularly effective measures for comprehensive
13 floodplain and erosion hazard area management; and

14 (15) such community-based and individual miti-
15 gation and loss prevention methods and incentives
16 should be incorporated into the National Flood In-
17 surance Program.

18 **SEC. 3. DECLARATION OF PURPOSE UNDER THE NATIONAL**

19 **FLOOD INSURANCE ACT OF 1968.**

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

22 (1) by redesignating paragraphs (3), (4), and
23 (5), as paragraphs (4), (5), and (6), respectively;
24 and

1 (2) by inserting after the comma at the end of
2 paragraph (2) “(3) encourage State and local gov-
3 ernments and Federal agencies to protect natural
4 and beneficial floodplain functions that reduce flood-
5 related losses,”.

6 **TITLE I—DEFINITIONS**

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

8 (a) IN GENERAL.—Section 3(a) of the Flood Disaster
9 Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—
10 (1) by striking paragraph (5) and inserting the
11 following new paragraph:

12 “(5) ‘Federal entity for lending regulation’
13 means the Board of Governors of the Federal Re-
14 serve System, the Federal Deposit Insurance Cor-
15 poration, the Comptroller of the Currency, the Office
16 of Thrift Supervision, and the National Credit
17 Union Administration Board, and with respect to a
18 particular regulated lending institution means the
19 entity primarily responsible for the supervision, ap-
20 proval, insuring, or regulation of the institution;”;

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

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

1 “(7) ‘regulated lending institution’ means a
2 bank, savings association, credit union, or similar in-
3 stitution subject to the supervision, approval, regula-
4 tion, or insuring of a Federal entity for lending regu-
5 lation; and

6 “(8) the term ‘Federal agency lender’ means
7 the Federal Housing Administration, the Farm
8 Credit Administration, the Farmers Home Adminis-
9 tration, the Small Business Administration, and the
10 Veterans’ Administration, when such agency makes
11 loans secured by improved real estate or a manufac-
12 tured home.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) REQUIREMENTS TO PURCHASE FLOOD IN-
15 SURANCE.—Section 102(b) of the Flood Disaster
16 Protection Act of 1973 (42 U.S.C. 4012a(b)) is
17 amended by striking “Each Federal instrumentality
18 responsible for the supervision, approval, regulation,
19 or insuring of banks, savings and loan associations,
20 or similar institutions shall by regulation direct such
21 institutions” and inserting “Each Federal entity for
22 lending regulation shall by regulation direct regu-
23 lated lending institutions”.

24 (2) EFFECT OF NONPARTICIPATION IN FLOOD
25 INSURANCE PROGRAM.—Section 202(b) of the Flood

1 Disaster Protection Act of 1973 (42 U.S.C.
2 4106(b)) is amended by striking “Federal instru-
3 mentality described in such section shall by regula-
4 tion require the institutions” and inserting “Federal
5 entity for lending regulation (with respect to regu-
6 lated lending institutions)”.

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

8 (a) IN GENERAL.—Section 1370(a) of the National
9 Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is
10 amended—

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

13 (2) in paragraph (6), 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 “(7) the term ‘Federal entity for lending regu-
18 lation’ means the Board of Governors of the Federal
19 Reserve System, the Federal Deposit Insurance Cor-
20 poration, the Comptroller of the Currency, the Office
21 of Thrift Supervision, and the National Credit
22 Union Administration Board, and with respect to a
23 particular regulated lending institution, means the
24 entity primarily responsible for the supervision, ap-
25 proval, insuring, or regulation of the institution;

1 “(8) the term ‘regulated lending institution’
2 means a bank, savings and loan association, credit
3 union, or similar institution subject to the super-
4 vision, approval, regulation, or insuring of a Federal
5 entity for lending regulation;

6 “(9) the term ‘Federal agency lender’ means
7 the Federal Housing Administration, the Farm
8 Credit Administration, the Farmers Home Adminis-
9 tration, the Small Business Administration, and the
10 Veterans’ Administration, when such agency makes
11 loans secured by improved real estate or a manufac-
12 tured home;

13 “(10) the term ‘natural and beneficial flood-
14 plain functions’ means—

15 “(A) the functions associated with the nat-
16 ural or relatively undisturbed floodplain that
17 moderate flooding, retain flood waters, reduce
18 erosion and sedimentation, and mitigate the ef-
19 fects of waves and storm surge from storms;
20 and

21 “(B) ancillary beneficial functions, includ-
22 ing maintenance of water quality, recharge of
23 ground water, and provision of fish and wildlife
24 habitats;

1 “(11) the term ‘erosion hazard area’ means,
2 based on erosion rate information and other historical
3 data available, an area where erosion or avulsion
4 is likely to result in damage to or loss of buildings
5 and infrastructure within a 60-year period;

6 “(12) the term ‘erosion control measures’
7 means a community’s efforts to control erosion
8 through nonstructural and structural projects;

9 “(13) the term ‘baseline reference feature’
10 means an identifiable and prevalent physical or
11 mapped feature of a shoreline from which erosion
12 shall be measured;

13 “(14) the term ‘readily movable structure’
14 means a small permanent structure of less than
15 5,000 square feet that is designed, sited, and built
16 to accomplish relocation at a reasonable cost relative
17 to other structures of the same size and construction
18 and that has access of sufficient width and accept-
19 able grade to permit such relocation; and

20 “(15) the term ‘repetitive loss structure’ means
21 an insured property that has incurred flood-related
22 damage on 2 occasions during a 10-year period end-
23 ing on the date of the event for which a second
24 claim is made, in which the cost of repair, on the av-

1 erage, equaled or exceeded 25 percent of the value
2 of the structure at the time of each flood event.”.

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

8 **TITLE II—COMPLIANCE AND** 9 **INCREASED PARTICIPATION**

10 **SEC. 201. EXPANDED FLOOD INSURANCE PURCHASE RE-** 11 **QUIREMENTS.**

12 (a) IN GENERAL.—Section 102(b) of the Flood Dis-
13 aster Protection Act of 1973 (42 U.S.C. 4012a(b)) (as
14 amended by section 101(b)) is further amended—

15 (1) by inserting “(1)” after “(b)”;

16 (2) by inserting before “shall by regulation” the
17 following: “(after consultation and coordination with
18 the Federal Financial Institutions Examination
19 Council established under the Federal Financial In-
20 stitutions Examination Council Act of 1974)”;

21 (3) by adding at the end the following new
22 paragraphs:

23 “(2) The Director of the Office of Federal Housing
24 Enterprise Oversight (after consultation and coordination
25 with the Federal Financial Institutions Examination

1 Council) shall by regulation direct that the Federal Na-
2 tional Mortgage Association and the Federal Home Loan
3 Mortgage Corporation implement procedures reasonably
4 designed to assure that all loans that are—

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

12 “(B) purchased by either such entity,
13 are covered for the term of the loan by flood insur-
14 ance in the amount provided in paragraph (1).

