To extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. Waters introduced the following bill; which was referred to the Committee on

A BILL

To extend the authorization for the national flood insurance program, to identify priorities essential to reform and ongoing stable functioning of the program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Flood Insurance Reform and Priorities Act of 2010”.

(b) Table of Contents.—The table of contents for this Act is as follows:
Sec. 2. Findings and purposes.

(a) FINDINGS.—The Congress finds that—

(1) since the enactment of National Flood Insurance Act of 1968, the national flood insurance program has been the primary source of reliable, reasonably priced, flood insurance coverage for millions of American homes and businesses;

(2) today over 5,000,000 homes and businesses in the United States rely on the national flood insurance program to provide a degree of financial security;
(3) although participation in the national flood insurance program has, in the past, largely been limited to properties required to participate in the program because of the program’s mandatory purchase requirement for properties in special flood hazard areas with loans from federally regulated lenders, recent annual and extraordinary flooding has resulted in the program enjoying its highest voluntary participation since the establishment of the mandatory flood insurance purchase requirement;

(4) several years of below average flood claim losses and increased voluntary participation in the national flood insurance program have allowed the program to fully service the debt incurred following Hurricanes Katrina and Rita and allowed the program to pay off $500,000,000 of the principal of that outstanding debt;

(5) though significant reforms are needed to further improve the financial outlook of the national flood insurance program, long term and reliable authorization of the program is an essential element to stabilizing the already fragile United States housing market;

(6) increased flooding in areas outside designated special flood hazard areas prompted the Ex-
executive and the Congress in 2002 to begin calling for
the national flood insurance program to develop and
disseminate revised, updated flood insurance rate
maps that reflect the real risk of flooding for prop-
erties not previously identified as being located with-
in a special flood hazard area;

(7) dissemination of accurate, up-to-date, flood-
risk information remains a primary goal of the na-
tional flood insurance program and such information
should be disseminated as soon as such information
is collected and available;

(8) communities should be encouraged to make
their residents aware of updated flood-risk data
while communities are assessing and incorporating
updated flood-risk data into long-term community
planning;

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

(10) phasing out flood insurance premium sub-
sidies currently extended to vacation homes, second
homes, and commercial properties would result in
significant average annual savings to the national
flood insurance program.

(b) PURPOSES.—The purposes of this Act are—
(1) to identify priorities essential to the reform and ongoing stable functioning of the national flood insurance program;

(2) to increase incentives for homeowners and communities to participate in the national flood insurance program and to improve oversight to ensure better accountability of the national flood insurance program and the Federal Emergency Management Agency; and

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

SEC. 3. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXTENSION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2008” and inserting “September 30, 2015”.

(b) FINANCING.—Section 1309(a) of such Act (42 U.S.C. 4016(a)) is amended by striking “September 30, 2008” and inserting “September 30, 2015”.

(c) EXTENSION OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.—Section 1361A of the National Flood Insurance Act of 1968 (42 U.S.C. 4102a) is amended—

(2) by striking subsection (l).

SEC. 4. MAXIMUM COVERAGE LIMITS.

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

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

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

(3) in paragraph (4)—

(A) by striking “$500,000” each place such term appears and inserting “$670,000”; and

(B) by inserting before “; and” the following: “; except that, in the case of any non-residential property that is a structure containing more than one dwelling unit that is made available for occupancy by rental (notwithstanding the provisions applicable to the determination of the risk premium rate for such property), additional flood insurance in excess of such limits shall be made available to every insured upon renewal and every applicant for
insurance so as to enable any such insured or applicant to receive coverage up to a total amount that is equal to the product of the total number of such rental dwelling units in such property and the maximum coverage limit per dwelling unit specified in paragraph (2); except that in the case of any such multi-unit, nonresidential rental property that is a pre-FIRM structure (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4014 note)), the risk premium rate for the first $500,000 of coverage shall be determined in accordance with section 1307(a)(2) and the risk premium rate for any coverage in excess of such amount shall be determined in accordance with section 1307(a)(1)”.

