

110TH CONGRESS
1ST SESSION

H. R. 1682

To restore the financial solvency of the national flood insurance program,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2007

Mr. FRANK of Massachusetts (for himself, Mrs. BIGGERT, Mr. BLUMENAUER, Ms. WATERS, Mr. TAYLOR, Ms. MATSUI, Mr. MAHONEY of Florida, Ms. WASSERMAN SCHULTZ, Mr. BAKER, Mr. GARY G. MILLER of California, Mrs. JO ANN DAVIS of Virginia, and Ms. GINNY BROWN-WAITE of Florida) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To restore the financial solvency of the national flood
insurance program, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Flood Insurance Reform and Modernization Act of
6 2007”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Study regarding status of pre-firm properties and mandatory purchase requirement for natural 100-year floodplain and non-federally related loans.
- Sec. 4. Phase-in of actuarial rates for nonresidential properties and non-primary residences.
- Sec. 5. Exception to waiting period for effective date of policies.
- Sec. 6. Enforcement.
- Sec. 7. Maximum coverage limits.
- Sec. 8. Coverage for additional living expenses, basement improvements, business interruption, and replacement cost of contents.
- Sec. 9. Notification to tenants of availability of contents insurance.
- Sec. 10. Increase in annual limitation on premium increases.
- Sec. 11. Increase in borrowing authority.
- Sec. 12. FEMA participation in State disaster claims mediation programs.
- Sec. 13. FEMA annual report on insurance program.
- Sec. 14. Flood insurance outreach grants.
- Sec. 15. Grants for direct funding of mitigation activities for individual repetitive claims properties.
- Sec. 16. Extension of pilot program for mitigation of severe repetitive loss properties.
- Sec. 17. Flood mitigation assistance program.
- Sec. 18. GAO study of methods to increase flood insurance program participation by low-income families.
- Sec. 19. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 20. Reiteration of FEMA responsibilities under 2004 Reform Act.
- Sec. 21. Ongoing modernization of flood maps and elevation standards.
- Sec. 22. Notification and appeal of map changes; notification of establishment of flood elevations.
- Sec. 23. Clarification of replacement cost provisions, forms, and policy language.
- Sec. 24. Authorization of additional FEMA staff.
- Sec. 25. Extension of deadline for filing proof of loss.

1 SEC. 2. FINDINGS AND PURPOSES.

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

3 (1) flooding has been shown to occur in all 50
 4 States, the District of Columbia, and in all terri-
 5 tories and possessions of the United States;

6 (2) the national flood insurance program
 7 (NFIP) is the only affordable and reliable source of
 8 insurance to protect against flood losses;

1 (3) the aggregate amount of the flood insurance
2 claims resulting from Hurricane Katrina, Hurricane
3 Rita, and other events has exceeded the aggregate
4 amount of all claims previously paid in the history
5 of the national flood insurance program, requiring a
6 significant increase in the program's borrowing au-
7 thority;

8 (4) flood insurance policyholders have a legiti-
9 mate expectation that they will receive fair and time-
10 ly compensation for losses covered under their poli-
11 cies;

12 (5) substantial flooding has occurred, and will
13 likely occur again, outside the areas designated by
14 the Federal Emergency Management Agency
15 (FEMA) as high-risk flood hazard areas;

16 (6) properties located in low- to moderate-risk
17 areas are eligible to purchase flood insurance policies
18 with premiums as low as \$112 a year;

19 (7) about 450,000 vacation homes, second
20 homes, and commercial properties are subsidized
21 and are not paying actuarially sound rates for flood
22 insurance;

23 (8) phasing out subsidies currently extended to
24 vacation homes, second homes, and commercial
25 properties would result in estimated average annual

1 savings to the taxpayers of the United States and
2 the national flood insurance program of
3 \$335,000,000;

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

7 (10) significant reforms to the national flood in-
8 surance program required in the Bunning-Bereuter-
9 Blumenauer Flood Insurance Reform Act of 2004
10 have yet to be implemented; and

11 (11) in addition to reforms required in the
12 Bunning-Bereuter-Blumenauer Flood Insurance Re-
13 form Act of 2004, the national flood insurance pro-
14 gram requires a modernized and updated adminis-
15 trative model to ensure that the program is solvent
16 and the people of the United States have continued
17 access to flood insurance.

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

19 (1) to protect the integrity of the national flood
20 insurance program by fully funding existing legal ob-
21 ligations expected by existing policyholders who have
22 paid policy premiums in return for flood insurance
23 coverage and to pay debt service on funds borrowed
24 by the NFIP;

1 (2) to increase incentives for homeowners and
2 communities to participate in the national flood in-
3 surance program and to improve oversight to ensure
4 better accountability of the NFIP and FEMA; and

5 (3) to increase awareness of homeowners of
6 flood risks and improve the quality of information
7 regarding such risks provided to homeowners.

8 **SEC. 3. STUDY REGARDING STATUS OF PRE-FIRM PROP-**
9 **ERTIES AND MANDATORY PURCHASE RE-**
10 **QUIREMENT FOR NATURAL 100-YEAR FLOOD-**
11 **PLAIN AND NON-FEDERALLY RELATED**
12 **LOANS.**

13 (a) IN GENERAL.—The Comptroller General shall
14 conduct a study as follows:

15 (1) PRE-FIRM PROPERTIES.—The study shall
16 determine the status of the national flood insurance
17 program, as of the date of the enactment of this Act,
18 with respect to the provision of flood insurance cov-
19 erage for pre-FIRM properties (as such term is de-
20 fined in section 578(b) of the National Flood Insur-
21 ance Reform Act of 1994 (42 U.S.C. 4014 note)),
22 which shall include determinations of—

23 (A) the number of pre-FIRM properties
24 for which coverage is provided and the extent of
25 such coverage;

1 (B) the cost of providing coverage for such
2 pre-FIRM properties to the national flood in-
3 surance program;

4 (C) the anticipated rate at which such pre-
5 FIRM properties will cease to be covered under
6 the program; and

7 (D) the effects that implementation of the
8 Bunning-Bereuter-Blumenauer Flood Insurance
9 Reform Act of 2004 will have on the national
10 flood insurance program generally and on cov-
11 erage of pre-FIRM properties under the pro-
12 gram.