15 “(3) Each Federal agency lender shall implement
16 procedures reasonably designed to assure that all prop-
17 erty—

18 “(A) that secures loans that the Federal agency
19 lender makes, increases, extends, renews, or pur-
20 chases, and

21 “(B) that is improved by real estate or a manu-
22 factured home located in an area that has been iden-
23 tified at the time of the origination of the loan by
24 the Director of the Federal Emergency Management
25 Agency as an area of special flood hazards and in

1 which flood insurance is available under the National
2 Flood Insurance Act of 1968,
3 is covered for the term of the loan by flood insurance in
4 the amount provided in paragraph (1).”.

5 (b) EFFECTIVE DATE.—The provisions of this sec-
6 tion shall apply to all transactions occurring after the ex-
7 piration of the 1-year period beginning on the date of en-
8 actment of this Act.

9 **SEC. 202. ESCROW OF FLOOD INSURANCE PAYMENTS.**

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

13 “(d)(1) Each Federal entity for lending regulation,
14 after consultation and coordination with the Federal Fi-
15 nancial Institutions Examination Council, shall by regula-
16 tion require that, if a regulated lending institution re-
17 quires the escrowing of taxes, insurance premiums, fees,
18 or any other charges for loans secured by residential real
19 estate or manufactured homes, all charges for flood insur-
20 ance under this title for the property shall be paid by the
21 borrower to the institution. Upon receipt of a notice from
22 the Director or the provider of the insurance that insur-
23 ance premiums, fees, or other charges are due, the institu-
24 tion shall pay from the escrow account to the provider of

1 the insurance the amount of insurance premiums, fees or
2 other charges owed.

3 “(2) If a Federal agency lender requires the
4 escrowing of taxes, insurance premiums, fees, or any other
5 charges, then any charges for flood insurance under this
6 title for the residential real estate or the manufactured
7 home shall be paid by the borrower to the Federal agency
8 lender. Upon receipt of a notice from the Director or the
9 provider of the insurance that insurance premiums, fees,
10 or other charges are due, the Federal agency lender shall
11 pay from the escrow account to the provider of the insur-
12 ance the amount of insurance premiums, fees or other
13 charges owed.

14 “(3) Escrow accounts used to collect flood insurance
15 premiums, fees, or other charges under this subsection
16 shall be subject to the provisions of section 10 of the Real
17 Estate Settlement Procedures Act of 1974.”.

18 (b) APPLICABILITY.—Section 102(d) of the Flood
19 Disaster Protection Act of 1973 (as added by subsection
20 (a)) shall apply with respect to any loan made, increased,
21 extended, or renewed after the expiration of the 1-year pe-
22 riod beginning on the date of enactment of this Act.

23 **SEC. 203. NOTICE REQUIREMENTS.**

24 Section 1364 of the National Flood Insurance Act of
25 1968 (42 U.S.C. 4104a) is amended to read as follows:

1 **“SEC. 1364. NOTICE REQUIREMENTS.**

2 “(a) LENDING INSTITUTIONS.—Each Federal entity
3 for lending regulation, after consultation and coordination
4 with the Federal Financial Institutions Examination
5 Council, shall by regulation require that before a regulated
6 lending institution makes, increases, extends, or renews a
7 loan secured by improved real estate or a manufactured
8 home located in an area that has been identified by the
9 Director as an area of special flood hazards, the institu-
10 tion shall notify the borrower of the special flood hazards
11 and of the need to purchase and maintain flood insurance.

12 “(b) FEDERAL AGENCY LENDERS.—Before a Fed-
13 eral agency lender makes, increases, extends, or renews
14 a loan secured by improved real estate or a manufactured
15 home located in an area that has been identified by the
16 Director as an area of special flood hazards, the Federal
17 agency lender shall notify the borrower of the special flood
18 hazards and of the need to purchase and maintain flood
19 insurance.

20 “(c) PARTICIPATING COMMUNITIES.—The Director
21 shall by regulation require each participating community,
22 upon receiving the semiannual list prepared by the Direc-
23 tor of all changes, revisions, and amendments made to the
24 flood insurance rate maps during the preceding 6 months,
25 to determine whether any properties in their community
26 have been affected, and to provide annual notice by mail,

1 notice by publication, or notice by other reasonable meth-
2 od, to regulated lending institutions that are known to
3 lend in the community, and to the owners of all properties
4 newly determined to be in special flood hazard areas, of
5 the requirement that Federal flood insurance be purchased
6 for insurable structures located within the special flood
7 hazard areas in the community.

8 “(d) CONTENTS OF NOTICE.—Notification required
9 by this section shall include a warning, in a form to be
10 established by the Director, stating that the real estate
11 or manufactured home securing the loan is located in an
12 area of special flood hazards, a description of the flood
13 insurance purchase requirements under section 102(b) of
14 this title, a statement that flood insurance coverage may
15 be purchased under the National Flood Insurance Pro-
16 gram and may also be available from private insurers, and
17 any other information that the Director considers nec-
18 essary to carry out the purposes of the National Flood
19 Insurance Program.”.

20 **SEC. 204. PLACEMENT OF FLOOD INSURANCE BY REGU-**
21 **LATED LENDING INSTITUTION OR FEDERAL**
22 **AGENCY LENDER.**

23 (a) REQUIRED ACTIONS BY LENDER.—Section 102
24 of the Flood Disaster Protection Act of 1973 (42 U.S.C.

1 4012a) (as amended by section 202(a)) is further amend-
2 ed by adding at the end the following new subsection:

3 “(e) REQUIRED ACTIONS BY LENDER.—

4 “(1) NOTIFICATION TO BORROWER OF LACK OF
5 COVERAGE.—If, at any time during the term of a
6 loan secured by improved real estate or by a manu-
7 factured home located in an area that has been iden-
8 tified by the Director as an area of special flood haz-
9 ards and in which flood insurance is available under
10 this title, a regulated lending institution or Federal
11 agency lender determines that the building or manu-
12 factured home and any personal property securing
13 the loan held or serviced by the regulated lending in-
14 stitution or Federal agency lender is not covered by
15 flood insurance, in an amount not less than the
16 amount required by subsection (b)(1), the regulated
17 lending institution or Federal agency lender shall
18 notify the borrower that the borrower should obtain,
19 at the borrower’s expense, an amount of flood insur-
20 ance that is not less than the amount required by
21 subsection (b)(1), for the term of the loan. If, not
22 later than 60 days after receiving such notification,
23 the borrower fails to purchase such flood insurance,
24 the regulated lending institution or Federal agency
25 lender shall purchase the insurance on behalf of the

1 borrower and may charge the borrower for the cost
2 of premiums and fees incurred by the regulated
3 lending institution or Federal agency lender in pur-
4 chasing the insurance.

5 “(2) REVIEW.—

6 “(A) BY THE DIRECTOR.—A borrower may
7 request that the Director review a determina-
8 tion that the improved real estate or manufac-
9 tured home securing the loan is located in an
10 area of special flood hazards. Not later than 45
11 days after the Director receives the request, the
12 Director shall review the determination and
13 provide the borrower with a letter stating
14 whether or not the property is in a special flood
15 hazards area. The determination of the Director
16 shall be final.

