AMENDMENT NO. — Calendar No. ___________

Purpose: To provide a complete substitute.

IN THE SENATE OF THE UNITED STATES—110th Cong., 2d Sess.

S. 2284

To amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes.

Referred to the Committee on ________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. DODD (for himself and Mr. SHELBY)

Viz:

1. Strike all after the enacting clause and insert the following:

2. SECTION 1. TABLE OF CONTENTS.

3. The table of contents for this Act is as follows:

   Sec. 1. Table of contents.

   TITLE I—FLOOD INSURANCE REFORM AND MODERNIZATION

   Sec. 101. Short title.
   Sec. 102. Findings.
   Sec. 103. Definitions.
   Sec. 104. Extension of National Flood Insurance Program.
   Sec. 105. Availability of insurance for multifamily properties.
   Sec. 106. Reform of premium rate structure.
   Sec. 107. Mandatory coverage areas.
   Sec. 108. Premium adjustment.
Sec. 109. State chartered financial institutions.
Sec. 110. Enforcement.
Sec. 111. Escrow of flood insurance payments.
Sec. 112. Borrowing authority debt forgiveness.
Sec. 113. Minimum deductibles for claims under the National Flood Insurance Program.
Sec. 114. Considerations in determining chargeable premium rates.
Sec. 115. Reserve fund.
Sec. 116. Repayment plan for borrowing authority.
Sec. 117. Payment of condominium claims.
Sec. 118. Technical Mapping Advisory Council.
Sec. 119. National Flood Mapping Program.
Sec. 120. Removal of limitation on State contributions for updating flood maps.
Sec. 121. Coordination.
Sec. 122. Interagency coordination study.
Sec. 123. Nonmandatory participation.
Sec. 124. Notice of flood insurance availability under RESPA.
Sec. 125. Testing of new floodproofing technologies.
Sec. 126. Participation in State disaster claims mediation programs.
Sec. 127. Reiteration of FEMA responsibilities under the 2004 Reform Act.
Sec. 128. Additional authority of FEMA to collect information on claims payments.
Sec. 129. Expense reimbursements of insurance companies.
Sec. 130. Extension of pilot program for mitigation of severe repetitive loss properties.
Sec. 131. Flood insurance advocate.
Sec. 132. Studies and Reports.

TITLE II—COMMISSION ON NATURAL CATASTROPHE RISK MANAGEMENT AND INSURANCE

Sec. 201. Short title.
Sec. 203. Establishment.
Sec. 204. Membership.
Sec. 205. Duties of the Commission.
Sec. 206. Report.
Sec. 207. Powers of the Commission.
Sec. 208. Commission personnel matters.
Sec. 209. Termination.

1 TITLE I—FLOOD INSURANCE REFORM AND MODERNIZATION

2 SEC. 101. SHORT TITLE.

This title may be cited as the “Flood Insurance Reform and Modernization Act of 2008”.

3
SEC. 102. FINDINGS.

Congress finds that—

(1) the flood insurance claims resulting from the hurricane season of 2005 will likely exceed all previous claims paid by the National Flood Insurance Program;

(2) in order to pay the legitimate claims of policyholders from the hurricane season of 2005, the Federal Emergency Management Agency has borrowed over $20,000,000,000 from the Treasury;

(3) the interest alone on this debt, is almost $1,000,000,000 annually, and that the Federal Emergency Management Agency has indicated that it will be unable to pay back this debt;

(4) the flood insurance program must be strengthened to ensure it can pay future claims;

(5) while flood insurance is mandatory in the 100-year floodplain, substantial flooding occurs outside of existing special flood hazard areas;

(6) recent events throughout the country involving areas behind man-made structures, known as “residual risk” areas, have produced catastrophic losses;

(7) although such man-made structures produce an added element of safety and therefore lessen the probability that a disaster will occur, they are never-
theless susceptible to catastrophic loss, even though such areas at one time were not included within the 100-year floodplain; and

(8) voluntary participation in the National Flood Insurance Program has been minimal and many families residing outside the 100-year floodplain remain unaware of the potential risk to their lives and property.

**SEC. 103. DEFINITIONS.**

(a) In General.—In this title, the following definitions shall apply:

(1) **Director.**—The term “Director” means the Administrator of the Federal Emergency Management Agency.

(2) **National Flood Insurance Program.**—The term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.).

(3) **100-Year Floodplain.**—The term “100-year floodplain” means that area which is subject to inundation from a flood having a 1 percent chance of being equaled or exceeded in any given year.

(4) **500-Year Floodplain.**—The term “500-year floodplain” means that area which is subject to
inundation from a flood having a 0.2 percent chance of being equaled or exceeded in any given year.

(5) WRITE YOUR OWN.—The term “Write Your Own” means the cooperative undertaking between the insurance industry and the Flood Insurance Administration which allows participating property and casualty insurance companies to write and service standard flood insurance policies.

(b) COMMON TERMINOLOGY.—Except as otherwise provided in this title, any terms used in this title shall have the meaning given to such terms under section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121).

SEC. 104. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026), is amended by striking “2008” and inserting “2013.”.

SEC. 105. AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.

Section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012) is amended by adding at the end the following:

“(d) AVAILABILITY OF INSURANCE FOR MULTIFAMILY PROPERTIES.—
“(1) IN GENERAL.—The Director shall make flood insurance available to cover residential properties of more than 4 units. Notwithstanding any other provision of law, the maximum coverage amount that the Director may make available under this subsection to such residential properties shall be equal to the coverage amount made available to commercial properties.

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the ability of individuals residing in residential properties of more than 4 units to obtain insurance for the contents and personal articles located in such residences.”.

SEC. 106. REFORM OF PREMIUM RATE STRUCTURE.

(a) TO EXCLUDE CERTAIN PROPERTIES FROM RECEIVING SUBSIDIZED PREMIUM RATES.—

(1) IN GENERAL.—Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended—

(A) in subsection (a)—

(i) in paragraph (2), by striking “; and” and inserting a semicolon;
(ii) in paragraph (3), by striking the period at the end and inserting “; and”;

and

(iii) by adding at the end the following:

“(4) the exclusion of prospective insureds from purchasing flood insurance at rates less than those estimated under paragraph (1), as required by paragraph (2), for certain properties, including for—

“(A) any property which is not the primary residence of an individual;

“(B) any severe repetitive loss property, as defined in section 1361A(b);

“(C) any property that has incurred flood-related damage in which the cumulative amounts of payments under this title equaled or exceeded the fair market value of such property;

“(D) any business property; and

“(E) any property which on or after the date of enactment of the Flood Insurance Reform and Modernization Act of 2008 has experienced or sustained—

“(i) substantial damage exceeding 50 percent of the fair market value of such property; or
“(ii) substantial improvement exceeding 30 percent of the fair market value of such property.”; and

(B) by adding at the end the following:

“(g) No Extension of Subsidy to New Policies or Lapsed Policies.—The Director shall not provide flood insurance to prospective insureds at rates less than those estimated under subsection (a)(1), as required by paragraph (2) of that subsection, for—

“(1) any property not insured by the flood insurance program as of the date of enactment of the Flood Insurance Reform and Modernization Act of 2008; and

“(2) any policy under the flood insurance program that has lapsed in coverage, as a result of the deliberate choice of the holder of such policy.”.

(2) Effective Date.—The amendments made by paragraph (1) shall become effective 90 days after the date of the enactment of this title.

(b) Increase in Annual Limitation on Premium Increases.—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended—

(1) by striking “under this title for any properties within any single” and inserting the following:

“under this title for any properties—
“(1) within any single”; and
(2) by striking “10 percent” and inserting “15 percent”; and
(3) by striking the period at the end and inserting the following: “; and
“(2) described in section 1307(a)(4) shall be increased by 25 percent each year, until the average risk premium rate for such properties is equal to the average of the risk premium rates for properties described under paragraph (1).”.

SEC. 107. MANDATORY COVERAGE AREAS.

(a) SPECIAL FLOOD HAZARD AREAS.—Not later than 90 days after the date of enactment of this title, the Director shall issue final regulations establishing a revised definition of areas of special flood hazards for purposes of the National Flood Insurance Program.

(b) RESIDUAL RISK AREAS.—The regulations required by subsection (a) shall—
(1) include any area previously identified by the Director as an area having special flood hazards under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a); and
(2) require the expansion of areas of special flood hazards to include areas of residual risk, in-
cluding areas that are located behind levees, dams, and other man-made structures.

(c) Mandatory Participation in National Flood Insurance Program.—

(1) In general.—Any area described in subsection (b) shall be subject to the mandatory purchase requirements of sections 102 and 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a, 4106).

(2) Limitation.—The mandatory purchase requirement under paragraph (1) shall have no force or effect until the mapping of all residual risk areas in the United States that the Director determines essential in order to administer the National Flood Insurance Program, as required under section 119, are in the maintenance phase.