13 (2) MANDATORY PURCHASE REQUIREMENT FOR
14 NATURAL 100-YEAR FLOODPLAIN.—The study shall
15 assess the impact, effectiveness, and feasibility of
16 amending the provisions of the Flood Disaster Pro-
17 tection Act of 1973 regarding the properties that are
18 subject to the mandatory flood insurance coverage
19 purchase requirements under such Act to extend
20 such requirements to properties located in any area
21 that would be designated as an area having special
22 flood hazards but for the existence of a structural
23 flood protection system, and shall determine—

24 (A) the regulatory, financial and economic
25 impacts of extending such mandatory purchase

1 requirements on the costs of homeownership,
2 the actuarial soundness of the national flood in-
3 surance program, the Federal Emergency Man-
4 agement Agency, local communities, insurance
5 companies, and local land use;

6 (B) the effectiveness of extending such
7 mandatory purchase requirements in protecting
8 homeowners from financial loss and in pro-
9 tecting the financial soundness of the national
10 flood insurance program; and

11 (C) any impact on lenders of complying
12 with or enforcing such extended mandatory re-
13 quirements.

14 (3) MANDATORY PURCHASE REQUIREMENT FOR
15 NON-FEDERALLY RELATED LOANS.—The study shall
16 assess the impact, effectiveness, and feasibility of,
17 and basis under the Constitution of the United
18 States for, amending the provisions of the Flood
19 Disaster Protection Act of 1973 regarding the prop-
20 erties that are subject to the mandatory flood insur-
21 ance coverage purchase requirements under such Act
22 to extend such requirements to any property that is
23 located in any area having special flood hazards and
24 which secures the repayment of a loan that is not
25 described in paragraph (1), (2), or (3) of section

1 102(b) of such Act, and shall determine how best to
2 administer and enforce such a requirement, taking
3 into consideration other insurance purchase require-
4 ments under Federal and State law.

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

10 **SEC. 4. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDEN-**
11 **TIAL PROPERTIES AND NON-PRIMARY RESI-**
12 **DENCES.**

13 (a) IN GENERAL.—Section 1308(c) of the National
14 Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is
15 amended—

16 (1) by redesignating paragraph (2) as para-
17 graph (4); and

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

20 “(2) NONRESIDENTIAL PROPERTIES.—Any non-
21 residential property.

22 “(3) NON-PRIMARY RESIDENCES.—Any residen-
23 tial property that is not the primary residence of an
24 individual.”.

1 (b) TECHNICAL AMENDMENTS.—Section 1308 of the
2 National Flood Insurance Act of 1968 (42 U.S.C. 4015)
3 is amended—

4 (1) in subsection (c)—

5 (A) in the matter preceding paragraph (1),
6 by striking “the limitations provided under
7 paragraphs (1) and (2)” and inserting “sub-
8 section (e)”; and

9 (B) in paragraph (1), by striking “, ex-
10 cept” and all that follows through “subsection
11 (e)”; and

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

14 (c) EFFECTIVE DATE AND TRANSITION.—

15 (1) EFFECTIVE DATE.—The amendments made
16 by subsections (a) and (b) shall apply beginning on
17 January 1, 2011, except as provided in paragraph
18 (2) of this subsection.

19 (2) TRANSITION FOR PROPERTIES COVERED BY
20 FLOOD INSURANCE UPON EFFECTIVE DATE.—

21 (A) INCREASE OF RATES OVER TIME.—In
22 the case of any property described in paragraph
23 (2) or (3) of section 1308(c) of the National
24 Flood Insurance Act of 1968, as amended by
25 subsection (a) of this section, that, as of the ef-

1 fective date under paragraph (1) of this sub-
2 section, is covered under a policy for flood in-
3 surance made available under the national flood
4 insurance program for which the chargeable
5 premium rates are less than the applicable esti-
6 mated risk premium rate under section
7 1307(a)(1) for the area in which the property
8 is located, the Director of the Federal Emer-
9 gency Management Agency shall increase the
10 chargeable premium rates for such property
11 over time to such applicable estimated risk pre-
12 mium rate under section 1307(a)(1).

13 (B) ANNUAL INCREASE.—Such increase
14 shall be made by increasing the chargeable pre-
15 mium rates for the property (after application
16 of any increase in the premium rates otherwise
17 applicable to such property) once during the 12-
18 month period that begins upon the effective
19 date under paragraph (1) of this subsection and
20 once every 12 months thereafter until such in-
21 crease is accomplished, by the following amount
22 (or such lesser amount as may be necessary so
23 that the chargeable rate does not exceed such
24 applicable estimated risk premium rate):

1 (i) NONRESIDENTIAL PROPERTIES.—

2 In the case of any property described in
3 such section 1308(c)(2), 20 percent.

4 (ii) NON-PRIMARY RESIDENCES.—In
5 the case of any property described in such
6 section 1308(c)(3), 25 percent.

7 (C) FULL ACTUARIAL RATES.— The provi-
8 sions of paragraphs (2) and (3) of such section
9 1308(c) shall apply to such a property upon the
10 accomplishment of the increase under this para-
11 graph and thereafter.

12 **SEC. 5. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE**
13 **DATE OF POLICIES.**

14 Section 1306(e)(2)(A) of the National Flood Insur-
15 ance Act of 1968 (42 U.S.C. 4013(e)(2)(A)) is amended
16 by inserting before the semicolon the following: “or is in
17 connection with the purchase or other transfer of the prop-
18 erty for which the coverage is provided (regardless of
19 whether a loan is involved in the purchase or transfer
20 transaction), but only when such initial purchase of cov-
21 erage is made not later 30 days after such making, in-
22 creasing, extension, or renewal of the loan or not later
23 than 30 days after such purchase or other transfer of the
24 property, as applicable”.