17 “(B) INSURANCE NOT REQUIRED.—If a
18 person is provided by the borrower with a letter
19 issued by the Director pursuant to subpara-
20 graph (A) during the preceding 1-year period,
21 stating that the property is not in an area of
22 special flood hazards, such person shall have no
23 obligation under this title to require the pur-
24 chase of flood insurance on the property.”

1 (b) APPLICABILITY.—Section 102(e) of the Flood
2 Disaster Protection Act (as added by subsection (a)) shall
3 apply to all loans outstanding on or after the date of en-
4 actment of the National Flood Insurance Reform Act of
5 1993.

6 **SEC. 205. STANDARD FLOOD HAZARD DETERMINATION**
7 **FORMS.**

8 Chapter III of the National Flood Insurance Act of
9 1968 (42 U.S.C. 4101 et seq.) is amended by adding at
10 the end the following new section:

11 **“SEC. 1365. STANDARD FLOOD HAZARD DETERMINATION**
12 **FORMS.**

13 “(a) DEVELOPMENT.—The Director, in consultation
14 with the Federal entities for lending regulation, shall de-
15 velop a standard flood hazard determination form (here-
16 after in this section referred to as the ‘determination
17 form’) for use in connection with loans secured by im-
18 proved real estate or a manufactured home located in an
19 area of special flood hazards and in which flood insurance
20 is available under this title.

21 “(b) DESIGN AND CONTENTS.—The determination
22 form shall state whether the property is in an area of spe-
23 cial flood hazards, the risk premium rate classification es-
24 tablished for the special flood hazard area in which the
25 property is located, the complete map and panel numbers

1 for the property, and the date of the map used for the
2 determination. If the complete map and panel numbers for
3 the property are not available because the property is not
4 located in a community that is participating in the Na-
5 tional Flood Insurance Program or because no map exists
6 for the relevant area, the determination form shall so
7 state.

8 “(c) REQUIRED USE.—Each Federal entity for lend-
9 ing regulation shall by regulation require the use of the
10 determination form by regulated lending institutions.
11 Each Federal agency lender shall by regulation provide for
12 the use of the determination form. The Federal National
13 Mortgage Association and the Federal Home Loan Mort-
14 gage Corporation shall require use of the determination
15 form by any person from whom they purchase loans.

16 “(d) GUARANTEES REGARDING INFORMATION.—In
17 recording information on a determination form, a person
18 may rely on information provided by a third party to the
19 extent that the third party guarantees the accuracy of the
20 information.

21 “(e) RELIANCE ON PREVIOUS DETERMINATION.—A
22 person or institution increasing, extending, renewing, pur-
23 chasing, or servicing a loan may rely on a previous deter-
24 mination as to whether property is in a special flood or
25 erosion hazard area, if the previous determination was

1 made not later than 5 years after the date of the trans-
2 action, and the basis for the previous determination has
3 been set forth on a determination form.”.

4 **SEC. 206. EXAMINATIONS REGARDING COMPLIANCE BY**
5 **REGULATED LENDING INSTITUTIONS.**

6 (a) AMENDMENT TO FEDERAL DEPOSIT INSURANCE
7 ACT.—Section 10 of the Federal Deposit Insurance Act
8 (12 U.S.C. 1820) is amended by adding at the end the
9 following new subsection:

10 “(h) FLOOD HAZARD INSURANCE COMPLIANCE BY
11 INSURED DEPOSITORY INSTITUTIONS REQUIRED.—

12 “(1) EXAMINATIONS.—The appropriate Federal
13 banking agency shall, during each scheduled on-site
14 examination required by this section, determine
15 whether the insured depository institution is comply-
16 ing with the requirements of the National Flood In-
17 surance Program.

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

1 methods used to determine compliance, the number
2 of institutions examined during the reporting year,
3 a listing and total number of institutions found to
4 be in noncompliance, actions taken to correct inci-
5 dents of noncompliance, and an analysis of compli-
6 ance, including a discussion of any trends, patterns,
7 and problems, and recommendations regarding rea-
8 sonable actions to improve the efficiency of the ex-
9 aminations processes.”.

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

14 “(e) FLOOD HAZARD INSURANCE COMPLIANCE BY
15 INSURED CREDIT UNIONS REQUIRED.—

16 “(1) EXAMINATION.—The Board shall, during
17 each examination conducted under this section, de-
18 termine whether the insured credit union is comply-
19 ing with the requirements of the National Flood In-
20 surance Program.

21 “(2) REPORT.—Not later than 1 year after the
22 date of enactment of the National Flood Insurance
23 Reform Act of 1993, and biannually thereafter for
24 the next 4 years, the Board shall submit a report to
25 Congress on compliance by insured credit unions

1 with the requirements of the National Flood Insur-
2 ance Program. The report shall include a description
3 of the methods used to determine compliance, the
4 number of insured credit unions examined during
5 the reporting year, a listing and total number of in-
6 sured credit unions found to be in noncompliance,
7 actions taken to correct incidents of noncompliance,
8 and an analysis of compliance, including a discussion
9 of any trends, patterns, and problems, and rec-
10 ommendations regarding reasonable actions to im-
11 prove the efficiency of the examinations processes.”.

12 **SEC. 207. PENALTIES AND CORRECTIVE ACTIONS FOR FAIL-**
13 **URE TO REQUIRE FLOOD INSURANCE, ES-**
14 **CROW, OR NOTIFY.**

15 Section 102 of the Flood Disaster Protection Act of
16 1973 (42 U.S.C. 4012a) (as amended by sections 202(a)
17 and 204(a)) is further amended by adding at the end the
18 following new subsections:

19 “(f) CIVIL PENALTIES.—

20 “(1) IN GENERAL.—A regulated lending institu-
21 tion that is found to have a pattern or practice of
22 violating this section shall be assessed a civil penalty
23 by the appropriate Federal entity for lending regula-
24 tion of not more than \$350 for each such violation.

25 A penalty under this subsection may be issued only

1 after notice and an opportunity for a hearing on the
2 record.

3 “(2) TOTAL AMOUNT.—The total amount of
4 penalties assessed under this subsection against a
5 single regulated lending institution for any calendar
6 year may not exceed \$100,000.

7 “(3) SALES OR TRANSFERS.—The subsequent
8 sale or other transfer of a loan by a regulated lend-
9 ing institution that has committed a violation of this
10 section shall not affect the liability of the transfer-
11 ring institution with respect to any penalty under
12 this subsection. An institution shall not be liable for
13 a violation relating to a loan committed by another
14 institution that previously held the loan.

15 “(4) 3-YEAR LIMIT.—No penalty may be im-
16 posed under this subsection after the expiration of
17 the 3-year period beginning on the date of the occur-
18 rence of the violation.

19 “(g) ADDITIONAL ACTIONS.—If a Federal entity for
20 lending regulation determines—

21 “(1) that a regulated lending institution has
22 demonstrated a pattern and practice of noncompli-
23 ance in violation of the regulations issued pursuant
24 to subsection (b) or subsection (d) or the notice re-

1 **SEC. 209. CONFORMING AMENDMENT.**

2 The section heading for section 102 of the Flood Dis-
3 aster Protection Act of 1973 (42 U.S.C. 4012a) is amend-
4 ed to read as follows:

5 “FLOOD INSURANCE PURCHASE AND COMPLIANCE
6 REQUIREMENTS AND ESCROW ACCOUNTS”.