SEC. 5. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDENTIAL PROPERTIES AND NON-PRIMARY RESIDENCES.

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

(1) by redesignating paragraph (2) as paragraph (4); and
by inserting after paragraph (1) the following new paragraphs:

“(2) NONRESIDENTIAL PROPERTIES.—Any non-residential property, which term shall not include any multifamily rental property that consists of four or more dwelling units.

“(3) NON-PRIMARY RESIDENCES.—Any residential property that is not the primary residence of any individual, including the owner of the property or any other individual who resides in the property as a tenant.”.

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

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking “the limitations provided under paragraphs (1) and (2)” and inserting “subsection (e)”; and

(B) in paragraph (1), by striking “, except” and all that follows through “subsection (e)”; and

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

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

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

(A) INCREASE OF RATES OVER TIME.—In the case of any property described in paragraph (2) or (3) of section 1308(c) of the National Flood Insurance Act of 1968, as amended by subsection (a) of this section, that, as of the effective date under paragraph (1) of this subsection, is covered under a policy for flood insurance made available under the national flood insurance program for which the chargeable premium rates are less than the applicable estimated risk premium rate under section 1307(a)(1) for the area in which the property is located, the Director of the Federal Emergency Management Agency shall increase the chargeable premium rates for such property over time to such applicable estimated risk premium rate under section 1307(a)(1).

(B) ANNUAL INCREASE.—Such increase shall be made by increasing the chargeable pre-
mium rates for the property (after application of any increase in the premium rates otherwise applicable to such property), once during the 12-month period that begins upon the effective date under paragraph (1) of this subsection and once every 12 months thereafter until such increase is accomplished, by 20 percent (or such lesser amount as may be necessary so that the chargeable rate does not exceed such applicable estimated risk premium rate or to comply with subparagraph (C)). Any increase in chargeable premium rates for a property pursuant to this paragraph shall not be considered for purposes of the limitation under section 1308(e) of such Act.

(C) PROPERTIES SUBJECT TO PHASE-IN AND ANNUAL INCREASES.—In the case of any pre-FIRM property (as such term is defined in section 578(b) of the National Flood Insurance Reform Act of 1974), the aggregate increase, during any 12-month period, in the chargeable premium rate for the property that is attributable to this paragraph or to an increase described in section 1308(e) of the National Flood Insurance Reform Act of 1974,
Insurance Act of 1968 may not exceed 20 percent.

(D) FULL ACTUARIAL RATES.—The provisions of paragraphs (2) and (3) of such section 1308(c) shall apply to such a property upon the accomplishment of the increase under this paragraph and thereafter.

SEC. 6. 5-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD AREAS.

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

“(i) DELAYED EFFECTIVE DATE OF MANDATORY PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD AREAS.—

“(1) IN GENERAL.—In the case of any area that was not previously designated as an area having special flood hazards and that, pursuant to any issuance, revision, updating, or other change in flood insurance maps, becomes designated as an area having special flood hazards, if each State and local government having jurisdiction over any portion of the geographic area has complied with paragraph (2), such designation shall not take effect for pur-
poses of subsection (a), (b), or (e) of this section, or section 202(a) of this Act, until the expiration of the 5-year period beginning upon the date that such maps, as issued, revised, update, or otherwise changed, become effective.

“(2) NOTICE REQUIREMENTS.—A State or local government having shall be considered to have complied with this paragraph with respect to any geographic area described in paragraph (1) only if the State or local government has, before the effective date of the issued, revised, updated, or changed maps—

“(A) developed an evacuation plan to be implemented in the event of flooding in such portion of the geographic area; and

“(B) developed and implemented an outreach and communication plan to advise occupants in such portion of the geographic area of potential flood risks, the opportunity to purchase flood insurance, and the consequences of failure to purchase flood insurance.

“(3) RULE OF CONSTRUCTION.—Nothing in paragraph (1) may be construed to affect the applicability of a designation of any area as an area having special flood hazards for purposes of the avail-
ability of flood insurance coverage, criteria for land management and use, notification of flood hazards, eligibility for mitigation assistance, or any other purpose or provision not specifically referred to in paragraph (1).