1 **SEC. 6. ENFORCEMENT.**

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

4 (1) in paragraph (5)—

5 (A) in the first sentence, by striking
6 “\$350” and inserting “\$2,000”; and

7 (B) in the last sentence, by striking
8 “\$100,000” and inserting “\$1,000,000; except
9 that such limitation shall not apply to a regu-
10 lated lending institution or enterprise for a cal-
11 endar year if, in any three (or more) of the five
12 calendar years immediately preceding such cal-
13 endar year, the total amount of penalties as-
14 sessed under this subsection against such lend-
15 ing institution or enterprise was \$1,000,000”;
16 and

17 (2) in paragraph (6), by adding after the period
18 at the end the following: “No penalty may be im-
19 posed under this subsection on a regulated lending
20 institution or enterprise that has made a good faith
21 effort to comply with the requirements of the provi-
22 sions referred to in paragraph (2) or for any non-
23 material violation of such requirements.”.

24 **SEC. 7. MAXIMUM COVERAGE LIMITS.**

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

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

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

5 (3) in paragraph (4), by striking “\$500,000”
6 each place such term appears and inserting
7 “\$670,000”.

8 **SEC. 8. COVERAGE FOR ADDITIONAL LIVING EXPENSES,**
9 **BASEMENT IMPROVEMENTS, BUSINESS**
10 **INTERRUPTION, AND REPLACEMENT COST**
11 **OF CONTENTS.**

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

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

16 (2) in paragraph (5)—

17 (A) by inserting “pursuant to paragraph
18 (2), (3), or (4)” after “any flood insurance cov-
19 erage”; and

20 (B) by striking the period at the end and
21 inserting a semicolon; and

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

24 “(6) in the case of any residential property,
25 each renewal or new contract for flood insurance

1 coverage shall provide not less than \$1,000 aggregate liability per dwelling unit for any necessary increases in living expenses incurred by the insured when losses from a flood make the residence unfit to live in, which coverage shall be available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1);

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9 “(7) in the case of any residential property, optional coverage for additional living expenses described in paragraph (6) shall be made available to every insured upon renewal and every applicant in excess of the limits provided in paragraph (6) in such amounts and at such rates as the Director shall establish, except that such chargeable rates shall not be less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1);

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19 “(8) in the case of any residential property, optional coverage for losses, resulting from floods, to improvements and personal property located in basements, crawl spaces, and other enclosed areas under buildings that are not covered by primary flood insurance coverage under this title, shall be made available to every insured upon renewal and every

1 applicant, except that such coverage shall be made
2 available only at chargeable rates that are not less
3 than the estimated premium rates for such coverage
4 determined in accordance with section 1307(a)(1);

5 “(9) in the case of any commercial property,
6 optional coverage for losses resulting from any par-
7 tial or total interruption of the insured’s business
8 caused by damage to, or loss of, such property from
9 a flood shall be made available to every insured upon
10 renewal and every applicant, except that—

11 “(A) for purposes of such coverage, losses
12 shall be determined based on the profits the
13 covered business would have earned, based on
14 previous financial records, had the flood not oc-
15 curred; and

16 “(B) such coverage shall be made available
17 only at chargeable rates that are not less than
18 the estimated premium rates for such coverage
19 determined in accordance with section
20 1307(a)(1); and

21 “(10) in the case of any residential property
22 and any commercial property, optional coverage for
23 the full replacement costs of any contents related to
24 the structure that exceed the limits of coverage oth-
25 erwise provided in this subsection shall be made

1 available to every insured upon renewal and every
2 applicant, except that such coverage shall be made
3 available only at chargeable rates that are not less
4 than the estimated premium rates for such coverage
5 determined in accordance with section 1307(a)(1).”.

6 **SEC. 9. NOTIFICATION TO TENANTS OF AVAILABILITY OF**
7 **CONTENTS INSURANCE.**

8 The National Flood Insurance Act of 1968 is amend-
9 ed by inserting after section 1308 (42 U.S.C. 4015) the
10 following new section:

11 **“SEC. 1308A. NOTIFICATION TO TENANTS OF AVAILABILITY**
12 **OF CONTENTS INSURANCE.**

13 “(a) IN GENERAL.—The Director shall, upon enter-
14 ing into a contract for flood insurance coverage under this
15 title for any property located in an area having special
16 flood hazards—

17 “(1) provide to the insured sufficient copies of
18 the notice developed pursuant to subsection (b) to
19 provide for distribution of a copy of such notice to
20 each tenant of the property; and

21 “(2) strongly encourage the insured to provide
22 a copy to each such tenant and to each new tenant
23 upon commencement of such a tenancy.

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

4 “(1) that the property is located in an area hav-
5 ing special flood hazards;

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

10 “(3) of the maximum amount of such coverage
11 for contents available under this title at that time;
12 and

13 “(4) of where to obtain information regarding
14 how to obtain such coverage, including a telephone
15 number, mailing address, and location on the World
16 Wide Web of the Director where such information is
17 available.”.

18 **SEC. 10. INCREASE IN ANNUAL LIMITATION ON PREMIUM**
19 **INCREASES.**

20 Section 1308(e) of the National Flood Insurance Act
21 of 1968 (42 U.S.C. 4015(e)) is amended by striking “10
22 percent” and inserting “15 percent”.

23 **SEC. 11. INCREASE IN BORROWING AUTHORITY.**

24 (a) BORROWING AUTHORITY.—The first sentence of
25 subsection (a) of section 1309 of the National Flood In-

1 surance Act of 1968 (42 U.S.C. 4016(a)), as amended by
2 the National Flood Insurance Program Further Enhanced
3 Borrowing Authority Act of 2005 (Public Law 109–106;
4 119 Stat. 2288), is amended by striking
5 “\$20,775,000,000” and inserting “\$21,500,000,000”.

6 (b) FEMA REPORT.—Not later than the expiration
7 of the 6-month period beginning on the date of the enact-
8 ment of this Act, the Director of the Federal Emergency
9 Management Agency shall submit a report to the Congress
10 setting forth a plan for repaying any amounts borrowed
11 pursuant to increase in borrowing authority authorized
12 under the amendments made by subsection (a).