7 **TITLE III—RATINGS AND INCEN-**
8 **TIVES FOR COMMUNITY**
9 **FLOODPLAIN MANAGEMENT**
10 **PROGRAMS**

11 **SEC. 301. COMMUNITY RATING SYSTEM AND INCENTIVES**
12 **FOR COMMUNITY FLOODPLAIN MANAGE-**
13 **MENT.**

14 (a) REQUIREMENT FOR PARTICIPATION IN FLOOD
15 INSURANCE PROGRAM.—Section 1315 of the National
16 Flood Insurance Act of 1968 (42 U.S.C. 4022) is amend-
17 ed—

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

21 (2) by adding at the end the following new sub-
22 section:

23 “(b) COMMUNITY RATING SYSTEM AND INCENTIVES
24 FOR COMMUNITY FLOODPLAIN MANAGEMENT.—

25 “(1) AUTHORITY AND GOALS.—The Director
26 shall carry out a community rating system program

1 to evaluate the measures adopted by communities
2 voluntarily participating in the community rating
3 system, to provide incentives for measures to reduce
4 the risk of flood or erosion damage that exceed the
5 criteria set forth in section 1361, to encourage adop-
6 tion of more effective measures for floodplain and
7 erosion management, and to promote the reduction
8 of Federal flood insurance losses.

9 “(2) INCENTIVES.—The program shall provide
10 incentives in the form of credits on premium rates
11 for flood insurance coverage in communities that the
12 Director determines have adopted and enforced
13 measures to reduce the risk of flood and erosion
14 damage that exceed the criteria set forth in section
15 1361. In providing incentives under this paragraph,
16 the Director may provide for credits to flood insur-
17 ance premium rates in communities that the Direc-
18 tor determines have implemented measures relating
19 to—

20 “(A) the protection of natural and bene-
21 ficial floodplain functions; and

22 “(B) the management of erosion hazards.

23 “(3) CREDITS.—The credits on premium rates
24 for flood insurance coverage shall be based on the
25 estimated reduction in flood damage risks resulting

1 from the measures adopted by the community under
2 this program.”.

3 (b) REPORTS.—Two years after the date of enact-
4 ment of the National Flood Insurance Reform Act of 1993
5 and biannually thereafter, the Director shall submit a re-
6 port to the Congress regarding the program under section
7 1315(a) of the National Flood Insurance Act of 1968.
8 Each report shall include an analysis of the cost-effective-
9 ness and other accomplishments and shortcomings of the
10 program and any recommendations of the Director for leg-
11 islation regarding the program.

12 **SEC. 302. FUNDING.**

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

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

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

19 (3) by adding after paragraph (5) the following
20 new paragraph:

21 “(6) for carrying out the program under section
22 1315(b);”.

1 **TITLE IV—MITIGATION OF**
2 **FLOOD AND EROSION RISKS**

3 **SEC. 401. MITIGATION ASSISTANCE IN FEDERAL INSUR-**
4 **ANCE ADMINISTRATION.**

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

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

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

10 “(2) The Director of the Federal Emergency Man-
11 agement Agency shall coordinate all mitigation activities,
12 including the administration of the program for mitigation
13 assistance under section 1367, under the Federal Insur-
14 ance Administrator. These activities shall include the de-
15 velopment and implementation of various mitigation ac-
16 tivities and techniques, the provision of advice and assist-
17 ance regarding mitigation to States, communities, and in-
18 dividuals, including planning assistance under section
19 1367(d), coordination with other Federal flood and erosion
20 mitigation efforts, and coordination with State and local
21 governments and public and private agencies and organi-
22 zations for collection and dissemination of information re-
23 garding erosion.”.

1 **SEC. 402. AUTHORIZATION OF NATIONAL FLOOD AND ERO-**
2 **SION MITIGATION FUNDS UNDER SECTION**
3 **1362.**

4 Chapter III of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4101 et seq.), is amended by adding at
6 the end the following new section:

7 **“SEC. 1366. NATIONAL FLOOD AND EROSION MITIGATION**
8 **PROGRAM.**

9 “(a) EXPENDITURES.—For flood and erosion mitiga-
10 tion activities authorized under section 1367, the Director
11 may expend from the National Flood Insurance Fund—

12 “(1) up to \$10,000,000 in the fiscal year end-
13 ing September 30, 1994;

14 “(2) up to \$15,000,000 in the fiscal year end-
15 ing September 30, 1995;

16 “(3) up to \$20,000,000 in the fiscal year end-
17 ing September 30, 1996;

18 “(4) up to \$20,000,000 in each fiscal year
19 thereafter; and

20 “(5) any amounts recaptured under section
21 1367(i).

22 “(b) REPORT.—Not later than 1 year after the date
23 of enactment of the National Flood Insurance Reform Act
24 of 1993 and biannually thereafter, the Director shall sub-
25 mit a report to the Congress describing the status of flood

1 and erosion mitigation activities carried out with funds au-
2 thorized under this section.”.

3 **SEC. 403. STATE AND COMMUNITY MITIGATION ASSIST-**
4 **ANCE PROGRAM.**

5 (a) IN GENERAL.—Chapter III of the National Flood
6 Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amend-
7 ed by adding at the end the following new section:

8 **“SEC. 1367. STATE AND COMMUNITY MITIGATION ASSIST-**
9 **ANCE.**

10 “(a) AUTHORITY.—The Director shall develop and
11 implement a financial assistance program with amounts
12 made available under section 1366 to States and commu-
13 nities for planning and activities designed to reduce the
14 risk of flood and erosion damage to insured structures.

15 “(b) MITIGATION PLAN REQUIREMENT.—To be eligi-
16 ble to receive financial mitigation assistance, a State or
17 community shall develop, and have approved by the Direc-
18 tor, a flood and erosion risk mitigation plan (hereafter in
19 this section referred to as a ‘mitigation plan’), that is more
20 protective against flood losses and if applicable, erosion
21 losses, than the criteria established by the Director under
22 section 1361. The mitigation plan shall include a com-
23 prehensive strategy for mitigation activities adopted by the
24 State or community following a public hearing.

1 “(c) NOTIFICATION OF APPROVAL.—Not later than
2 120 days after the submission of a mitigation plan, the
3 Director shall notify the State or community submitting
4 the plan of the Director’s approval or disapproval of the
5 plan. If the Director does not approve a plan, the Director
6 shall notify the State or community in writing of the rea-
7 sons for such disapproval.

8 “(d) PLANNING ASSISTANCE.—

9 “(1) IN GENERAL.—The Director shall make
10 planning assistance available to States and commu-
11 nities for developing mitigation plans.

12 “(2) FUNDING.—From any amounts made
13 available for use under section 1366 of the National
14 Flood Insurance Act of 1968 in any fiscal year, the
15 Director may use not more than \$1,500,000 to pro-
16 vide planning assistance grants to States or commu-
17 nities to develop mitigation plans under this sub-
18 section.