SEC. 108. PREMIUM ADJUSTMENT.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following:

“(g) Premium Adjustment to Reflect Current Risk of Flood.—Notwithstanding subsection (f), and upon completion of the updating of any flood insurance rate map under this Act, the Flood Disaster Protection Act of 1973, or the Flood Insurance Reform and Mod-
ernization Act of 2008, any property located in an area
that is participating in the national flood insurance pro-
gram shall have the risk premium rate charged for flood
insurance on such property adjusted to accurately reflect
the current risk of flood to such property, subject to any
other provision of this Act. Any increase in the risk pre-
mium rate charged for flood insurance on any property
that is covered by a flood insurance policy on the date
of completion of such updating or remapping that is a re-
result of such updating or remapping shall be phased in over
a 2-year period at the rate of 50 percent per year.”.

SEC. 109. STATE CHARTERED FINANCIAL INSTITUTIONS.

Section 1305(c) of the National Flood Insurance Act
of 1968 (42 U.S.C. 4012(c)) is amended—

(1) in paragraph (1), by striking “; and” and
inserting a semicolon;

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

(3) by adding at the end the following:

“(3) given satisfactory assurance that by De-
cember 31, 2008, lending institutions chartered by a
State, and not insured by the Federal Deposit Insur-
ance Corporation, shall be subject to regulations by
that State that are consistent with the requirements
of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).”.

SEC. 110. ENFORCEMENT.

Section 102(f)(5) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)) is amended—

(1) in the first sentence, by striking “$350” and inserting “$2,000”; and

(2) by striking the second sentence.

SEC. 111. ESCROW OF FLOOD INSURANCE PAYMENTS.

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

(1) by amending paragraph (1) to read as follows:

“(1) Regulated Lending Institutions.—

“(A) Federal entities responsible for lending regulations.—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that any premiums and fees for flood insurance under the National Flood Insurance Act of 1968, on any property for which a loan has been made for acquisition or construction purposes, shall be paid to the mortgage
lender, with the same frequency as payments on
the loan are made, for the duration of the loan.
Upon receipt of any premiums or fees, the lend-
er shall deposit such premiums and fees in an
escrow account on behalf of the borrower. Upon
receipt of a notice from the Director or the pro-
vider of the flood insurance that insurance pre-
miums are due, the remaining balance of an es-
crow account shall be paid to the provider of
the flood insurance.

“(B) STATE ENTITIES RESPONSIBLE FOR
LENDING REGULATIONS.—In order to continue
to participate in the flood insurance program,
each State shall direct that its entity or agency
with primary responsibility for the supervision
of lending institutions in that State require that
premiums and fees for flood insurance under
the National Flood Insurance Act of 1968, on
any property for which a loan has been made
for acquisition or construction purposes shall be
paid to the mortgage lender, with the same fre-
quency as payments on the loan are made, for
the duration of the loan. Upon receipt of any
premiums or fees, the lender shall deposit such
premiums and fees in an escrow account on be-
half of the borrower. Upon receipt of a notice from such State entity or agency, the Director, or the provider of the flood insurance that insurance premiums are due, the remaining balance of an escrow account shall be paid to the provider of the flood insurance.”; and

(2) by adding at the end the following:

“(6) NOTICE UPON LOAN TERMINATION.—Upon final payment of the mortgage, a regulated lending institution shall provide notice to the policyholder that insurance coverage may cease with such final payment. The regulated lending institution shall also provide direction as to how the homeowner may continue flood insurance coverage after the life of the loan.”.

(b) APPLICABILITY.—The amendment made by subsection (a)(1) shall apply to any mortgage outstanding or entered into on or after the expiration of the 2-year period beginning on the date of enactment of this title.

SEC. 112. BORROWING AUTHORITY DEBT FORGIVENESS.

(a) IN GENERAL.—The Secretary of the Treasury relinquishes the right to any repayment of amounts due from the Director in connection with the exercise of the authority vested to the Director to borrow such sums under section 1309 of the National Flood Insurance Act
of 1968 (42 U.S.C. 4016), to the extent such borrowed
sums were used to fund the payment of flood insurance
claims under the National Flood Insurance Program for
any damage to or loss of property resulting from the hurri-
canes of 2005.

(b) CERTIFICATION.—The debt forgiveness described
under subsection (a) shall only take effect if the Director
certifies to the Secretary of Treasury that all authorized
resources or funds available to the Director to operate the
National Flood Insurance Program—

(1) have been otherwise obligated to pay claims
under the National Flood Insurance Program; and

(2) are not otherwise available to make pay-
ments to the Secretary on any outstanding notes or
obligations issued by the Director and held by the
Secretary.

(c) DECREASE IN BORROWING AUTHORITY.—The
first sentence of subsection (a) of section 1309 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C. 4016(a))
is amended by striking ‘‘; except that, through September
30, 2008, clause (2) of this sentence shall be applied by
substituting ‘‘$20,775,000,000’’ for ‘‘$ 1,500,000,000’’ ‘‘.
SEC. 113. MINIMUM DEDUCTIBLES FOR CLAIMS UNDER THE NATIONAL FLOOD INSURANCE PROGRAM.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended—

(1) by striking “The Director is” and inserting the following:

“(a) IN GENERAL.—The Director is”; and

(2) by adding at the end the following:

“(b) MINIMUM ANNUAL DEDUCTIBLE.—

“(1) PRE-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial flood insurance rate map published by the Director under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

“(A) $1,500, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than $100,000; and

“(B) $2,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than $100,000.
“(2) POST-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial improvement occurred after December 31, 1974, or after the effective date of an initial flood insurance rate map published by the Director under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

“(A) $750, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than $100,000; and

“(B) $1,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than $100,000.”.

SEC. 114. CONSIDERATIONS IN DETERMINING CHARGEABLE PREMIUM RATES.

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

(1) in subsection (a), by striking “, after consultation with” and all that follows through “by regulation” and inserting “prescribe, after providing notice”;

(2) in subsection (b)(1), by inserting “in subsection (a),” after “as provided in subsection (a)” and inserting “, to the extent permitted under section 114, after consultation with” and all that follows through “the extent permitted under section 114,”

(3) by striking subsection (c) and inserting “(c) permit the Director to charge the premium for flood insurance for a policy under this title, based on the flood insurance rates in effect on the effective date of

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

(1) in subsection (a), by striking “, after consultation with” and all that follows through “by regulation” and inserting “prescribe, after providing notice”;

(2) in subsection (b)(1), by inserting “in subsection (a),” after “as provided in subsection (a)” and inserting “, to the extent permitted under section 114, after consultation with” and all that follows through “the extent permitted under section 114,”

(3) by striking subsection (c) and inserting “(c) permit the Director to charge the premium for flood insurance for a policy under this title, based on the flood insurance rates in effect on the effective date of
(2) in subsection (b)—

(A) in paragraph (1), by striking the period at the end and inserting a semicolon;

(B) in paragraph (2), by striking the comma at the end and inserting a semicolon;

(C) in paragraph (3), by striking “, and” and inserting a semicolon;

(D) in paragraph (4), by striking the period and inserting “; and”;

(E) by adding at the end the following:

“(5) adequate, on the basis of accepted actuarial principles, to cover the average historical loss year obligations incurred by the National Flood Insurance Fund.”; and

(3) by adding at the end the following:

“(h) RULE OF CONSTRUCTION.—For purposes of this section, the calculation of an ‘average historical loss year’—

“(1) includes catastrophic loss years; and

“(2) shall be computed in accordance with generally accepted actuarial principles.”.

SEC. 115. RESERVE FUND.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1310 the following:
“SEC. 1310A. RESERVE FUND.

“(a) Establishment of Reserve Fund.—In carrying out the flood insurance program authorized by this chapter, the Director shall establish in the Treasury of the United States a National Flood Insurance Reserve Fund (in this section referred to as the ‘Reserve Fund’) which shall—

“(1) be an account separate from any other accounts or funds available to the Director; and

“(2) be available for meeting the expected future obligations of the flood insurance program.

“(b) Reserve Ratio.—Subject to the phase-in requirements under subsection (d), the Reserve Fund shall maintain a balance equal to—

“(1) 1 percent of the sum of the total potential loss exposure of all outstanding flood insurance policies in force in the prior fiscal year; or

“(2) such higher percentage as the Director determines to be appropriate, taking into consideration any circumstance that may raise a significant risk of substantial future losses to the Reserve Fund.

“(c) Maintenance of Reserve Ratio.—

“(1) In general.—The Director shall have the authority to establish, increase, or decrease the amount of aggregate annual insurance premiums to be collected for any fiscal year necessary—
“(A) to maintain the reserve ratio required under subsection (b); and

“(B) to achieve such reserve ratio, if the actual balance of such reserve is below the amount required under subsection (b).

“(2) CONSIDERATIONS.—In exercising the authority granted under paragraph (1), the Director shall consider—

“(A) the expected operating expenses of the Reserve Fund;

“(B) the insurance loss expenditures under the flood insurance program;

“(C) any investment income generated under the flood insurance program; and

“(D) any other factor that the Director determines appropriate.