13 **SEC. 12. FEMA PARTICIPATION IN STATE DISASTER CLAIMS**
14 **MEDIATION PROGRAMS.**

15 The National Flood Insurance Act of 1968 is amend-
16 ed by inserting after section 1313 (42 U.S.C. 4020) the
17 following new section:

18 **“SEC. 1314. FEMA PARTICIPATION IN STATE DISASTER**
19 **CLAIMS MEDIATION PROGRAMS.**

20 “(a) REQUIREMENT TO PARTICIPATE.—In the case
21 of the occurrence of a natural catastrophe that may have
22 resulted in flood damage covered by insurance made avail-
23 able under the national flood insurance program and a loss
24 covered by personal lines residential property insurance
25 policy, upon request made by the insurance commissioner

1 of a State (or such other official responsible for regulating
2 the business of insurance in the State) for the participa-
3 tion of representatives of the Director in a program spon-
4 sored by such State for nonbinding mediation of insurance
5 claims resulting from a natural catastrophe, the Director
6 shall cause such representatives to participate in such
7 State program, when claims under the national flood in-
8 surance program are involved, to expedite settlement of
9 flood damage claims resulting from such catastrophe.

10 “(b) EXTENT OF PARTICIPATION.—Participation by
11 representatives of the Director required under subsection
12 (a) with respect to flood damage claims resulting from a
13 natural catastrophe shall include—

14 “(1) providing adjusters certified for purposes
15 of the national flood insurance program who are au-
16 thorized to settle claims against such program re-
17 sulting from such catastrophe in amounts up to the
18 limits of policies under such program;

19 “(2) requiring such adjusters to attend State-
20 sponsored mediation meetings regarding flood insur-
21 ance claims resulting from such catastrophe at times
22 and places as may be arranged by the State;

23 “(3) participating in good-faith negotiations to-
24 ward the settlement of such claims with policy-

1 holders of coverage made available under the na-
2 tional flood insurance program; and

3 “(4) finalizing the settlement of such claims on
4 behalf of the national flood insurance program with
5 such policyholders.

6 “(c) COORDINATION.—Representatives of the Direc-
7 tor who participate pursuant to this section in a State-
8 sponsored mediation program with respect to a natural ca-
9 tastrophe shall at all times coordinate their activities with
10 insurance officials of the State and representatives of in-
11 surers for the purpose of consolidating and expediting the
12 settlement of claims under the national flood insurance
13 program resulting from such catastrophe at the earliest
14 possible time.

15 “(d) MEDIATION PROCEEDINGS AND PRIVILEGED
16 DOCUMENTS.—As a condition of the participation of Rep-
17 resentatives of the Director pursuant to this section in
18 State-sponsored mediation, all statements made and docu-
19 ments produced pursuant to such mediation involving rep-
20 resentatives of the Director shall be deemed privileged and
21 confidential settlement negotiations made in anticipation
22 of litigation.

23 “(e) EFFECT OF PARTICIPATION ON LIABILITY,
24 RIGHT, AND OBLIGATIONS.—Participation of Representa-
25 tives of the Director pursuant to this section in State-

1 sponsored mediation shall not affect or expand the liability
2 of any party in contract or in tort, nor shall it affect the
3 rights or obligations of the parties as provided in the
4 Standard Flood Insurance Policy under the national flood
5 insurance program, regulations of the Federal Emergency
6 Management Agency, this Act, or Federal common law.

7 “(f) EXCLUSIVE FEDERAL JURISDICTION.—Partici-
8 pation of Representatives of the Director pursuant to this
9 section in State-sponsored mediation shall not alter,
10 change or modify the original exclusive jurisdiction of
11 United States courts as provided in this Act.

12 “(g) COST LIMITATION.—Nothing in this section
13 shall be construed to require the Director or representa-
14 tives of the Director to pay additional mediation fees relat-
15 ing to flood claims associated with a State-sponsored me-
16 diation program in which representatives of the Director
17 participate.

18 “(h) EXCEPTION.—In the case of the occurrence of
19 a natural catastrophe that results in flood damage claims
20 under the national flood insurance program and does not
21 result in any loss covered by a personal lines residential
22 property insurance policy—

23 “(1) this section shall not apply; and

24 “(2) the provisions of the Standard Flood In-
25 surance Policy under the national flood insurance

1 program and the appeals process established pursu-
2 ant to section 205 of the Bunning-Bereueter-
3 Blumenauer Flood Insurance Reform Act of 2004
4 (Public Law 108–264; 118 Stat. 726) and regula-
5 tions issued pursuant to such section shall apply ex-
6 clusively.

7 “(i) REPRESENTATIVES OF DIRECTOR.—For pur-
8 poses of this section, the term ‘representatives of the Di-
9 rector’ means representatives of the national flood insur-
10 ance program who participate in the appeals process es-
11 tablished pursuant to section 205 of the Bunning-
12 Bereueter-Blumenauer Flood Insurance Reform Act of
13 2004 (Public Law 108–264; 118 Stat. 726) and regula-
14 tions issued pursuant to such section.”.

15 **SEC. 13. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.**

16 Section 1320 of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4027) is amended—

18 (1) in the section heading, by striking “REPORT
19 TO THE PRESIDENT” and inserting “ANNUAL RE-
20 PORT TO CONGRESS” ;

21 (2) in subsection (a)—

22 (A) by striking “biennially”;

23 (B) by striking “the President for submis-
24 sion to”; and

1 (C) by inserting “not later than June 30
2 of each year” before the period at the end;

3 (3) in subsection (b), by striking “biennial” and
4 inserting “annual”; and

5 (4) by adding at the end the following new sub-
6 section:

7 “(c) FINANCIAL STATUS OF PROGRAM.—The report
8 under this section for each year shall include information
9 regarding the financial status of the national flood insur-
10 ance program under this title, including a description of
11 the financial status of the National Flood Insurance Fund
12 and current and projected levels of claims, premium re-
13 cepts, expenses, and borrowing under the program.”.

14 **SEC. 14. FLOOD INSURANCE OUTREACH GRANTS.**

15 Chapter I of the National Flood Insurance Act of
16 1968 (42 U.S.C. 4011 et seq.) is amended by adding at
17 the end the following new section:

18 **“SEC. 1325. GRANTS FOR OUTREACH TO PROPERTY OWN-
19 ERS AND RENTERS.**

20 “(a) IN GENERAL.—The Director may, to the extent
21 amounts are made available pursuant to subsection (h),
22 make grants to local governmental agencies responsible for
23 floodplain management activities (including such agencies
24 of Indians tribes, as such term is defined in section 4 of
25 the Native American Housing Assistance and Self-Deter-

1 mination Act of 1996 (25 U.S.C. 4103)) in communities
2 that participate in the national flood insurance program
3 under this title, for use by such agencies to carry out out-
4 reach activities to encourage and facilitate the purchase
5 of flood insurance protection under this Act by owners and
6 renters of properties in such communities and to promote
7 educational activities that increase awareness of flood risk
8 reduction.