19 “(3) LIMITATIONS.—

20 “(A) TIMING.—A grant for planning as-
21 sistance may be awarded to a State or commu-
22 nity once every 5 years and each grant may
23 cover a period of 1 to 3 years.

24 “(B) AMOUNT.—A grant for planning as-
25 sistance may not exceed—

1 “(i) \$150,000, to any State; or

2 “(ii) \$50,000, to any community.

3 “(C) GEOGRAPHIC.—Not more than
4 \$300,000 may be awarded to any 1 State and
5 all communities located in that State for plan-
6 ning assistance in each fiscal year.

7 “(e) ELIGIBLE MITIGATION ACTIVITIES.—The Direc-
8 tor shall determine eligibility for assistance under this sec-
9 tion for mitigation activities that shall be technically fea-
10 sible and cost-effective. These activities may include—

11 “(1) elevation, relocation, demolition, or
12 floodproofing of structures;

13 “(2) acquisition by States and communities of
14 property substantially damaged by flood for public
15 use as the Director determines is consistent with
16 sound land management and use in such area; and

17 “(3) the provision of technical assistance by
18 States to communities and individuals to conduct eli-
19 gible mitigation activities.

20 “(f) LIMITATIONS ON MITIGATION ASSISTANCE.—

21 “(1) AMOUNT.—The amount of mitigation as-
22 sistance provided under subsection (e) may not ex-
23 ceed in any 5-year period—

24 “(A) \$10,000,000, to any State; or

25 “(B) \$3,300,000, to any community.

1 “(2) GEOGRAPHIC.—Not more than
2 \$20,000,000 may be awarded to any 1 State and all
3 communities located in that State for mitigation as-
4 sistance in any 5-year period.

5 “(g) MATCHING REQUIREMENT.—The Director may
6 provide mitigation assistance to a State or community in
7 an amount not to exceed 3 times the amount that the
8 State or community certifies, as the Director shall require,
9 that the State or community will contribute from other
10 funds to carry out mitigation planning under subsection
11 (d) and eligible activities under subsection (e).

12 “(h) OVERSIGHT OF MITIGATION PLANS.—The Di-
13 rector shall conduct oversight of recipients of mitigation
14 assistance to ensure that the mitigation assistance is used
15 in compliance with approved plans.

16 “(i) RECAPTURE.—If the Director determines that a
17 State or community that has received mitigation assist-
18 ance has not carried out the mitigation activities as set
19 forth in the mitigation plan, the Director shall recapture
20 any unexpended amounts and deposit the amounts in the
21 Fund.

22 “(j) DEFINITION OF COMMUNITY.—For purposes of
23 this section, the term ‘community’ means a political sub-
24 division that has zoning and building code jurisdiction over

1 a particular area of special flood hazards, and that is par-
2 ticipating in the National Flood Insurance Program.”.

3 (b) REGULATIONS.—Not later than 6 months after
4 date of enactment of this Act, the Director of the Federal
5 Emergency Management Agency shall issue regulations
6 implementing section 1367 of the National Flood Insur-
7 ance Act of 1968, as added by subsection (a).

8 **SEC. 404. REPEAL OF PROGRAM FOR PURCHASE OF CER-**
9 **TAIN INSURED PROPERTIES.**

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

12 (b) TRANSITION.—Notwithstanding the repeal under
13 subsection (a), the Director of the Federal Emergency
14 Management Agency may continue to purchase property
15 under subsections (a) and (b) of section 1362 of the Na-
16 tional Flood Insurance Act of 1968, as such section ex-
17 isted immediately before the date of enactment of this Act,
18 for a period of 1 year beginning on the date of enactment
19 of this Act.

20 **SEC. 405. TERMINATION OF EROSION THREATENED STRUC-**
21 **TURES PROGRAM.**

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

1 (b) TRANSITION.—The Director of the Federal
 2 Emergency Management Agency (hereafter in this title re-
 3 ferred to as the “Director”) may pay amounts under flood
 4 insurance contracts for demolition or relocation of struc-
 5 tures as provided in section 1306(c) of the National Flood
 6 Insurance Act of 1968 (as in effect immediately before the
 7 date of enactment of this Act) only during the 1-year pe-
 8 riod beginning on the date of enactment of this Act.

9 **SEC. 406. LIMITATIONS ON NEW FLOOD INSURANCE COV-**
 10 **ERAGE IN EROSION HAZARD AREAS.**

11 The National Flood Insurance Act of 1968 (42
 12 U.S.C. 4001 et seq.) is amended by inserting after section
 13 1313 the following new section:

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

16 “(a) PROPERTIES LOCATED WITHIN 30-YEAR ERO-
 17 SION HAZARD AREA.—After the establishment of erosion
 18 hazard areas under section 1360(i), the Director may not
 19 make flood insurance available within a 30-year erosion
 20 hazard area with respect to any new—

21 “(1) construction; or

22 “(2) addition to an existing structure, if the ad-
 23 dition makes the structure not readily movable.

24 “(b) PROPERTIES LOCATED WITHIN 60-YEAR ERO-
 25 SION HAZARD AREA AND OUTSIDE 30-YEAR EROSION

1 HAZARD AREA.—After the establishment of erosion haz-
2 ard areas under section 1360(i), the Director may not
3 make flood insurance available with respect to any new—
4 “(1) nonresidential structure;
5 “(2) residential structure that is not readily
6 movable; or
7 “(3) addition to an existing structure, if the ad-
8 dition makes the structure not readily movable;
9 that is constructed or relocated landward of the 30-year
10 erosion hazard area and within the 60-year erosion hazard
11 area established by the Director under such section.”.

12 **SEC. 407. RIVERINE EROSION STUDY.**

13 (a) STUDY.—The Director shall conduct a study to
14 determine the feasibility of identifying and establishing
15 riverine erosion hazard areas, erosion rates, and baseline
16 reference features, and the best methods of community
17 management of such hazards consistent with section 1361
18 of the National Flood Insurance Act of 1968. In conduct-
19 ing the study, the Director shall—

20 (1) investigate and assess existing and state-of-
21 the-art technical methodologies for assessing riverine
22 erosion;

23 (2) examine and evaluate natural riverine proc-
24 esses, environmental conditions, human-induced
25 changes to the banks of rivers and streams, exam-

1 ples of erosion and likely causes, and examples of
2 erosion control; and

3 (3) analyze riverine erosion management strate-
4 gies, the technical standards, methods, and data nec-
5 essary to support such strategies, and methods of
6 administering such strategies through the National
7 Flood Insurance Program.

8 (b) REPORT.—Not later than 2 years after the date
9 of enactment of this Act, the Director shall submit a re-
10 port to the Congress regarding the findings and conclu-
11 sions of the study under this section. The report shall in-
12 clude any recommendations of the Director regarding ap-
13 propriate methods and approaches for identifying and de-
14 termining riverine erosion hazard areas and management
15 strategies relating to riverine erosion.