“(3) LIMITATIONS.—In exercising the authority granted under paragraph (1), the Director shall be subject to all other provisions of this Act, including any provisions relating to chargeable premium rates or annual increases of such rates.

“(d) PHASE-IN REQUIREMENTS.—The phase-in requirements under this subsection are as follows:

“(1) IN GENERAL.—Beginning in fiscal year 2008 and not ending until the fiscal year in which
the ratio required under subsection (b) is achieved,
in each such fiscal year the Director shall place in
the Reserve Fund an amount equal to not less than
7.5 percent of the reserve ratio required under sub-
section (b).

“(2) AMOUNT SATISFIED.—As soon as the ratio
required under subsection (b) is achieved, and except
as provided in paragraph (3), the Director shall not
be required to set aside any amounts for the Reserve
Fund.

“(3) EXCEPTION.—If at any time after the
ratio required under subsection (b) is achieved, the
Reserve Fund falls below the required ratio under
subsection (b), the Director shall place in the Re-
serve Fund for that fiscal year an amount equal to
not less than 7.5 percent of the reserve ratio re-
quired under subsection (b).

“(e) LIMITATION ON RESERVE RATIO.—In any given
fiscal year, if the Director determines that the reserve
ratio required under subsection (b) cannot be achieved, the
Director shall submit a report to Congress that—
“(1) describes and details the specific concerns
of the Director regarding such consequences;
“(2) demonstrates how such consequences would harm the long-term financial soundness of the flood insurance program; and

“(3) indicates the maximum attainable reserve ratio for that particular fiscal year.”.

SEC. 116. REPAYMENT PLAN FOR BORROWING AUTHORITY.

Section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016) is amended by adding at the end the following:

“(c) Any funds borrowed by the Director under the authority established in subsection (a) shall include a schedule for repayment of such amounts which shall be transmitted to the—

“(1) Secretary of the Treasury;

“(2) Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(3) Committee on Financial Services of the House of Representatives.

“(d) In addition to the requirement under subsection (c), in connection with any funds borrowed by the Director under the authority established in subsection (a), the Director, beginning 6 months after the date on which such borrowed funds are issued, and continuing every 6 months thereafter until such borrowed funds are fully repaid, shall
submit a report on the progress of such repayment to the—

“(1) Secretary of the Treasury;
“(2) Committee on Banking, Housing, and
Urban Affairs of the Senate; and
“(3) Committee on Financial Services of the
House of Representatives.”.

SEC. 117. PAYMENT OF CONDOMINIUM CLAIMS.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 113, is further amended by adding at the end the following:

“(c) PAYMENT OF CLAIMS TO CONDOMINIUM OWNERS.—The Director may not deny payment for any damage to or loss of property which is covered by flood insurance to condominium owners who purchased such flood insurance separate and apart from the flood insurance purchased by the condominium association in which such owner is a member, based, solely or in any part, on the flood insurance coverage of the condominium association or others on the overall property owned by the condominium association. Notwithstanding any regulations, rules, or restrictions established by the Director relating to appeals and filing deadlines, the Director shall ensure that the requirements of this subsection are met with re-
spect to any claims for damages resulting from flooding in 2005 and 2006.”.

SEC. 118. TECHNICAL MAPPING ADVISORY COUNCIL.

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

(b) Membership.—

   (1) In general.—The Council shall consist of the Director, or the designee thereof, and 12 additional members to be appointed by the Director or the designee of the Director, who shall be—

   (A) the Under Secretary of Commerce for Oceans and Atmosphere (or the designee thereof);

   (B) a member of a recognized professional surveying association or organization

   (C) a member of a recognized professional mapping association or organization;

   (D) a member of a recognized professional engineering association or organization;

   (E) a member of a recognized professional association or organization representing flood hazard determination firms;

   (F) a representative of the United States Geological Survey;
(G) a representative of a recognized professional association or organization representing State geographic information;

(H) a representative of State national flood insurance coordination offices;

(I) a representative of the Corps of Engineers;

(J) the Secretary of the Interior (or the designee thereof);

(K) the Secretary of Agriculture (or the designee thereof); and

(L) a member of a recognized regional flood and storm water management organization.

(2) QUALIFICATIONS.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps.

(c) DUTIES.—The Council shall—

(1) recommend to the Director how to improve in a cost-effective manner the—
(A) accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps and risk data; and

(B) performance metrics and milestones required to effectively and efficiently map flood risk areas in the United States;

(2) recommend to the Director mapping standards and guidelines for—

(A) flood insurance rate maps; and

(B) data accuracy, data quality, data currency, and data eligibility;

(3) recommend to the Director how to maintain on an ongoing basis flood insurance rate maps and flood risk identification;

(4) recommend procedures for delegating mapping activities to State and local mapping partners;

(5) recommend to the Director and other Federal agencies participating in the Council—

(A) methods for improving interagency and intergovernmental coordination on flood mapping and flood risk determination; and

(B) a funding strategy to leverage and coordinate budgets and expenditures across Federal agencies; and
(6) submit an annual report to the Director that contains—

(A) a description of the activities of the Council;

(B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps, as required under section 119; and

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

(d) **FUTURE CONDITIONS RISK ASSESSMENT AND MODELING REPORT.**—

(1) **IN GENERAL.**—The Council shall consult with scientists and technical experts, other Federal agencies, States, and local communities to—

(A) develop recommendations on how to—

(i) ensure that flood insurance rate maps incorporate the best available climate science to assess flood risks; and

(ii) ensure that the Federal Emergency Management Agency uses the best available methodology to consider the impact of—

(I) the rise in the sea level; and
(II) future development on flood
risk; and

(B) not later than 1 year after the date of
enactment of this title, prepare written rec-
ommendations in a future conditions risk as-
ssessment and modeling report and to submit
such recommendations to the Director.

(2) RESPONSIBILITY OF THE DIRECTOR.—The
Director, as part of the ongoing program to review
and update National Flood Insurance Program rate
maps under section 119, shall incorporate any future
risk assessment submitted under paragraph (1)(B)
in any such revision or update.

(e) CHAIRPERSON.—The members of the Council
shall elect 1 member to serve as the chairperson of the
Council (in this section referred to as the “Chairperson”).

(f) COORDINATION.—To ensure that the Council’s
recommendations are consistent, to the maximum extent
practicable, with national digital spatial data collection
and management standards, the Chairperson shall consult
with the Chairperson of the Federal Geographic Data
Committee (established pursuant to OMB Circular A–16).

(g) COMPENSATION.—Members of the Council shall
receive no additional compensation by reason of their serv-
iece on the Council.
(h) MEETINGS AND ACTIONS.—

(1) IN GENERAL.—The Council shall meet not less frequently than twice each year at the request of the Chairperson or a majority of its members, and may take action by a vote of the majority of the members.

(2) INITIAL MEETING.—The Director, or a person designated by the Director, shall request and coordinate the initial meeting of the Council.

(i) OFFICERS.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

(j) STAFF.—

(1) STAFF OF FEMA.—Upon the request of the Chairperson, the Director may detail, on a non-reimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(2) STAFF OF OTHER FEDERAL AGENCIES.—Upon request of the Chairperson, any other Federal agency that is a member of the Council may detail, on a non-reimbursable basis, personnel to assist the Council in carrying out its duties.

(k) POWERS.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, pro-
vide information, and conduct research, as it considers appropriate.

(l) REPORT TO CONGRESS.—The Director, on an annual basis, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Office of Management and Budget on the—

(1) recommendations made by the Council; and

(2) actions taken by the Federal Emergency Management Agency to address such recommendations to improve flood insurance rate maps and flood risk data.

SEC. 119. NATIONAL FLOOD MAPPING PROGRAM.

(a) REVIEWING, UPDATING, AND MAINTAINING MAPS.—The Director, in coordination with the Technical Mapping Advisory Council established under section 118, shall establish an ongoing program under which the Director shall review, update, and maintain National Flood Insurance Program rate maps in accordance with this section.

(b) MAPPING.—

(1) IN GENERAL.—In carrying out the program established under subsection (a), the Director shall—
(A) identify, review, update, maintain, and publish National Flood Insurance Program rate maps with respect to—

(i) all areas located within the 100-year floodplain;

(ii) all areas located within the 500-year floodplain;

(iii) areas of residual risk that have not previously been identified, including areas that are protected levees, dams, and other man-made structures; and

(iv) areas that could be inundated as a result of the failure of a levee, dam, or other man-made structure;

(B) establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each such area; and

(C) use, in identifying, reviewing, updating, maintaining, or publishing any National Flood Insurance Program rate map required under this section or under the National Flood Insurance Act of 1968, the most accurate topography and elevation data available.
(2) MAPPING ELEMENTS.—Each map updated under this section shall:

(A) GROUND ELEVATION DATA.—Assess the accuracy of current ground elevation data used for hydrologic and hydraulic modeling of flooding sources and mapping of the flood hazard and wherever necessary acquire new ground elevation data utilizing the most up-to-date geospatial technologies in accordance with the existing guidelines and specifications of the Federal Emergency Management Agency.