9 “(b) OUTREACH ACTIVITIES.—Amounts from a grant
10 under this section shall be used only for activities designed
11 to—

12 “(1) identify owners and renters of properties
13 in communities that participate in the national flood
14 insurance program, including owners of residential
15 and commercial properties;

16 “(2) notify such owners and renters when their
17 properties become included in, or when they are ex-
18 cluded from, an area having special flood hazards
19 and the effect of such inclusion or exclusion on the
20 applicability of the mandatory flood insurance pur-
21 chase requirement under section 102 of the Flood
22 Disaster Protection Act of 1973 (42 U.S.C. 4012a)
23 to such properties;

24 “(3) educate such owners and renters regarding
25 the flood risk and reduction of this risk in their

1 community, including the continued flood risks to
2 areas that are no longer subject to the flood insur-
3 ance mandatory purchase requirement;

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

9 “(5) encouraging such owners and renters to
10 maintain or acquire such coverage.

11 “(c) COST SHARING REQUIREMENT.—

12 “(1) IN GENERAL.—In any fiscal year, the Di-
13 rector may not provide a grant under this section to
14 a local governmental agency in an amount exceeding
15 3 times the amount that the agency certifies, as the
16 Director shall require, that the agency will con-
17 tribute from non-Federal funds to be used with
18 grant amounts only for carrying out activities de-
19 scribed in subsection (b).

20 “(2) NON-FEDERAL FUNDS.—For purposes of
21 this subsection, the term ‘non-Federal funds’ in-
22 cludes State or local government agency amounts,
23 in-kind contributions, any salary paid to staff to
24 carry out the eligible activities of the grant recipient,
25 the value of the time and services contributed by vol-

1 unteers to carry out such services (at a rate deter-
2 mined by the Director), and the value of any do-
3 nated material or building and the value of any lease
4 on a building.

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

11 “(e) APPLICATION AND SELECTION.—

12 “(1) IN GENERAL.—The Director shall provide
13 for local governmental agencies described in sub-
14 section (a) to submit applications for grants under
15 this section and for competitive selection, based on
16 criteria established by the Director, of agencies sub-
17 mitting such applications to receive such grants.

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

22 “(A) the existence of a cooperative tech-
23 nical partner agreement between the local gov-
24 ernmental agency and the Federal Emergency
25 Management Agency;

1 “(B) the history of flood losses in the rel-
2 evant area that have occurred to properties,
3 both inside and outside the special flood haz-
4 ards zones, which are not covered by flood in-
5 surance coverage;

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

9 “(D) demonstrated success of the local
10 governmental agency in generating voluntary
11 purchase of flood insurance; and

12 “(E) demonstrated technical capacity of
13 the local governmental agency for outreach to
14 individual property owners.

15 “(f) DIRECT OUTREACH BY FEMA.—In each fiscal
16 year that amounts for grants are made available pursuant
17 to subsection (h), the Director may use not more than 50
18 percent of such amounts to carry out, and to enter into
19 contracts with other entities to carry out, activities de-
20 scribed in subsection (b) in areas that the Director deter-
21 mines have the most immediate need for such activities.

22 “(g) REPORTING.—Each local government agency
23 that receives a grant under this section, and each entity
24 that receives amounts pursuant to subsection (f), shall
25 submit a report to the Director, not later than 12 months

1 after such amounts are first received, which shall include
 2 such information as the Director considers appropriate to
 3 describe the activities conducted using such amounts and
 4 the effect of such activities on the retention or acquisition
 5 of flood insurance coverage.

6 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
 7 is authorized to be appropriated for grants under this sec-
 8 tion \$50,000,000 for each of fiscal years 2008 through
 9 2012.”.

10 **SEC. 15. GRANTS FOR DIRECT FUNDING OF MITIGATION**
 11 **ACTIVITIES FOR INDIVIDUAL REPETITIVE**
 12 **CLAIMS PROPERTIES.**

13 (a) DIRECT GRANTS TO OWNERS.—Section 1323 of
 14 the National Flood Insurance Act of 1968 (42 U.S.C.
 15 4030) is amended—

16 (1) in the section heading, by inserting “**DI-**
 17 **RECT**” before “**GRANTS**”; and

18 (2) in the matter in subsection (a) that pre-
 19 cedes paragraph (1)—

20 (A) by inserting “, to owners of such prop-
 21 erties,” before “for mitigation actions”; and

22 (B) by striking “1” and inserting “two”.

23 (b) AVAILABILITY OF FUNDS.—Paragraph (9) of sec-
 24 tion 1310(a) of the National Flood Insurance Act of 1968

1 (42 U.S.C. 4017(a)) is amended by inserting “which shall
2 remain available until expended,” after “and fiscal year,”.

3 **SEC. 16. EXTENSION OF PILOT PROGRAM FOR MITIGATION**
4 **OF SEVERE REPETITIVE LOSS PROPERTIES.**

5 Section 1361A of the National Flood Insurance Act
6 of 1968 (42 U.S.C. 4102a) is amended—

7 (1) in subsection (k)(1), by striking “2005,
8 2006, 2007, 2008, and 2009” and inserting “2008,
9 2009, 2010, 2011, and 2012”; and

10 (2) by striking subsection (l).

11 **SEC. 17. FLOOD MITIGATION ASSISTANCE PROGRAM.**

12 (a) **ELIGIBILITY OF PROPERTY DEMOLITION AND**
13 **REBUILDING.**—Section 1366(e)(5)(B) of the National
14 Flood Insurance Act of 1968 (42 U.S.C. 4104e(e)(5)(B))
15 is amended by striking “or floodproofing” and inserting
16 “floodproofing, or demolition and rebuilding”.

17 (b) **ELIMINATION OF LIMITATIONS ON AGGREGATE**
18 **AMOUNT OF ASSISTANCE.**—Section 1366 of the National
19 Flood Insurance Act of 1968 is amended by striking sub-
20 section (f).