16 **SEC. 408. COORDINATION WITH COASTAL ZONE MANAGE-**
17 **MENT PROGRAMS.**

18 (a) IN GENERAL.—In the implementation of this title
19 and the amendments made pursuant to this title, the Di-
20 rector shall consult with the Under Secretary of Commerce
21 for Oceans and Atmosphere and representatives from
22 State coastal zone management programs to promote full
23 coordination of the erosion management provisions of the
24 National Flood Insurance Act of 1968 as amended by this
25 Act, and the provisions of the Coastal Zone Management

1 Act of 1972. The Director shall, to the greatest extent
2 possible, utilize State management programs approved
3 under section 306 of the Coastal Zone Management Act
4 of 1972 to facilitate development and implementation of
5 regulations and guidelines for this title.

6 (b) COORDINATION REPORT.—The Director and the
7 Under Secretary of Commerce for Oceans and Atmosphere
8 shall jointly prepare a report that details the proposed
9 mechanisms for achieving the coordination required in
10 subsection (a). This report shall be transmitted to the
11 Congress not later than 2 years after the date of enact-
12 ment of this Act.

13 **TITLE V—FLOOD INSURANCE**
14 **TASK FORCE**

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

16 (a) ESTABLISHMENT.—There is established an inter-
17 agency task force to be known as the Flood Insurance
18 Task Force (hereafter in this title referred to as the “Task
19 Force”).

20 (b) MEMBERSHIP.—

21 (1) IN GENERAL.—The Task Force shall con-
22 sist of 11 members, who shall be the designees of—

23 (A) the Director of the Federal Emergency
24 Management Agency;

25 (B) the Federal Housing Commissioner;

1 (C) the Secretary of Veterans Affairs;

2 (D) the Administrator of the Farmers
3 Home Administration;

4 (E) the Administrator of the Small Busi-
5 ness Administration;

6 (F) each member of the Federal Financial
7 Institutions Examination Council;

8 (G) the chairman of the Board of Direc-
9 tors of the Federal Home Loan Mortgage Cor-
10 poration; and

11 (H) the chairman of the Board of Direc-
12 tors of the Federal National Mortgage Associa-
13 tion.

14 (2) QUALIFICATIONS.—Members of the Task
15 Force shall be designated for membership on the
16 Task Force by reason of demonstrated knowledge
17 and competence regarding the National Flood Insur-
18 ance Program.

19 (c) DUTIES.—The Task Force shall—

20 (1) make recommendations to the head of each
21 Federal agency and corporation referred to under
22 subsection (b)(1) regarding the establishment or
23 adoption of standardized enforcement procedures
24 among such agencies and corporations responsible
25 for enforcing compliance with the requirements

1 under the National Flood Insurance Program to en-
2 sure the fullest possible compliance with such re-
3 quirements;

4 (2) study the extent to which Federal agencies
5 and the secondary mortgage market can provide as-
6 sistance in ensuring compliance with the require-
7 ments under the National Flood Insurance Program;

8 (3) study the extent to which existing programs
9 of Federal agencies and corporations for compliance
10 with the requirements under the National Flood In-
11 surance Program can serve as a model for other
12 Federal agencies responsible for enforcing compli-
13 ance, and submit to the Congress a report describing
14 the study and any conclusions;

15 (4) study the extent to which the flood insur-
16 ance premium rate structure could be revised to
17 minimize existing premium rate subsidies, to incor-
18 porate premium rate adjustments for erosion haz-
19 ards, to account for catastrophic loss events, and
20 propose strategies to establish an actuarial-based
21 premium structure to account for all insurable risks
22 identified under the National Flood Insurance Act of
23 1968, as amended by this Act; and

24 (5) develop guidelines regarding enforcement
25 and compliance procedures, based on the studies and

1 findings of the Task Force and publishing the guide-
2 lines in a usable format.

3 (d) REPORTS.—Not later than 2 years after the date
4 of enactment of this Act, the Task Force shall transmit
5 to the Congress a report describing its studies and any
6 conclusions.

7 (e) COMPENSATION.—Members of the Task Force
8 shall receive no additional compensation by reason of their
9 service on the Task Force.

10 (f) CHAIRPERSON.—The members of the Task Force
11 shall elect 1 member to serve as the chairperson of the
12 Task Force (hereafter in this section referred to as the
13 “Chairperson”).

14 (g) MEETINGS AND ACTION.—The Task Force shall
15 meet at the call of the Chairperson or a majority of the
16 members of the Task Force and may take action by a vote
17 of the majority of the members. The Federal Insurance
18 Administrator shall coordinate and call the initial meeting
19 of the Task Force.

20 (h) OFFICERS.—The Chairperson may appoint offi-
21 cers to carry out the duties of the Task Force under sub-
22 section (c).

23 (i) STAFF OF FEDERAL AGENCIES.—Upon the re-
24 quest of the Chairperson, the head of any of the Federal
25 agencies and corporations referred to in subsection (b)(1)

1 may detail, on a nonreimbursable basis, any of the person-
2 nel of the agency to the Task Force to assist the Task
3 Force in carrying out its duties under this Act.

4 (j) POWERS.—In carrying out this section, the Task
5 Force may hold hearings, sit and act at times and places,
6 take testimony, receive evidence and assistance, provide
7 information, and conduct research as the Task Force con-
8 siders appropriate.

9 (k) TERMINATION.—The Task Force shall terminate
10 2 years after the date on which all members of the Task
11 Force have been designated under subsection (b)(1).

12 **TITLE VI—MISCELLANEOUS** 13 **PROVISIONS**

14 **SEC. 601. MAXIMUM FLOOD INSURANCE COVERAGE** 15 **AMOUNTS.**

16 (a) IN GENERAL.—Section 1306(b) of the National
17 Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is
18 amended—

19 (1) in paragraph (1)(A)—

20 (A) by inserting “and” at the end of clause
21 (i); and

22 (B) by striking clause (iii);

23 (2) by striking subparagraph (B) of paragraph
24 (1) and inserting the following new subparagraph:

1 “(B) in the case of any nonresidential
2 property, including churches—

3 “(i) \$100,000 aggregate liability for
4 each structure; and

5 “(ii) \$100,000 aggregate liability for
6 any contents related to each structure;”;

7 (3) by striking subparagraph (C) of paragraph
8 (1);

9 (4) in paragraph (2), by striking “so as to en-
10 able” and all that follows through the end of the
11 paragraph and inserting “up to an amount, includ-
12 ing the limits specified in clause (i) of paragraph
13 (1)(A), of \$250,000 multiplied by the number of
14 dwelling units in the building;”;

15 (5) in paragraph (3), by striking “so as to en-
16 able” and all that follows through the end of the
17 paragraph and inserting “up to an amount of
18 \$90,000 for any single-family dwelling and \$240,000
19 for any residential structure containing more than
20 one dwelling unit;”; and

21 (6) by striking paragraph (4) and inserting the
22 following new paragraph:

23 “(4) in the case of any nonresidential property,
24 including churches, additional flood insurance in ex-
25 cess of the limits specified in clauses (i) and (ii) of

1 paragraph (1)(B) shall be made available to every
2 insured upon renewal and every applicant for insur-
3 ance up to an amount of \$2,400,000 for each struc-
4 ture and \$2,400,000 for any contents related to each
5 structure; and”.