(B) DATA ON A WATERSHED BASIS.—Develop National Flood Insurance Program flood data on a watershed basis—

(i) to provide the most technically effective and efficient studies and hydrologic and hydraulic modeling; and

(ii) to eliminate, to the maximum extent possible, discrepancies in base flood elevations between adjacent political subdivisions.

(3) OTHER INCLUSIONS.—In updating maps under this section, the Director shall include—

(A) any relevant information on coastal inundation from—
(i) an applicable inundation map of
the Corps of Engineers; and

(ii) data of the National Oceanic and
Atmospheric Administration relating to
storm surge modeling;

(B) any relevant information of the United
States Geological Survey on stream flows, wa-
tershed characteristics, and topography that is
useful in the identification of flood hazard
areas, as determined by the Director;

(C) any relevant information on land sub-
sidence, coastal erosion areas, and other floor-
related hazards;

(D) any relevant information or data of
the National Oceanic and Atmospheric Admin-
istration and the United States Geological Sur-
vey relating to the best available climate science
and the potential for future inundation from
sea level rise, increased precipitation, and in-
creased intensity of hurricanes due to global
warming; and

(E) any other relevant information as may
be recommended by the Technical Mapping Ad-
visory Committee.
(c) STANDARDS.—In updating and maintaining maps under this section, the Director shall—

(1) establish standards to—

(A) ensure that maps are adequate for—

(i) flood risk determinations; and

(ii) use by State and local governments in managing development to reduce the risk of flooding; and

(B) facilitate identification and use of consistent methods of data collection and analysis by the Director, in conjunction with State and local governments, in developing maps for communities with similar flood risks, as determined by the Director; and

(2) publish maps in a format that is—

(A) digital geospatial data compliant;

(B) compliant with the open publishing and data exchange standards established by the Open Geospatial Consortium; and

(C) compliant with the North American Vertical Datum of 1998 for New Hydrologic and Hydraulic Engineering.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Director to carry out
this section $400,000,000 for each of fiscal years 2008
through 2013.

SEC. 120. REMOVAL OF LIMITATION ON STATE CONTRIBUTIONS FOR UPDATING FLOOD MAPS.

Section 1360(f)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)(2)) is amended by striking “, but which may not exceed 50 percent of the cost of carrying out the requested revision or update”.

SEC. 121. COORDINATION.

(a) INTERAGENCY BUDGET CROSSCUT REPORT.—

(1) IN GENERAL.—The Secretary of Homeland Security, the Director, the Director of the Office of Management and Budget, and the heads of each Federal department or agency carrying out activities under sections 118 and 119 shall work together to ensure that flood risk determination data and geospatial data are shared among Federal agencies in order to coordinate the efforts of the Nation to reduce its vulnerability to flooding hazards.

(2) REPORT.—Not later than 30 days after the submission of the budget of the United States Government by the President to Congress, the Director of the Office of Management and Budget, in coordination with the Federal Emergency Management Agency, the United States Geological Survey, the
National Oceanic and Atmospheric Administration, the Corps of Engineers, and other Federal agencies, as appropriate, shall submit to the appropriate authorizing and appropriating committees of the Senate and the House of Representatives a financial report, certified by the Secretary or head of each such agency, an interagency budget crossect report that displays the budget proposed for each of the Federal agencies working on flood risk determination data and digital elevation models, including any planned interagency or intraagency transfers.

(b) DUTIES OF THE DIRECTOR.—In carrying out sections 118 and 119, the Director shall—

(1) participate, pursuant to section 216 of Public Law 107–347 (116 Stat. 2945), in the establishment of such standards and common protocols as are necessary to assure the interoperability of geospatial data for all users of such information;

(2) coordinate with, seek assistance and cooperation of, and provide liaison to the Federal Geographic Data Committee pursuant to Office of Management and Budget Circular A–16 and Executive Order 12906 for the implementation of and compliance with such standards;
(3) integrate with, leverage, and coordinate funding of, to the maximum extent practicable, the current flood mapping activities of each unit of State and local government;

(4) integrate with, leverage, and coordinate, to the maximum extent practicable, the current geospatial activities of other Federal agencies and units of State and local government; and

(5) develop a funding strategy to leverage and coordinate budgets and expenditures, and to establish joint funding mechanisms with other Federal agencies and units of State and local government to share the collection and utilization of geospatial data among all governmental users.

SEC. 122. INTERAGENCY COORDINATION STUDY.

(a) In General.—The Director shall enter into a contract with the National Academy of Public Administration to conduct a study on how the Federal Emergency Management Agency—

(1) should improve interagency and intergovernmental coordination on flood mapping, including a funding strategy to leverage and coordinate budgets and expenditures; and

(2) can establish joint funding mechanisms with other Federal agencies and units of State and local
government to share the collection and utilization of data among all governmental users.

(b) TIMING.—Not later than 180 days after the date of enactment of this title, the National Academy of Public Administration shall report the findings of the study required under subsection (a) to the—

(1) Committee on Banking, Housing, and Urban Affairs of the Senate;

(2) Committee on Financial Services of the House of Representatives;

(3) Committee on Appropriations of the Senate;

and

(4) Committee on Appropriations of the House of Representatives.

SEC. 123. NONMANDATORY PARTICIPATION.

(a) NONMANDATORY PARTICIPATION IN NATIONAL FLOOD INSURANCE PROGRAM FOR 500-YEAR FLOODPLAIN.—Any area located within the 500-year floodplain shall not be subject to the mandatory purchase requirements of sections 102 or 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a, 4106).

(b) NOTICE.—

(1) BY DIRECTOR.—In carrying out the National Flood Insurance Program, the Director shall
provide notice to any community located in an area within the 500-year floodplain.

(2) Timing of notice.—The notice required under paragraph (1) shall be made not later than 6 months after the date of completion of the initial mapping of the 500-year floodplain, as required under section 118.

(3) Lender required notice.—

(A) Regulated lending institutions.—Each Federal or State entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, require regulated lending institutions, as a condition of making, increasing, extending, or renewing any loan secured by property located in an area within the 500-year floodplain, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) and the servicer of the loan that such property is located in an area within the 500-year floodplain, in a manner that is consistent with and substantially identical to the notice required under section
1364(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a(a)(1)).

(B) FEDERAL OR STATE AGENCY LENDERS.—Each Federal or State agency lender shall, by regulation, require notification in the same manner as provided under subparagraph (A) with respect to any loan that is made by a Federal or State agency lender and secured by property located in an area within the 500-year floodplain.

(C) PENALTY FOR NONCOMPLIANCE.—Any regulated lending institution or Federal or State agency lender that fails to comply with the notice requirements established by this paragraph shall be subject to the penalties prescribed under section 102(f)(5) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)).

SEC. 124. NOTICE OF FLOOD INSURANCE AVAILABILITY UNDER RESPA.

Section 5(b) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604(b)) is amended—

(1) in paragraph (4), by striking “; and” and inserting a semicolon;
(2) in paragraph (5), by striking the period and inserting ‘‘; and’’; and
(3) by adding at the end the following:

“(6) an explanation of flood insurance and the availability of flood insurance under the National Flood Insurance Program, whether or not the real estate is located in an area having special flood haz-
ards.’’.

SEC. 125. TESTING OF NEW FLOODPROOFING TECH-
NOLOGIES.

(a) PERMISSIBLE TESTING.—A temporary residential structure built for the purpose of testing a new flood proofing technology, as described in subsection (b), in any State or community that receives mitigation assistance under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) may not be construed to be in violation of any flood risk mitigation plan developed by that State or community and approved by the Director of the Federal Emergency Management Agency.

(b) CONDITIONS ON TESTING.—Testing permitted under subsection (a) shall—

(1) be performed on an uninhabited residential structure;

(2) require dismantling of the structure at the conclusion of such testing; and
(3) require that all costs associated with such testing and dismantling be covered by the individual or entity conducting the testing, or on whose behalf the testing is conducted.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter, limit, or extend the availability of flood insurance to any structure that may employ, utilize, or apply any technology tested under subsection (b).

SEC. 126. PARTICIPATION IN STATE DISASTER CLAIMS MEDIATION PROGRAMS.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1313 the following:

“SEC. 1314. PARTICIPATION IN STATE DISASTER CLAIMS MEDIATION PROGRAMS.

“(a) REQUIREMENT TO PARTICIPATE.—In the case of the occurrence of a major disaster, as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122) that may have resulted in flood damage under the flood insurance program established under this chapter and other personal lines residential property insurance coverage offered by a State regulated insurer, upon request made by the insurance commissioner of a State (or such other official responsible
for regulating the business of insurance in the State) for
the participation of representatives of the Director in a
program sponsored by such State for nonbinding medi-
ation of insurance claims resulting from a major disaster,
the Director shall cause representatives of the flood insur-
ance program to participate in such a State program
where claims under the flood insurance program are in-
volved to expedite settlement of flood damage claims re-
sulting from such disaster.