21 (c) **SOURCE OF FUNDS.**—Subsection (a) of section
22 1367 of the National Flood Insurance Act of 1968 (42
23 U.S.C. 4104d(a)) is amended by adding at the end the
24 following new sentence: “Notwithstanding any other provi-
25 sion of this title, amounts made available pursuant to this

1 subsection shall not be subject to offsetting collections
2 through premium rates for flood insurance coverage under
3 this title.”.

4 (d) TECHNICAL AMENDMENTS.—Section 1366 of the
5 National Flood Insurance Act of 1968 is amended—

6 (1) by striking “subsection (g)” each place such
7 term appears in subsections (h) and (i)(2) and in-
8 serting “subsection (f)”; and

9 (2) by redesignating subsections (g) through (k)
10 as subsections (f) through (j), respectively.

11 **SEC. 18. GAO STUDY OF METHODS TO INCREASE FLOOD IN-**
12 **SURANCE PROGRAM PARTICIPATION BY LOW-**
13 **INCOME FAMILIES.**

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

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

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

7 **SEC. 19. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**
8 **AND ESCROW IN RESPA GOOD FAITH ESTI-**
9 **MATE.**

10 Subsection (c) of section 5 of the Real Estate Settle-
11 ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is
12 amended by adding at the end the following new sentence:
13 “Each such good faith estimate shall include the following
14 conspicuous statements and information: (1) that flood in-
15 surance coverage for residential real estate is generally
16 available under the national flood insurance program
17 whether or not the real estate is located in an area having
18 special flood hazards and that, to obtain such coverage,
19 a home owner or purchaser should contact the national
20 flood insurance program; (2) a telephone number and a
21 location on the World Wide Web by which a home owner
22 or purchaser can contact the national flood insurance pro-
23 gram; and (3) that the escrowing of flood insurance pay-
24 ments is required for many loans under section 102(d) of
25 the Flood Disaster Protection Act of 1973, and may be

1 a convenient and available option with respect to other
2 loans.”.

3 **SEC. 20. REITERATION OF FEMA RESPONSIBILITIES UNDER**
4 **2004 REFORM ACT.**

5 (a) APPEALS PROCESS.—As directed in section 205
6 of the Bunning-Bereuter-Blumenauer Flood Insurance
7 Reform Act of 2004 (42 U.S.C. 4011 note), the Director
8 of the Federal Emergency Management Agency is again
9 directed to, not later than 90 days after the date of the
10 enactment of this Act, establish an appeals process
11 through which holders of a flood insurance policy may ap-
12 peal the decisions, with respect to claims, proofs of loss,
13 and loss estimates relating to such flood insurance policy
14 as required by such section.

15 (b) MINIMUM TRAINING AND EDUCATION REQUIRE-
16 MENTS.—The Director of the Federal Emergency Man-
17 agement Agency is directed to continue to work with the
18 insurance industry, State insurance regulators, and other
19 interested parties to implement the minimum training and
20 education standards for all insurance agents who sell flood
21 insurance policies that were established by the Director
22 under the notice published September 1, 2005 (70 Fed.
23 Reg. 52117) pursuant to section 207 of the Bunning-Be-
24 reuter-Blumenauer Flood Insurance Reform Act of 2004
25 (42 U.S.C. 4011 note).

1 (c) REPORT.—Not later than the expiration of the 6-
2 month period beginning on the date of the enactment of
3 this Act, the Director of the Federal Emergency Manage-
4 ment Agency shall submit a report to the Congress de-
5 scribing the implementation of each provision of the
6 Bunning-Bereuter-Blumenauer Flood Insurance Reform
7 Act of 2004 (Public Law 108–264) and identifying each
8 regulation, order, notice, and other material issued by the
9 Director in implementing each such provision.

10 **SEC. 21. ONGOING MODERNIZATION OF FLOOD MAPS AND**
11 **ELEVATION STANDARDS.**

12 (a) ONGOING FLOOD MAPPING PROGRAM.—Section
13 1360 of the National Flood Insurance Act of 1968 (42
14 U.S.C. 4101) is amended by adding at the end the fol-
15 lowing new subsection:

16 “(k) ONGOING PROGRAM TO REVIEW, UPDATE, AND
17 MAINTAIN FLOOD INSURANCE PROGRAM MAPS.—

18 “(1) IN GENERAL.—The Director, in coordina-
19 tion with the Technical Mapping Advisory Council
20 established pursuant to section 576 of the National
21 Flood Insurance Reform Act of 1994 (42 U.S.C.
22 4101 note) and section 21(b) of the Flood Insurance
23 Reform and Modernization Act of 2007, shall estab-
24 lish an ongoing program under which the Director
25 shall review, update, and maintain national flood in-

1 surance program rate maps in accordance with this
2 subsection.

3 “(2) INCLUSIONS.—

4 “(A) COVERED AREAS.—Each map up-
5 dated under this subsection shall include a de-
6 piction of—

7 “(i) the 500-year floodplain;

8 “(ii) areas that could be inundated as
9 a result of the failure of a levee, as deter-
10 mined by the Director; and

11 “(iii) areas that could be inundated as
12 a result of the failure of a dam, as identi-
13 fied under the National Dam Safety Pro-
14 gram Act (33 U.S.C. 467 et seq.).

15 “(B) OTHER INCLUSIONS.—In updating
16 maps under this subsection, the Director may
17 include—

18 “(i) any relevant information on
19 coastal inundation from—

20 “(I) an applicable inundation
21 map of the Corps of Engineers; and

22 “(II) data of the National Oce-
23 anic and Atmospheric Administration
24 relating to storm surge modeling;

1 “(ii) any relevant information of the
2 Geographical Service on stream flows, wa-
3 tershed characteristics, and topography
4 that is useful in the identification of flood
5 hazard areas, as determined by the Direc-
6 tor; and

7 “(iii) a description of any hazard that
8 might impact flooding, including, as deter-
9 mined by the Director—

10 “(I) land subsidence and coastal
11 erosion areas;

12 “(II) sediment flow areas;

13 “(III) mud flow areas;

14 “(IV) ice jam areas; and

15 “(V) areas on coasts and inland
16 that are subject to the failure of
17 structural protective works, such as
18 levees, dams, and floodwalls.