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

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

11 (2) by striking paragraph (6); and

12 (3) by adding at the end the following new
13 flush sentence:

14 “Upon determining that a property is a repetitive loss
15 structure, the Director shall charge the applicable risk
16 premium rate for flood insurance based on consideration
17 of the risk involved and accepted actuarial principles
18 under section 1307(a)(1).”.

19 (c) CONFORMING AMENDMENTS.—Section
20 1306(b)(5) of the National Flood Insurance Act of 1968
21 (42 U.S.C. 4013(b)(5)) is amended—

22 (1) by striking “(A), (B), or (C)” and inserting
23 “(A) or (B)”; and

24 (2) by striking “(1)(C).”.

1 **SEC. 602. ADDITIONAL COVERAGE FOR COMPLIANCE WITH**
2 **LAND USE AND CONTROL MEASURES.**

3 Section 1304(e) of the National Flood Insurance Act
4 of 1968 (42 U.S.C. 4011(a)) is amended by inserting be-
5 fore the period “, including the cost of compliance with
6 land use and control measures adopted by the State or
7 community pursuant to section 1315, for properties that
8 are repetitive loss structures or that have flood damage
9 in which the cost of repairs equals or exceeds 50 percent
10 of the value of the structure at the time of the flood
11 event”.

12 **SEC. 603. FLOOD INSURANCE PROGRAM ARRANGEMENTS**
13 **WITH PRIVATE INSURANCE ENTITIES.**

14 Section 1345(b) of the National Flood Insurance Act
15 of 1968 (42 U.S.C. 4081(b)) is amended by striking the
16 period at the end and inserting the following: “and without
17 regard to the provisions of the Federal Advisory Commit-
18 tee Act.”.

19 **SEC. 604. UPDATING OF FLOOD INSURANCE MAPS AND**
20 **IDENTIFICATION OF EROSION HAZARD**
21 **AREAS.**

22 (a) 5-YEAR UPDATES.—Section 1360 of the National
23 Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended
24 by adding at the end the following new subsections:

25 “(e) ASSESSMENT OF NEED TO UPDATE AREAS.—
26 (1) Once during each 5-year period (the 1st such period

1 beginning on the date of enactment of the National Flood
2 Insurance Reform Act of 1993), or more often as the Di-
3 rector determines necessary, the Director shall assess the
4 need to revise and update the flood insurance rate map.

5 “(2) Upon the request of a State or community stat-
6 ing that a flood insurance rate map needs revision or up-
7 dating and the State or community making the request
8 agrees to provide not less than 50 percent of the cost, or
9 the equivalent value of data, technical analysis, or other
10 in-kind services, for the requested revision or update, the
11 Director shall review and update the flood insurance rate
12 map for the State or community.

13 “(f) AVAILABILITY.—To promote compliance with the
14 requirements of this title, the Director shall make flood
15 insurance rate maps and related information available free
16 of charge to State agencies directly responsible for coordi-
17 nating the National Flood Insurance Program and to ap-
18 propriate representatives of communities participating in
19 the National Flood Insurance Program, and at a reason-
20 able cost to all other persons pursuant to section 1310.

21 “(g) NOTIFICATION.—The Director shall publish in
22 the Federal Register or by other comparable method, not
23 later than 30 days after the map change or revision under
24 this section becomes effective, notices of changes to flood
25 insurance map panels, and changes to flood insurance map

1 panels issued in the form of Letters of Map Amendment
2 and Letters of Map Revision. Such comparable methods
3 shall include all pertinent information, provide for regular
4 and frequent distribution, and be at least as accessible to
5 map users as the Federal Register. Notices published in
6 the Federal Register, or otherwise, shall also include infor-
7 mation on how to obtain copies of the changes or revisions.

8 “(h) AVAILABILITY.—Every 6 months, the Director
9 shall publish separately and make available in their en-
10 tirety within a compendium, all changes and revisions to
11 flood insurance map panels and all Letters of Map Amend-
12 ment and Letters of Map Revision that were published in
13 the Federal Register or distributed through other com-
14 parable methods during the preceding 6 months, free of
15 charge, to States and communities participating in the
16 National Flood Insurance Program pursuant to section
17 1310 and at cost to all other parties.”.

18 (b) ASSESSMENT, IDENTIFICATION, AND MAPPING
19 OF EROSION HAZARD AREAS.—Section 1360 of the Na-
20 tional Flood Insurance Act of 1968 (42 U.S.C. 4101) (as
21 amended by subsection (a)) is further amended by adding
22 at the end the following new subsection:

23 “(i) ASSESSMENT, IDENTIFICATION, AND MAPPING
24 OF EROSION HAZARD AREAS.—

1 “(1) IN GENERAL.—Not later than 60 months
2 after the date of enactment of the National Flood
3 Insurance Reform Act of 1993, the Director shall,
4 using erosion rate information and other historical
5 data, assess, identify, and map all erosion hazard
6 areas.

7 “(2) MAPPING PRIORITIES.—Not later than 2
8 years after the date of enactment of the National
9 Flood Insurance Reform Act of 1993, the Director
10 shall determine areas that are at greatest risk from
11 erosion and assess, identify, and map the erosion
12 hazard areas in these areas.

13 “(3) CONSIDERATION OF MITIGATION ACTIVI-
14 TIES.—In identifying and mapping erosion hazard
15 areas, the Director shall determine erosion rates
16 based on the presence of any community erosion
17 control measures and erosion of the area in the ab-
18 sence of the project. The Director shall use the lower
19 estimated erosion rate in the determination of ero-
20 sion hazard areas.

21 “(4) TRANSITION.—Until the Director has as-
22 sessed, identified, and mapped erosion rate data for
23 a community, the community may obtain, review,
24 and reasonably use erosion rate information or other
25 historical data available from other Federal, State,

1 or other sources in order to develop a mitigation
2 plan.

3 “(5) STATE EROSION RATE DATA AND BASE-
4 LINE REFERENCE FEATURES AND STATE AND COM-
5 MUNITY LOSS REDUCTION PROGRAMS.—The Direc-
6 tor shall, to the maximum extent practicable, use
7 State or community erosion rate data and baseline
8 reference features in designating erosion hazard
9 areas under this title.

10 “(6) EROSION HAZARDS.—On each flood insur-
11 ance rate map established under this section, the Di-
12 rector shall publish erosion rates for areas that are
13 subject to erosion hazards. These erosion rates shall
14 be used to identify areas that are subject to erosion
15 hazards within a 60-year period (hereafter referred
16 to as the ‘60-year erosion hazard area’), and for
17 areas that are subject to erosion hazards within a
18 30-year period (hereafter referred to as the ‘30-year
19 erosion hazard area’) as measured from a baseline
20 reference feature. On each flood insurance rate map,
21 the Director shall identify and provide legible demar-
22 cation of the baseline reference feature. The Direc-
23 tor may also provide for legible demarcation of ero-
24 sion hazard areas where map scale or other limita-
25 tions allow for such demarcation.