"(b) EXTENT OF PARTICIPATION.—In satisfying the
requirements of subsection (a), the Director shall require
that each representative of the Director—

"(1) be certified for purposes of the flood insur-
ance program to settle claims against such program
resulting from such disaster in amounts up to the
limits of policies under such program;

"(2) attend State-sponsored mediation meetings
regarding flood insurance claims resulting from such
disaster at such times and places as may be ar-
ranged by the State;

"(3) participate in good faith negotiations to-
ward the settlement of such claims with policy-
holders of coverage made available under the flood
insurance program; and
“(4) finalize the settlement of such claims on behalf of the flood insurance program with such policyholders.

“(c) COORDINATION.—Representatives of the Director shall at all times coordinate their activities with insurance officials of the State and representatives of insurers for the purposes of consolidating and expediting settlement of claims under the national flood insurance program resulting from such disaster.

“(d) QUALIFICATIONS OF MEDIATORS.—Each State mediator participating in State-sponsored mediation under this section shall be—

“(1)(A) a member in good standing of the State bar in the State in which the mediation is to occur with at least 2 years of practical experience; and

“(B) an active member of such bar for at least 1 year prior to the year in which such mediator’s participation is sought; or

“(2) a retired trial judge from any United States jurisdiction who was a member in good standing of the bar in the State in which the judge presided for at least 5 years prior to the year in which such mediator’s participation is sought.

“(e) MEDIATION PROCEEDINGS AND DOCUMENTS PRIVILEGED.—As a condition of participation, all state-
ments made and documents produced pursuant to State-sponsored mediation involving representatives of the Director shall be deemed privileged and confidential settlement negotiations made in anticipation of litigation.

“(f) LIABILITY, RIGHTS, OR OBLIGATIONS NOT AFFECTED.—Participation in State-sponsored mediation, as described in this section does not—

“(1) affect or expand the liability of any party in contract or in tort; or

“(2) affect the rights or obligations of the parties, as established—

“(A) in any regulation issued by the Director, including any regulation relating to a standard flood insurance policy;

“(B) under this Act; and

“(C) under any other provision of Federal law.

“(g) EXCLUSIVE FEDERAL JURISDICTION.—Participation in State-sponsored mediation shall not alter, change, or modify the original exclusive jurisdiction of United States courts, as set forth in this Act.

“(h) COST LIMITATION.—Nothing in this section shall be construed to require the Director or a representative of the Director to pay additional mediation fees relating to flood insurance claims associated with a State-spon-
sored mediation program in which such representative of
the Director participates.

“(i) EXCEPTION.—In the case of the occurrence of
a major disaster that results in flood damage claims under
the national flood insurance program and that does not
result in any loss covered by a personal lines residential
property insurance policy—

“(1) this section shall not apply; and

“(2) the provisions of the standard flood insur-
ance policy under the national flood insurance pro-
gram and the appeals process established under sec-
tion 205 of the Bunning-Bereuter-Blumenauer
Flood Insurance Reform Act of 2004 (42 U.S.C.
4011 note) and the regulations issued pursuant to
such section shall apply exclusively.

“(j) REPRESENTATIVES OF THE DIRECTOR.—For
purposes of this section, the term ‘representatives of the
Director’ means representatives of the national flood in-
surance program who participate in the appeals process
established under section 205 of the Bunning-Bereuter-
Blumenauer Flood Insurance Reform Act of 2004 (42
U.S.C. 4011 note).”.
SEC. 127. REITERATION OF FEMA RESPONSIBILITIES UNDER THE 2004 REFORM ACT.

(a) Minimum Training and Education Requirements.—The Director shall continue to work with the insurance industry, State insurance regulators, and other interested parties to implement the minimum training and education standards for all insurance agents who sell flood insurance policies, as such standards were determined by the Director in the notice published in the Federal Register on September 1, 2005 (70 Fed. Reg. 52117) pursuant to section 207 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note).

(b) Report on the Overall Implementation of the Reform Act of 2004.—Not later than 3 months after the date of the enactment of this title, the Director shall submit a report to Congress—

(1) describing the implementation of each provision of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 712);

(2) identifying each regulation, order, notice, and other material issued by the Director in implementing each provision of that Act;

(3) explaining any statutory or implied deadlines that have not been met; and
(4) providing an estimate of when the requirements of such missed deadlines will be fulfilled.

SEC. 128. ADDITIONAL AUTHORITY OF FEMA TO COLLECT INFORMATION ON CLAIMS PAYMENTS.

(a) In General.—The Director shall collect, from property and casualty insurance companies that are authorized by the Director to participate in the Write Your Own program any information and data needed to determine the accuracy of the resolution of flood claims filed on any property insured with a standard flood insurance policy obtained under the program that was subject to a flood.

(b) Type of Information To Be Collected.—The information and data to be collected under subsection (a) may include—

(1) any adjuster estimates made as a result of flood damage, and if the insurance company also insures the property for wind damage—

(A) any adjuster estimates for both wind and flood damage;

(B) the amount paid to the property owner for wind and flood claims;

(C) the total amount paid to the policyholder for damages as a result of the event that caused the flooding and other losses;
(2) any amounts paid to the policyholder by the
insurance company for damages to the insured prop-
erty other than flood damages; and

(3) the total amount paid to the policyholder by
the insurance company for all damages incurred to
the insured property as a result of the flood.

SEC. 129. EXPENSE REIMBURSEMENTS OF INSURANCE
COMPANIES.

(a) Submission of Biennial Reports.—

(1) To the director.—Not later than 20
days after the date of enactment of this title, each
property and casualty insurance company that is au-
thorized by the Director to participate in the Write
Your Own program shall submit to the Director any
biennial report prepared in the prior 5 years by such
company.

(2) To GAO.—Not later than 10 days after the
submission of the biennial reports under paragraph
(1), the Director shall submit all such reports to the
Comptroller General of the United States.

(3) Notice to Congress of Failure to Com-
ply.—The Director shall notify and report to the
Committee on Banking, Housing, and Urban Affairs
of the Senate and the Committee on Financial Serv-
ices of the House of Representatives on any property
and casualty insurance company participating in the
Write Your Own program that failed to submit its
biennial reports as required under paragraph (1).

(b) FEMA Rulemaking on Expenses of WYO
Program.—Not later than 180 days after the date of en-
actment of this title, the Director shall conduct a rule-
making proceeding to devise a data collection methodology
to allow the Federal Emergency Management Agency to
collect consistent information on the expenses (including
the operating and administrative expenses for adjustment
of claims) of property and casualty insurance companies
participating in the Write Your Own program for selling,
writing, and servicing, standard flood insurance policies.

(e) Submission of Expense Reports.—Not later
than 60 days after the effective date of the final rule es-
tablished pursuant to subsection (b), each property and
casualty insurance company participating in the Write
Your Own program shall submit a report to the Director
that details for the prior 5 years the expense levels of each
such company for selling, writing, and servicing standard
flood insurance policies based on the methodologies estab-
lished under subsection (b).

(d) FEMA Rulemaking on Reimbursement of
Expenses Under the WYO Program.—Not later than
15 months after the date of enactment of this title, the
Director shall conduct a rulemaking proceeding to formulate revised expense reimbursements to property and casualty insurance companies participating in the Write Your Own program for their expenses (including their operating and administrative expenses for adjustment of claims) in selling, writing, and servicing standard flood insurance policies, including how such companies shall be reimbursed in both catastrophic and non-catastrophic years. Such reimbursements shall be structured to ensure reimbursements track the actual expenses, including standard business costs and operating expenses, of such companies as close as practicably possible.

(e) Report of the Director.—Not later than 60 days after the effective date of any final rule established pursuant to subsection (b) or subsection (d), the Director shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing—

(1) the specific rationale and purposes of such rule;

(2) the reasons for the adoption of the policies contained in such rule; and

(3) the degree to which such rule accurately represents the true operating costs and expenses of
property and casualty insurance companies participating in the Write Your Own program.

(f) **GAO Study and Report on Expenses of WYO Program.**—

(1) **Study.**—Not later than 180 days after the effective date of the final rule established pursuant to subsection (d), the Comptroller General of the United States shall—

(A) conduct a study on the efficacy, adequacy, and sufficiency of the final rules established pursuant to subsections (b) and (d); and

(B) report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the findings of the study conducted under subparagraph (A).

(2) **GAO Authority.**—In conducting the study and report required under paragraph (1), the Comptroller General—

(A) may use any previous findings, studies, or reports that the Comptroller General previously completed on the Write Your Own program;

(B) shall determine if—
(i) the final rules established pursuant to subsections (b) and (d) allow the Federal Emergency Management Agency to access adequate information regarding the actual expenses of property and casualty insurance companies participating in the Write Your Own program; and

(ii) the actual reimbursements paid out under the final rule established in subsection (d) accurately reflect the expenses reported by property and casualty insurance companies participating in the Write Your Own program, including the standard business costs and operating expenses of such companies; and

(C) shall analyze the effect of such rules on the level of participation of property and casualty insurers in the Write Your Own program.

SEC. 130. EXTENSION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.