19 “(3) STANDARDS.—In updating and maintain-
20 ing maps under this subsection, the Director shall
21 establish standards to—

22 “(A) ensure that maps are adequate for—

23 “(i) flood risk determinations; and

1 “(ii) use by State and local govern-
2 ments in managing development to reduce
3 the risk of flooding;

4 “(B) facilitate the Director, in conjunction
5 with State and local governments, to identify
6 and use consistent methods of data collection
7 and analysis in developing maps for commu-
8 nities with similar flood risks, as determined by
9 the Director; and

10 “(C) ensure that emerging weather fore-
11 casting technology is used, where practicable, in
12 flood map evaluations and the identification of
13 potential risk areas.

14 “(4) HURRICANES KATRINA AND RITA MAPPING
15 PRIORITY.—In updating and maintaining maps
16 under this subsection, the Director shall—

17 “(A) give priority to the updating and
18 maintenance of maps of coastal areas affected
19 by Hurricane Katrina or Hurricane Rita to pro-
20 vide guidance with respect to hurricane recovery
21 efforts; and

22 “(B) use the process of updating and
23 maintaining maps under subparagraph (A) as a
24 model for updating and maintaining other
25 maps.

1 “(5) EDUCATION PROGRAM.—The Director
2 shall, after each update to a flood insurance pro-
3 gram rate map, in consultation with the chief execu-
4 tive officer of each community affected by the up-
5 date, conduct a program to educate each such com-
6 munity about the update to the flood insurance pro-
7 gram rate map and the effects of the update.

8 “(6) ANNUAL REPORT.—Not later than June
9 30 of each year, the Director shall submit a report
10 to the Congress describing, for the preceding 12-
11 month period, the activities of the Director under
12 the program under this section and the reviews and
13 updates of flood insurance program rate maps con-
14 ducted under the program. Each such annual report
15 shall contain the most recent report of the Technical
16 Mapping Advisory Council pursuant to section
17 576(c)(3) of the National Flood Insurance Reform
18 Act of 1994 (42 U.S.C. 4101 note).

19 “(7) AUTHORIZATION OF APPROPRIATIONS.—
20 There is authorized to be appropriated to the Direc-
21 tor to carry out this subsection \$400,000,000 for
22 each of fiscal years 2008 through 2013.”.

23 (b) REESTABLISHMENT OF TECHNICAL MAPPING
24 ADVISORY COUNCIL FOR ONGOING MAPPING PROGRAM.—

1 (1) REESTABLISHMENT.—There is reestab-
2 lished the Technical Mapping Advisory Council, in
3 accordance with this subsection and section 576 of
4 the National Flood Insurance Reform Act of 1994
5 (42 U.S.C. 4101 note).

6 (2) MEMBERSHIP.—Paragraph (1) of section
7 576(b) of the National Flood Insurance Reform Act
8 of 1994 (42 U.S.C. 4101 note) is amended—

9 (A) in the matter preceding subparagraph
10 (A), by striking “10” and inserting “14”;

11 (B) by redesignating subparagraphs (E),
12 (F), (G), (H), (I), and (J) as subparagraphs
13 (F), (G), (H), (K), (M), and (N), respectively;

14 (C) by inserting after subparagraph (D)
15 the following new subparagraph:

16 “(E) a representative of the Corps of Engi-
17 neers of the United States Army;”;

18 (D) by inserting after subparagraph (H)
19 (as so redesignated by subparagraph (B) of this
20 paragraph) the following new subparagraphs:

21 “(I) a representative of local or regional
22 flood and stormwater agencies;

23 “(J) a representative of State geographic
24 information coordinators;” and

1 (E) by inserting after subparagraph (K)
2 (as so redesignated by subparagraph (A) of this
3 paragraph) the following new subparagraph:

4 “(L) a representative of flood insurance
5 servicing companies;”.

6 (3) TERMS OF MEMBERS AND APPOINTMENT.—
7 Section 576(b) of the National Flood Insurance Re-
8 form Act of 1994 (42 U.S.C. 4101 note) is amended
9 by adding at the end the following new paragraph:

10 “(3) TERMS OF MEMBERS.—

11 “(A) IN GENERAL.—Each member of the
12 Council pursuant to any of subparagraphs (B)
13 through (N) of paragraph (1) shall be ap-
14 pointed for a term of 5 years, except as pro-
15 vided in subparagraphs (B) and (C).

16 “(B) TERMS OF INITIAL APPOINTEES.—As
17 designated by the Director (or the designee of
18 the Director) at the time of appointment, of the
19 members of the Council first appointed pursu-
20 ant to subparagraph (D)—

21 “(i) 4 shall be appointed for a term of
22 1 year;

23 “(ii) 4 shall be appointed for a term
24 of 3 years; and

1 “(iii) 5 shall be appointed for a term
2 of 5 years.

3 “(C) VACANCIES.—Any member of the
4 Council appointed to fill a vacancy occurring
5 before the expiration of the term for which the
6 member’s predecessor was appointed shall be
7 appointed only for the remainder of that term.
8 A member may serve after the expiration of
9 that member’s term until a successor has taken
10 office. A vacancy in the Council shall be filled
11 in the manner in which the original appoint-
12 ment was made.

13 “(D) INITIAL APPOINTMENT.—The Direc-
14 tor, or the Director’s designee, shall take action
15 as soon as possible after the date of the enact-
16 ment of the Flood Insurance Reform and Mod-
17 ernization Act of 2007 to appoint the members
18 of the Council pursuant to this subsection.”.

19 (4) DUTIES.—Subsection (c) of section 576 of
20 the National Flood Insurance Reform Act of 1994
21 (42 U.S.C. 4101 note) is amended to read as fol-
22 lows:

23 “(c) DUTIES.—The Council shall—

24 “(1) make recommendations to the Director for
25 improvements to the flood map modernization pro-

1 gram under section 1360(k) of the National Flood
2 Insurance Act of 1968 (42 U.S.C. 41010(k));

3 “(2) make recommendations to the Director for
4 maintaining a modernized inventory of flood hazard
5 maps and information; and

6 “(3) submit an annual report to the Director
7 that contains a description of the activities and rec-
8 ommendations of the Council.”.