(b) CONFORMING AMENDMENT.—The second sentence of subsection (h) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is amended by striking “Such” and inserting “Except for notice regarding a change described in section 102(i)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(i)(1)), such”.

SEC. 7. 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR NEWLY MAPPED AREAS.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (c), by inserting “and subsection (g)” before the first comma; and

(2) by adding at the end the following new subsection:

“(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR NEWLY MAPPED AREAS.—Notwithstanding any other provision of law relating to chargeable risk premium rates for flood insurance coverage under this title, in the
case of any area that previously was not designated as an area having special flood hazards and that, pursuant to remapping, becomes designated as such an area, during the 5-year period that begins upon the initial such designation of the area, the chargeable premium rate for flood insurance under this title with respect to any property that is located within such area shall be—

“(1) for the first year of such 5-year period, 20 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(2) for the second year of such 5-year period, 40 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(3) for the third year of such 5-year period, 60 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

“(4) for the fourth year of such 5-year period, 80 percent of the chargeable risk premium rate otherwise applicable under this title to the property; and

“(5) for the fifth year of such 5-year period, 100 percent of the chargeable risk premium rate otherwise applicable under this title to the property.”.
SEC. 8. 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 by striking “10 percent” and inserting “20 percent”.

SEC. 9. CONSIDERATION OF CONSTRUCTION, RECONSTRUCTION, AND IMPROVEMENT OF FLOOD PROTECTION SYSTEMS IN DETERMINATION OF FLOOD INSURANCE RATES.

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

(1) in subsection (e)—

(A) in the first sentence, by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system (without respect to the level of Federal investment or participation)”;

(B) in the second sentence—

(i) by striking “construction of a flood protection system” and inserting “construction, reconstruction, or improvement of a flood protection system”; and
(ii) by inserting “based on the present value of the completed system” after “has been expended”; and

(2) in subsection (f)—

(A) in the first sentence in the matter preceding paragraph (1), by inserting “(without respect to the level of Federal investment or participation)” before the period at the end;

(B) in the third sentence in the matter preceding paragraph (1), by inserting “, whether coastal or riverine,” after “special flood hazard”; and

(C) in paragraph (1), by striking “a Federal agency in consultation with the local project sponsor” and inserting “the entity or entities that own, operate, maintain, or repair such system”.

(b) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall promulgate regulations to carry out the amendments made by subsection (a). Section 5 may not be construed to annul, alter, affect, authorize any waiver of, or establish any exception to, the requirement under the preceding sentence.
(c) IMPLEMENTATION.—The Administrator of the Federal Emergency Management Agency shall implement this section and the amendments made by this section in a manner that will not materially weaken the financial position of the national flood insurance program or increase the risk of financial liability to Federal taxpayers.

SEC. 10. TREATMENT OF CERTAIN FLOOD PROTECTION PROJECTS.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(h) TREATMENT OF CERTAIN FLOOD PROTECTION PROJECTS.—

“(1) INAPPLICABILITY OF MANDATORY PURCHASE REQUIREMENT; PREMIUM RATES.—Notwithstanding any other provision of law, upon full completion, as designed, of a flood protection system that was intended to provide flood protection with respect to a covered area, such covered area—

“(A) shall not be considered to be an area having special flood hazards for purposes of this Act or subsections (a), (b), or (e) of section 102, or section 202(a) of the Flood Disaster Protection Act of 1973; and
“(B) shall be eligible for flood insurance under this Act, if and to the extent that such area is eligible for such insurance under the other provisions of this Act, at premium rates not exceeding those that would be applicable under this section if the flood protection system referred to in paragraph (2) for such area had been completed and accredited as providing protection from floods at the level that the system was designed to provide (before construction, reconstruction, or improvement of the system, as applicable, began).