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

(1) in subsection (k)(1)—
(A) in the first sentence, by striking “in each of fiscal years 2005, 2006, 2007, 2008, and 2009” and inserting “in each fiscal year through fiscal year 2013”; and

(B) by adding at the end the following new sentence: “For fiscal years 2008 through the 2013, the total amount that the Director may use to provide assistance under this section shall not exceed $240,000,000.”; and

(2) by striking subsection (l).

(b) REPORT TO CONGRESS ON IMPLEMENTATION STATUS.—Not later than 6 months after the date of enactment of this title, the Director shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the status of the implementation of the pilot program for severe repetitive loss properties authorized under section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a).

(c) RULEMAKING.—No later than 90 days after the date of enactment of this title, the Director shall issue final rules to carry out the severe repetitive loss pilot program authorized under section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a).
SEC. 131. FLOOD INSURANCE ADVOCATE.

Chapter II of the National Flood Insurance Act of 1968 is amended by inserting after section 1330 (42 U.S.C. 4041) the following new section:

“SEC. 1330A. OFFICE OF THE FLOOD INSURANCE ADVOCATE.

“(a) ESTABLISHMENT OF POSITION.—

“(1) IN GENERAL.—There shall be in the Federal Emergency Management Agency an Office of the Flood Insurance Advocate which shall be headed by the National Flood Insurance Advocate. The National Flood Insurance Advocate shall report directly to the Director and shall, to the extent amounts are provided pursuant to subsection (f), be compensated at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Director so determines, at a rate fixed under section 9503 of such title.

“(2) APPOINTMENT.—The National Flood Insurance Advocate shall be appointed by the Director and the flood insurance advisory committee established pursuant to section 1318 and without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.
“(3) QUALIFICATIONS.—An individual appointed under paragraph (2) shall have—

“(A) a background in customer service as well as insurance; and

“(B) experience in representing individual insureds.

“(4) RESTRICTION ON EMPLOYMENT.—An individual may be appointed as the National Flood Insurance Advocate only if such individual was not an officer or employee of the Federal Emergency Management Agency with duties relating to the national flood insurance program during the 2-year period ending with such appointment and such individual agrees not to accept any employment with the Federal Emergency Management Agency for at least 2 years after ceasing to be the National Flood Insurance Advocate. Service as an employee of the National Flood Insurance Advocate shall not be taken into account in applying this paragraph.

“(5) STAFF.—To the extent amounts are provided pursuant to subsection (f), the National Flood Insurance Advocate may employ such personnel as may be necessary to carry out the duties of the Office.

“(b) FUNCTIONS OF OFFICE.—
“(1) IN GENERAL.—It shall be the function of
the Office of the Flood Insurance Advocate to—

“(A) assist insureds under the national
flood insurance program in resolving problems
with the Federal Emergency Management
Agency relating to such program;

“(B) identify areas in which such insureds
have problems in dealings with the Federal
Emergency Management Agency relating to
such program;

“(C) propose changes in the administrative
practices of the Federal Emergency Manage-
ment Agency to mitigate problems identified
under subparagraph (B); and

“(D) identify potential legislative, adminis-
trative, or regulatory changes which may be ap-
propriate to mitigate such problems.

“(2) ANNUAL REPORTS.—

“(A) ACTIVITIES.—Not later than Decem-
ber 31 of each calendar year, the National
Flood Insurance Advocate shall report to the
Committee on Banking, Housing, and Urban
Affairs of the Senate and the Committee on Fi-
nancial Services of the House of Representa-
tives on the activities of the Office of the Flood
Insurance Advocate during the fiscal year ending during such calendar year. Any such report shall contain a full and substantive analysis of such activities, in addition to statistical information, and shall—

“(i) identify the initiatives the Office of the Flood Insurance Advocate has taken on improving services for insureds under the national flood insurance program and responsiveness of the Federal Emergency Management Agency with respect to such initiatives;

“(ii) describe the nature of recommendations made to the Director under subsection (e);

“(iii) contain a summary of the most serious problems encountered by such insureds, including a description of the nature of such problems;

“(iv) contain an inventory of any items described in clauses (i), (ii), and (iii) for which action has been taken and the result of such action;

“(v) contain an inventory of any items described in clauses (i), (ii), and (iii) for
which action remains to be completed and
the period during which each item has re-
mained on such inventory;

“(vi) contain an inventory of any
items described in clauses (i), (ii), and (iii)
for which no action has been taken, the pe-
riod during which each item has remained
on such inventory and the reasons for the
inaction;

“(vii) identify any Flood Insurance
Assistance Recommendation which was not
responded to by the Director in a timely
manner or was not followed, as specified
under subsection (e);

“(viii) contain recommendations for
such administrative and legislative action
as may be appropriate to resolve problems
encountered by such insureds;

“(ix) identify areas of the law or regu-
lations relating to the national flood insur-
ance program that impose significant com-
pliance burdens on such insureds or the
Federal Emergency Management Agency,
including specific recommendations for
remedying these problems;
“(x) identify the most litigated issues for each category of such insureds, including recommendations for mitigating such disputes; and

“(xi) include such other information as the National Flood Insurance Advocate may deem advisable.

“(B) Direct submission of report.—Each report required under this paragraph shall be provided directly to the committees identified in subparagraph (A) without any prior review or comment from the Director, the Secretary of Homeland Security, or any other officer or employee of the Federal Emergency Management Agency or the Department of Homeland Security, or the Office of Management and Budget.

“(3) Other responsibilities.—The National Flood Insurance Advocate shall—

“(A) monitor the coverage and geographic allocation of regional offices of flood insurance advocates;

“(B) develop guidance to be distributed to all Federal Emergency Management Agency officers and employees having duties with respect
to the national flood insurance program, out-
lining the criteria for referral of inquiries by ins-
ureds under such program to regional offices
of flood insurance advocates;

“(C) ensure that the local telephone num-
ber for each regional office of the flood insur-
ance advocate is published and available to such
insureds served by the office; and

“(D) establish temporary State or local of-
ices where necessary to meet the needs of
qualified insureds following a flood event.

“(4) PERSONNEL ACTIONS.—

“(A) IN GENERAL.—The National Flood
Insurance Advocate shall have the responsibility
and authority to—

“(i) appoint regional flood insurance
advocates in a manner that will provide ap-
propriate coverage based upon regional
flood insurance program participation; and

“(ii) hire, evaluate, and take per-
sonnel actions (including dismissal) with
respect to any employee of any regional of-

cice of a flood insurance advocate described
in clause (i).
“(B) Consultation.—The National Flood Insurance Advocate may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency in carrying out the National Flood Insurance Advocate’s responsibilities under this paragraph.

“(c) Responsibilities of Director.—The Director shall establish procedures requiring a formal response consistent with the requirements of subsection (e)(3) to all recommendations submitted to the Director by the National Flood Insurance Advocate.

“(d) Operation of Regional Offices.—

“(1) In general.—Each regional flood insurance advocate appointed pursuant to subsection (b)—

“(A) shall report to the National Flood Insurance Advocate or delegate thereof;

“(B) may consult with the appropriate supervisory personnel of the Federal Emergency Management Agency regarding the daily operation of the regional office of the flood insurance advocate;

“(C) shall, at the initial meeting with any insured under the national flood insurance program seeking the assistance of a regional office
of the flood insurance advocate, notify such in-
insured that the flood insurance advocate offices
operate independently of any other Federal
Emergency Management Agency office and re-
port directly to Congress through the National
Flood Insurance Advocate; and

“(D) may, at the flood insurance adva-
cate’s discretion, not disclose to the Director
contact with, or information provided by, such
insured.

“(2) MAINTENANCE OF INDEPENDENT COMMU-
NICATIONS.—Each regional office of the flood insur-
ance advocate shall maintain a separate phone, fac-
simile, and other electronic communication access.

“(e) FLOOD INSURANCE ASSISTANCE RECOMMEN-
DATIONS.—

“(1) AUTHORITY TO ISSUE.—Upon application
filed by a qualified insured with the Office of the
Flood Insurance Advocate (in such form, manner,
and at such time as the Director shall by regulation
prescribe), the National Flood Insurance Advocate
may issue a Flood Insurance Assistance Rec-
ommendation, if the Advocate finds that the qual-
ified insured is suffering a significant hardship, such
as a significant delay in resolving claims where the
insured is incurring significant costs as a result of such delay, or where the insured is at risk of adverse action, including the loss of property, as a result of the manner in which the flood insurance laws are being administered by the Director.

“(2) TERMS OF A FLOOD INSURANCE ASSISTANCE RECOMMENDATION.—The terms of a Flood Insurance Assistance Recommendation may recommend to the Director that the Director, within a specified time period, cease any action, take any action as permitted by law, or refrain from taking any action, including the payment of claims, with respect to the qualified insured under any other provision of law which is specifically described by the National Flood Insurance Advocate in such recommendation.