9 (5) ELIMINATION OF TERMINATION.—Section
10 576 of the National Flood Insurance Reform Act of
11 1994 (42 U.S.C. 4101 note) is amended by striking
12 subsection (k) and inserting the following new sub-
13 section:

14 “(k) CONTINUED EXISTENCE.—Section 14(a)(2)(B)
15 of the Federal Advisory Committee Act (5 U.S.C. App.;
16 relating to termination of advisory committees) shall not
17 apply to the Council.”.

18 (c) POST-DISASTER FLOOD ELEVATION DETERMINA-
19 TIONS.—Section 1361 of the National Flood Insurance
20 Act of 1968 (42 U.S.C. 4101), as amended by the pre-
21 ceding provisions of this Act, is further amended by add-
22 ing at the end the following new subsection:

23 “(l) INTERIM POST-DISASTER FLOOD ELE-
24 VATIONS.—

1 “(1) **AUTHORITY.**—Notwithstanding any other
2 provision of this section or section 1363, the Direc-
3 tor may, after any flood-related disaster, establish by
4 order interim flood elevation requirements for pur-
5 poses of the national flood insurance program for
6 any areas affected by such flood-related disaster.

7 “(2) **EFFECTIVENESS.**—Such interim elevation
8 requirements for such an area shall take effect im-
9 mediately upon issuance and may remain in effect
10 until the Director establishes new flood elevations
11 for such area in accordance with section 1363 or the
12 Director provides otherwise.”.

13 **SEC. 22. NOTIFICATION AND APPEAL OF MAP CHANGES;**
14 **NOTIFICATION OF ESTABLISHMENT OF**
15 **FLOOD ELEVATIONS.**

16 Section 1363 of the National Flood Insurance Act of
17 1968 (42 U.S.C. 4104) is amended by striking the section
18 designation and all that follows through the end of sub-
19 section (a) and inserting the following:

20 “**SEC. 1363.** (a) In establishing projected flood ele-
21 vations for land use purposes with respect to any commu-
22 nity pursuant to section 1361, the Director shall first pro-
23 pose such determinations—

24 “(1) by providing the chief executive officer of
25 each community affected by the proposed elevations,

1 by certified mail, with a return receipt requested,
2 notice of the elevations, including a copy of the maps
3 for the elevations for such community and a state-
4 ment explaining the process under this section to ap-
5 peal for changes in such elevations;

6 “(2) by causing notice of such elevations to be
7 published in the Federal Register, which notice shall
8 include information sufficient to identify the ele-
9 vation determinations and the communities affected,
10 information explaining how to obtain copies of the
11 elevations, and a statement explaining the process
12 under this section to appeal for changes in the ele-
13 vations; and

14 “(3) by publishing in a prominent local news-
15 paper the elevations, a description of the appeals
16 process for flood determinations, and the mailing ad-
17 dress and telephone number of a person the owner
18 may contact for more information or to initiate an
19 appeal.”.

20 **SEC. 23. CLARIFICATION OF REPLACEMENT COST PROVI-**
21 **SIONS, FORMS, AND POLICY LANGUAGE.**

22 Not later than the expiration of the 3-month period
23 beginning on the date of the enactment of this Act, the
24 Director of the Federal Emergency Management Agency
25 shall—

1 (1) in plain language using easy to understand
2 terms and concepts, issue regulations, and revise any
3 materials made available by such Agency, to clarify
4 the applicability of replacement cost coverage under
5 the national flood insurance program;

6 (2) in plain language using easy to understand
7 terms and concepts, revise any regulations, forms,
8 notices, guidance, and publications relating to the
9 full cost of repair or replacement under the replace-
10 ment cost coverage to more clearly describe such
11 coverage to flood insurance policyholders and infor-
12 mation to be provided by such policyholders relating
13 to such coverage, and to avoid providing misleading
14 information to such policyholders;

15 (3) revise the language in standard flood insur-
16 ance policies under such program regarding rating
17 and coverage descriptions in a manner that is con-
18 sistent with language used widely in other home-
19 owners and property and casualty insurance policies,
20 including such language regarding classification of
21 buildings, basements, crawl spaces, detached ga-
22 rages, enclosures below elevated buildings, and re-
23 placement costs; and

24 (4) include in each standard flood insurance
25 policy a one-page description of the policy using

1 plain language and easy to understand terms and
2 concepts.

3 **SEC. 24. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

4 Notwithstanding any other provision of law, the Di-
5 rector of the Federal Emergency Management Agency
6 may employ such additional staff as may be necessary to
7 carry out all of the responsibilities of the Director pursu-
8 ant to this Act and the amendments made by this Act.
9 There are authorized to be appropriated to Director such
10 sums as may be necessary for costs of employing such ad-
11 ditional staff.

12 **SEC. 25. EXTENSION OF DEADLINE FOR FILING PROOF OF**
13 **LOSS.**

14 (a) IN GENERAL.—Section 1312 of the National
15 Flood Insurance Act of 1968 (42 U.S.C. 4019) is amend-
16 ed—

17 (1) by inserting “(a) PAYMENT.—” before “The
18 Director”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(b) FILING DEADLINE FOR PROOF OF LOSS.—

22 “(1) IN GENERAL.—In establishing any require-
23 ments regarding notification, proof, or approval of
24 claims for damage to or loss of property which is
25 covered by flood insurance made available under this

1 title, the Director may not require an insured to no-
2 tify the Director of such damage or loss, submit a
3 claim for such damage or loss, or certify to or sub-
4 mit proof of such damage or loss, before the expira-
5 tion of the 180-day period that begins on the date
6 that such damage or loss occurred.

7 “(2) EXCEPTIONS.—Notwithstanding any dead-
8 line established in accordance with paragraph (1),
9 the Director may not deny a claim for damage or
10 loss described in such paragraph solely for failure to
11 meet such deadline if the insured demonstrates any
12 good cause for such failure.”.

13 (b) APPLICABILITY.—Subsection (b) of section 1312
14 of the National Flood Insurance Act of 1968, as added
15 by subsection (a)(2) of this section, shall apply with re-
16 spect to any claim under which the damage to or loss of
17 property occurred on or after the date of the enactment
18 of this Act.

○