1 “(7) REVISION OF EROSION HAZARD AREAS.—
2 In revising the demarcation of the baseline reference
3 feature and erosion rate data, the legible demarca-
4 tion of erosion hazard areas, or geographical bound-
5 aries of erosion hazard areas, the Director shall give
6 special consideration to—

7 “(A) areas (or subdivisions thereof) that
8 are experiencing or have recently experienced
9 erosion rates in excess of the erosion rate estab-
10 lished under this section, due to storms, high
11 lake levels, or other extraordinary events creat-
12 ing a dynamic change in the local erosion rate;
13 and

14 “(B) areas in which community erosion
15 control measures have been implemented or ero-
16 sion rates established under this section have
17 been significantly altered otherwise by man-
18 made or induced activity.

19 “(8) REVIEW.—The Director shall consult with
20 State and community governments in the determina-
21 tion of erosion hazard areas, and shall provide for a
22 public review and appeals process comparable to the
23 established review and appeals process for flood ele-
24 vation determinations required under this title.”.

1 **SEC. 605. TECHNICAL MAPPING ADVISORY COUNCIL.**

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

5 (b) MEMBERSHIP.—

6 (1) IN GENERAL.—The Council shall consist of
7 the Director of the Federal Emergency Management
8 Agency (hereafter in this section referred to as the
9 “Director”), or the Director’s designee, and 12 addi-
10 tional members to be appointed by the Director or
11 his designee, and shall include—

12 (A) the Under Secretary of Commerce for
13 Oceans and Atmosphere (or his or her des-
14 ignee);

15 (B) a member of recognized surveying and
16 mapping professional associations and organiza-
17 tions;

18 (C) a member of recognized professional
19 engineering associations and organizations;

20 (D) a member of recognized professional
21 associations or organizations representing flood
22 hazard determination firms;

23 (E) a representative of the United States
24 Geologic Survey;

25 (F) a representative of State geologic sur-
26 vey programs;

1 (G) a representative of State national flood
2 insurance coordination offices;

3 (H) a representative of the Federal Na-
4 tional Mortgage Association and the Federal
5 Home Loan Mortgage Corporation; and

6 (I) a representative of a regulated lending
7 institution.

8 (2) QUALIFICATIONS.—Members of the Council
9 shall be appointed based on their demonstrated
10 knowledge and competence regarding surveying, car-
11 tography, remote sensing, geographic information
12 systems, or the technical aspects of preparing and
13 using flood insurance rate maps.

14 (c) DUTIES.—The Council shall—

15 (1) make recommendations to the Director on
16 how to improve in a cost-effective manner the accu-
17 racy, general quality, ease of use, and distribution
18 and dissemination of flood insurance rate maps;

19 (2) recommend to the Director mapping stand-
20 ards and guidelines for flood insurance rate maps;
21 and

22 (3) transmit an annual report to the Director
23 describing—

24 (A) the activities of the Council;

1 (B) an evaluation of the status and per-
2 formance of flood insurance rate maps and
3 mapping activities to update and revise flood in-
4 surance rate maps as established by the amend-
5 ments made under section 604; and

6 (C) a summary of recommendations made
7 by the Council to the Director.

8 (d) CHAIRPERSON.—The members of the Council
9 shall elect 1 member to serve as the chairperson of the
10 Council (hereafter in this section referred to as the
11 “Chairperson”).

12 (e) COORDINATION.—To ensure that the Council’s
13 recommendations are consistent to the maximum extent
14 practicable with national digital spatial data collection and
15 management standards, the Chairperson shall consult with
16 the Chairperson of the Federal Geographic Data Commit-
17 tee (established pursuant to OMB Circular A-16).

18 (f) COMPENSATION.—Members of the Council shall
19 receive no additional compensation by reason of their serv-
20 ice on the Council.

21 (g) MEETINGS AND ACTIONS.—

22 (1) IN GENERAL.—The Council shall meet not
23 less than twice each year at the request of the
24 Chairperson or a majority of its members and may

1 take action by a vote of the majority of the mem-
2 bers.

3 (2) INITIAL MEETING.—The Director, or a per-
4 son designated by the Director, shall request and co-
5 ordinate the initial meeting of the Council.

6 (h) OFFICERS.—The Chairperson may appoint offi-
7 cers to assist in carrying out the duties of the Council
8 under subsection (c).

9 (i) STAFF OF THE FEDERAL EMERGENCY MANAGE-
10 MENT AGENCY.—Upon the request of the Chairperson,
11 the Director may detail, on a nonreimbursable basis, per-
12 sonnel of the Federal Emergency Management Agency to
13 assist the Council in carrying out its duties.

14 (j) POWERS.—In carrying out this section, the Coun-
15 cil may hold hearings, receive evidence and assistance, pro-
16 vide information, and conduct research as it considers ap-
17 propriate.

18 (k) TERMINATION.—The Council shall terminate 5
19 years after the date on which all members of the Council
20 have been appointed under subsection (b)(1).

21 **SEC. 606. FUNDING FOR INCREASED ADMINISTRATIVE AND**
22 **OPERATIONAL RESPONSIBILITIES.**

23 (a) AVAILABILITY OF FUND.—Section 1310(a) of the
24 National Flood Insurance Act of 1968 (42 U.S.C.

1 4017(a)) (as amended by section 302) is further amend-
2 ed—

3 (1) in the matter preceding paragraph (1), by
4 inserting “(except as otherwise provided)” after
5 “without fiscal year limitation”; and

6 (2) by adding at the end the following new
7 paragraphs:

8 “(7) for assessment and mapping of erosion
9 hazard areas under section 1360(i), except that the
10 fund shall be available for the purpose under this
11 paragraph in an amount not to exceed an aggregate
12 of \$25,000,000 over the 5-year period beginning on
13 the date of enactment of the National Flood Insur-
14 ance Reform Act of 1993; and

15 “(8) for revising and updating flood insurance
16 rate maps under section 1360(i), except that the
17 fund shall be available for the purpose under this
18 paragraph in an amount not to exceed \$2,000,000,
19 in each fiscal year beginning after the expiration of
20 the 2-year period beginning on the date of enact-
21 ment of the National Flood Insurance Reform Act of
22 1993.”.

23 (b) CREDITS OF FUND.—Section 1310(b) of the Na-
24 tional Flood Insurance Act of 1968 (42 U.S.C. 4017(b))
25 is amended—

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

3 (2) by redesignating paragraph (6) as para-
4 graph (7); and

5 (3) by inserting after paragraph (5) the follow-
6 ing new paragraph:

7 “(6) any penalties collected under section
8 102(f) of the Flood Disaster Protection Act of 1973;
9 and”.

10 **SEC. 607. REGULATIONS.**

11 The Director of the Federal Emergency Management
12 Agency, and any head of an appropriate Federal agency
13 may each issue any regulations necessary to carry out the
14 applicable provisions of this Act and the applicable amend-
15 ments made by this Act.

○

S 1405—O—2

S 1405—O—3

S 1405—O—4

S 1405—O—5

S 1405—O—6

S 1405—O—7