“(3) DIRECTOR RESPONSE.—Not later than 15 days after the receipt of any Flood Insurance Assistance Recommendation under this subsection, the Director shall respond in writing as to—

“(A) whether such recommendation was followed;

“(B) why such recommendation was or was not followed; and
“(C) what, if any, additional actions were
taken by the Director to prevent the hardship
indicated in such recommendation.

“(4) DEFINITIONS.—For purposes of this sub-
section:

“(A) NATIONAL FLOOD INSURANCE ADVOCATE.—The term ‘National Flood Insurance
Advocate’ includes any designee of the National
Flood Insurance Advocate.

“(B) QUALIFIED INSURED.—The term
‘qualified insured’ means an insured under cov-
erage provided under the national flood insur-
ance program under this title.

“(f) FUNDING.—Pursuant to section 1310(a)(8), the
Director may use amounts from the National Flood Insur-
ance Fund to fund the activities of the Office of the Flood
Advocate in each of fiscal years 2008 through 2013, ex-
cept that the amount so used in each such fiscal year may
not exceed $5,000,000 and shall remain available until ex-
pended. Notwithstanding any other provision of this title,
amounts made available pursuant to this subsection shall
not be subject to offsetting collections through premium
rates for flood insurance coverage under this title.”.
SEC. 132. STUDIES AND REPORTS.

(a) REPORT ON EXPANDING THE NATIONAL FLOOD INSURANCE PROGRAM.—Not later than 1 year after the date of the enactment of this title, the Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, on—

(1) the number of flood insurance policy holders currently insuring—

(A) a residential structure up to the maximum available coverage amount, as established in section 61.6 of title 44, Code of Federal Regulations, of—

(i) $250,000 for the structure; and

(ii) $100,000 for the contents of such structure; or

(B) a commercial structure up to the maximum available coverage amount, as established in section 61.6 of title 44, Code of Federal Regulations, of $500,000;

(2) the increased losses the National Flood Insurance Program would have sustained during the 2004 and 2005 hurricane season if the National Flood Insurance Program had insured all policy-holders up to the maximum conforming loan limit
for fiscal year 2006 of $417,000, as established under section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2));

(3) the availability in the private marketplace of flood insurance coverage in amounts that exceed the current limits of coverage amounts established in section 61.6 of title 44, Code of Federal Regulations; and

(4) what effect, if any—

(A) raising the current limits of coverage amounts established in section 61.6 of title 44, Code of Federal Regulations, would have on the ability of private insurers to continue providing flood insurance coverage; and

(B) reducing the current limits of coverage amounts established in section 61.6 of title 44, Code of Federal Regulations, would have on the ability of private insurers to provide sufficient flood insurance coverage to effectively replace the current level of flood insurance coverage being provided under the National Flood Insurance Program.

(b) REPORT OF THE DIRECTOR ON ACTIVITIES UNDER THE NATIONAL FLOOD INSURANCE PROGRAM.—
(1) **IN GENERAL.**—The Director shall, on an
annual basis, submit a full report on the operations,
activities, budget, receipts, and expenditures of the
National Flood Insurance Program for the preceding
12-month period to the Committee on Banking,
Housing, and Urban Affairs of the Senate and the
Committee on Financial Services of the House of
Representatives.

(2) **TIMING.**—Each report required under para-
graph (1) shall be submitted to the committees de-
scribed in paragraph (1) not later than 3 months
following the end of each fiscal year.

(3) **CONTENTS.**—Each report required under
paragraph (1) shall include—

(A) the current financial condition and in-
come statement of the National Flood Insur-
ance Fund established under section 1310 of
the National Flood Insurance Act of 1968 (42
U.S.C. 4017), including—

(i) premiums paid into such Fund;

(ii) policy claims against such Fund;

and

(iii) expenses in administering such

Fund;
(B) the number and face value of all policies issued under the National Flood Insurance Program that are in force;

(C) a description and summary of the losses attributable to repetitive loss structures;

(D) a description and summary of all losses incurred by the National Flood Insurance Program due to—

   (i) hurricane related damage; and

   (ii) nonhurricane related damage;

(E) the amounts made available by the Director for mitigation assistance under section 1366(e)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(e)(5)) for the purchase of properties substantially damaged by flood for that fiscal year, and the actual number of flood damaged properties purchased and the total cost expended to purchase such properties;

(F) the estimate of the Director as to the average historical loss year, and the basis for that estimate;

(G) the estimate of the Director as to the maximum amount of claims that the National
Flood Insurance Program would have to expend in the event of a catastrophic year;

(H) the average—

(i) amount of insurance carried per flood insurance policy;

(ii) premium per flood insurance policy; and

(iii) loss per flood insurance policy;

and

(I) the number of claims involving damages in excess of the maximum amount of flood insurance available under the National Flood Insurance Program and the sum of the amount of all damages in excess of such amount.

(c) GAO Study on Pre-FIRM Structures.—Not later than 1 year after the date of the enactment of this title, the Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, on the—

(1) composition of the remaining pre-FIRM structures that are explicitly receiving discounted premium rates under section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104), in-
including the historical basis for the receipt of such subsidy and whether such subsidy has outlasted its purpose;

(2) number and fair market value of such structures;

(3) respective income level of each owner of such structure;

(4) number of times each such structure has been sold since 1968, including specific dates, sales price, and any other information the Secretary determines appropriate;

(5) total losses incurred by such structures since the establishment of the National Flood Insurance Program compared to the total losses incurred by all structures that are charged a nondiscounted premium rate;

(6) total cost of foregone premiums since the establishment of the National Flood Insurance Program, as a result of the subsidies provided to such structures;

(7) annual cost to the taxpayer, as a result of the subsidies provided to such structures;

(8) the premium income collected and the losses incurred by the National Flood Insurance Program as a result of such explicitly subsidized structures
compared to the premium income collected and the
losses incurred by such Program as result of struc-
tures that are charged a nondiscounted premium
rate, on a State-by-State basis; and
(9) the most efficient way to eliminate the sub-
sidy to such structures.

(d) GAO REVIEW OF FEMA CONTRACTORS.—The
Comptroller General of the United States, in conjunction
with the Department of Homeland Security’s Inspectors
general Office, shall—

(1) conduct a review of the 3 largest contrac-
tors the Director uses in administering the National
Flood Insurance Program; and

(2) not later than 18 months after the date of
enactment of this title, submit a report on the find-
ings of such review to the Director, the Committee
on Banking, Housing, and Urban Affairs of the Sen-
ate, and the Committee on Financial Services of the
House of Representatives.
TITLE II—COMMISSION ON NATURAL CATASTROPHE RISK MANAGEMENT AND INSURANCE

SEC. 201. SHORT TITLE.

This title may be cited as the “Commission on Natural Catastrophe Risk Management and Insurance Act of 2008”.

SEC. 202. FINDINGS.

Congress finds that—

(1) Hurricanes Katrina, Rita, and Wilma, which struck the United States in 2005, caused, by some estimates, in excess of $200,000,000,000 in total economic losses;

(2) many meteorologists predict that the United States is in a period of increased hurricane activity;

(3) the Federal Government and State governments have provided billions of dollars to pay for losses from natural catastrophes, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(4) many Americans are finding it increasingly difficult to obtain and afford property and casualty insurance coverage;
some insurers are not renewing insurance policies, are excluding certain risks, such as wind damage, and are increasing rates and deductibles in some markets;

(6) the inability of property and business owners in vulnerable areas to obtain and afford property and casualty insurance coverage endangers the national economy and public health and safety;

(7) almost every State in the United States is at risk of a natural catastrophe, including hurricanes, earthquakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(8) building codes and land use regulations play an indispensable role in managing catastrophe risks, by preventing building in high risk areas and ensuring that appropriate mitigation efforts are completed where building has taken place;

(9) several proposals have been introduced in Congress to address the affordability and availability of natural catastrophe insurance across the United States, but there is no consensus on what, if any, role the Federal Government should play; and

(10) an efficient and effective approach to assessing natural catastrophe risk management and in-
insurance is to establish a nonpartisan commission to
study the management of natural catastrophe risk,
and to require such commission to timely report to
Congress on its findings.

SEC. 203. ESTABLISHMENT.

There is established a nonpartisan Commission on
Natural Catastrophe Risk Management and Insurance (in
this title referred to as the “Commission”).

SEC. 204. MEMBERSHIP.

(a) APPOINTMENT.—The Commission shall be com-
posed of 16 members, of whom—

(1) 2 members shall be appointed by the major-
ity leader of the Senate;

(2) 2 members shall be appointed by the minor-
ity leader of the Senate;

(3) 2 members shall be appointed by the Speak-
er of the House of Representatives;

(4) 2 members shall be appointed by the minor-
ity leader of the House of Representatives;

(5) 2 members shall be appointed by the Chair-
man of the Committee on Banking, Housing, and
Urban Affairs of the Senate;

(6) 2 members shall be appointed by the Rank-
ing Member of the Committee on Banking, Housing,
and Urban Affairs of the Senate;
(7) 2 members shall be appointed by the Chairman of the Committee on Financial Services of the House of Representatives; and

(8) 2 members shall be appointed by the Ranking Member of the Committee on Financial Services of the House of Representatives.

(b) Qualification of Members.—

(1) In General.—Members of the Commission shall be appointed under subsection (a) from among persons who—

(A) have expertise in insurance, reinsurance, insurance regulation, policyholder concerns, emergency management, risk management, public finance, financial markets, actuarial analysis, flood mapping and planning, structural engineering, building standards, land use planning, natural catastrophes, meteorology, seismology, environmental issues, or other pertinent qualifications or experience; and

(B) are not officers or employees of the United States Government or of any State government.

(2) Diversity.—In making appointments to the Commission—
(A) every effort shall be made to ensure that the members are representative of a broad cross section of perspectives within the United States; and

(B) each member of Congress described in subsection (a) shall appoint not more than 1 person from any single primary area of expertise described in paragraph (1)(A) of this subsection.

(c) Period of Appointment.—

(1) In general.—Each member of the Commission shall be appointed for the duration of the Commission.

(2) Vacancies.—A vacancy on the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Quorum.—

(1) Majority.—A majority of the members of the Commission shall constitute a quorum, but a lesser number, as determined by the Commission, may hold hearings.

(2) Approval Actions.—All recommendations and reports of the Commission required by this title shall be approved only by a majority vote of all of the members of the Commission.
(c) CHAIRPERSON.—The Commission shall, by majority vote of all of the members, select 1 member to serve as the Chairperson of the Commission (in this title referred to as the “Chairperson”).

(f) MEETINGS.—The Commission shall meet at the call of its Chairperson or a majority of the members.

SEC. 205. DUTIES OF THE COMMISSION.

The Commission shall examine the risks posed to the United States by natural catastrophes, and means for mitigating those risks and for paying for losses caused by natural catastrophes, including assessing—

(1) the condition of the property and casualty insurance and reinsurance markets prior to and in the aftermath of Hurricanes Katrina, Rita, and Wilma in 2005, and the 4 major hurricanes that struck the United States in 2004;

(2) the current condition of, as well as the outlook for, the availability and affordability of insurance in all regions of the country;

(3) the current ability of States, communities, and individuals to mitigate their natural catastrophe risks, including the affordability and feasibility of such activities;

(4) the ongoing exposure of the United States to natural catastrophes, including hurricanes, earth-
quakes, volcanic eruptions, tsunamis, tornados, flooding, wildfires, droughts, and other natural catastrophes;

(5) the catastrophic insurance and reinsurance markets and the relevant practices in providing insurance protection to different sectors of the American population;

(6) implementation of a catastrophic insurance system that can resolve key obstacles currently impeding broader implementation of catastrophic risk management and financing with insurance;

(7) the financial feasibility and sustainability of a national, regional, or other pooling mechanism designed to provide adequate insurance coverage and increased underwriting capacity to insurers and reinsurers, including private-public partnerships to increase insurance capacity in constrained markets;

(8) methods to promote public insurance policies to reduce losses caused by natural catastrophes in the uninsured sectors of the American population;

(9) approaches for implementing a public or private insurance scheme for low-income communities, in order to promote risk reduction and insurance coverage in such communities;
(10) the impact of Federal and State laws, regulations, and policies (including rate regulation, market access requirements, reinsurance regulations, accounting and tax policies, State residual markets, and State catastrophe funds) on—

(A) the affordability and availability of catastrophe insurance;

(B) the capacity of the private insurance market to cover losses inflicted by natural catastrophes;

(C) the commercial and residential development of high-risk areas; and

(D) the costs of natural catastrophes to Federal and State taxpayers;

(11) the present and long-term financial condition of State residual markets and catastrophe funds in high-risk regions, including the likelihood of insolvency following a natural catastrophe, the concentration of risks within such funds, the reliance on post-event assessments and State funding, and the adequacy of rates;

(12) the role that innovation in financial services could play in improving the affordability and availability of natural catastrophe insurance, specifically addressing measures that would foster the de-
development of financial products designed to cover
natural catastrophe risk, such as risked-linked secu-
rities;

(13) the need for strengthened land use regula-
tions and building codes in States at high risk for
natural catastrophes, and methods to strengthen the
risk assessment and enforcement of structural miti-
gation and vulnerability reduction measures, such as
zoning and building code compliance;

(14) the benefits and costs of proposed Federal
natural catastrophe insurance programs (including
the Federal Government providing reinsurance to
State catastrophe funds, private insurers, or other
entities), specifically addressing the costs to tax-
payers, tax equity considerations, and the record of
other government insurance programs (particularly
with regard to charging actuarially sound prices);

(15) the ability of the United States private in-
surance market—

(A) to cover insured losses caused by nat-
ural catastrophes, including an estimate of the
maximum amount of insured losses that could
be sustained during a single year and the prob-
ability of natural catastrophes occurring in a
single year that would inflict more insured
losses than the United States insurance and re-

insurance markets could sustain; and

(B) to recover after covering substantial

insured losses caused by natural catastrophes;

(16) the impact that demographic trends could

have on the amount of insured losses inflicted by fu-

ture natural catastrophes;

(17) the appropriate role, if any, for the Fed-

eral Government in stabilizing the property and cas-

ualty insurance and reinsurance markets; and

(18) the role of the Federal, State, and local

governments in providing incentives for feasible risk

mitigation efforts.

**SEC. 206. REPORT.**

(a) **IN GENERAL.**—Not later than 9 months after the
date of enactment of this title, the Commission shall sub-
mit to the Committee on Banking, Housing, and Urban
Affairs of the Senate and the Committee on Financial
Services of the House of Representatives a final report
containing—

(1) a detailed statement of the findings and as-

essments conducted by the Commission pursuant to
section 205; and

(2) any recommendations for legislative, regu-
latory, administrative, or other actions at the Fed-
eral, State, or local levels that the Commission consi-
iders appropriate, in accordance with the require-
ments of section 205.

(b) Extension of Time.—The Commission may re-
quest Congress to extend the period of time for the sub-
mission of the report required under subsection (a) for an
additional 3 months.

SEC. 207. POWERS OF THE COMMISSION.

(a) Meetings; Hearings.—The Commission may
hold such hearings, sit and act at such times and places,
take such testimony, and receive such evidence as the
Commission considers necessary to carry out the purposes
of this title. Members may attend meetings of the Commiss-
ion and vote in person, via telephone conference, or via
video conference.

(b) Authority of Members or Agents of the
Commission.—Any member or agent of the Commission
may, if authorized by the Commission, take any action
which the Commission is authorized to take by this title.

(c) Obtaining Official Data.—

(1) Authority.—Notwithstanding any provi-
sion of section 552a of title 5, United States Code,
the Commission may secure directly from any de-
partment or agency of the United States any infor-
information necessary to enable the Commission to carry out this title.

(2) PROCEDURE.—Upon request of the Chairperson, the head of such department or agency shall furnish to the Commission the information requested.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(e) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, any administrative support services necessary for the Commission to carry out its responsibilities under this title.

(f) ACCEPTANCE OF GIFTS.—The Commission may accept, hold, administer, and utilize gifts, donations, and bequests of property, both real and personal, for the purposes of aiding or facilitating the work of the Commission. The Commission shall issue internal guidelines governing the receipt of donations of services or property.

(g) VOLUNTEER SERVICES.—Notwithstanding the provisions of section 1342 of title 31, United States Code, the Commission may accept and utilize the services of vol-
unteers serving without compensation. The Commission may reimburse such volunteers for local travel and office supplies, and for other travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

(h) **Federal Property and Administrative Services Act of 1949.**—Subject to the Federal Property and Administrative Services Act of 1949, the Commission may enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

(i) **Limitation on Contracts.**—A contract or other legal agreement entered into by the Commission may not extend beyond the date of the termination of the Commission.

SEC. 208. **Commission Personnel Matters.**

(a) **Travel Expenses.**—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.
(b) Subcommittees.—The Commission may establish subcommittees and appoint members of the Commission to such subcommittees as the Commission considers appropriate.

(c) Staff.—Subject to such policies as the Commission may prescribe, the Chairperson may appoint and fix the pay of such additional personnel as the Chairperson considers appropriate to carry out the duties of the Commission. The Commission shall confirm the appointment of the executive director by majority vote of all of the members of the Commission.

(d) Applicability of Certain Civil Service Laws.—Staff of the Commission may be—

1. appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

2. paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay prescribed for GS–15 of the General Schedule under section 5332 of that title.

(e) Experts and Consultants.—In carrying out its objectives, the Commission may procure temporary and
intermittent services of consultants and experts under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for GS–15 of the General Schedule under section 5332 of that title.

(f) Detail of Government Employees.—Upon request of the Chairperson, any Federal Government employee may be detailed to the Commission to assist in carrying out the duties of the Commission—

(1) on a reimbursable basis; and

(2) such detail shall be without interruption or loss of civil service status or privilege.

SEC. 209. TERMINATION.

The Commission shall terminate 90 days after the date on which the Commission submits its report under section 206.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission, such sums as may be necessary to carry out this title, to remain available until expended.