“(2) COVERED AREA.—For purposes of this subsection, a covered area is an area that was intended to be protected by a flood protection system—

“(A)(i) for which, as of April 15, 2010—

“(I) construction, reconstruction, or improvement has not been completed; and

“(II) adequate progress, within the meaning of section 1307(e), has been made on such construction, reconstruction, or improvement; or

“(ii) for which, as of such date—
“(I) construction, reconstruction, or improvement has been completed; and
“(II) a determination regarding accreditation has not been made;
“(B) that was designed to provide protection for at least the 100-year frequency flood; and
“(C) that has been determined, pursuant to workflow data or other scientific information obtained after, or that has changed since, commencement of construction, reconstruction, or improvement, will not provide protection from floods at the level referred to in subparagraph (B).”.

SEC. 11. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE DATE OF POLICIES.

Section 1306(c)(2)(A) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(2)(A)) is amended by inserting before the semicolon the following: “or is in connection with the purchase or other transfer of the property for which the coverage is provided (regardless of whether a loan is involved in the purchase or transfer transaction), but only when such initial purchase of coverage is made not later 30 days after such making, increasing, extension, or renewal of the loan or not later
than 30 days after such purchase or other transfer of the property, as applicable”.

SEC. 12. ENFORCEMENT.

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

(1) in paragraph (5)—

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

(B) in the last sentence, by striking “$100,000” and inserting “$1,000,000; except that such limitation shall not apply to a regulated lending institution or enterprise for a calendar year if, in any three (or more) of the five calendar years immediately preceding such calendar year, the total amount of penalties assessed under this subsection against such lending institution or enterprise was $1,000,000”; and

(2) in paragraph (6), by adding after the period at the end the following: “No penalty may be imposed under this subsection on a regulated lending institution or enterprise that has made a good faith effort to comply with the requirements of the provisions referred to in paragraph (2) or for any non-material violation of such requirements.”.
SEC. 13. NOTIFICATION TO TENANTS OF AVAILABILITY OF CONTENTS INSURANCE.

The National Flood Insurance Act of 1968 is amended by inserting after section 1308 (42 U.S.C. 4015) the following new section:

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

“(a) IN GENERAL.—The Director shall, upon entering into a contract for flood insurance coverage under this title for any property located in an area having special flood hazards—

“(1) provide to the insured sufficient copies of the notice developed pursuant to subsection (b); and

“(2) require the insured to provide a copy of the notice, or otherwise provide notification of the information under subsection (b) in the manner that the manager or landlord deems most appropriate, to each such tenant and to each new tenant upon commencement of such a tenancy.

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

“(1) that the property is located in an area having special flood hazards;

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

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

“(4) of where to obtain information regarding
how to obtain such coverage, including a telephone
number, mailing address, and Internet site of the
Director where such information is available.”.

SEC. 14. FLOOD INSURANCE OUTREACH.

Chapter I of the National Flood Insurance Act of
1968 (42 U.S.C. 4011 et seq.), as amended by the pre-
ceding provisions of this Act, is further amended by add-
ing at the end the following new section:

“SEC. 1326. GRANTS FOR OUTREACH TO PROPERTY OWN-
ERS AND RENTERS.

“(a) IN GENERAL.—The Director may, to the extent
amounts are made available pursuant to subsection (h),
make grants to local governmental agencies responsible for
floodplain management activities (including such agencies
of Indians tribes, as such term is defined in section 4 of
the Native American Housing Assistance and Self-Deter-
that participate in the national flood insurance program
under this title, for use by such agencies to carry out out-
reach activities to encourage and facilitate the purchase of flood insurance protection under this Act by owners and renters of properties in such communities and to promote educational activities that increase awareness of flood risk reduction.

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

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

“(2) notify such owners and renters when their properties become included in, or when they are excluded from, an area having special flood hazards and the effect of such inclusion or exclusion on the applicability of the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to such properties;

“(3) educate such owners and renters regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;
“(4) educate such owners and renters regarding the benefits and costs of maintaining or acquiring flood insurance, including, where applicable, lower-cost preferred risk policies under this title for such properties and the contents of such properties; and

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

“(e) COST SHARING REQUIREMENT.—

“(1) IN GENERAL.—In any fiscal year, the Director may not provide a grant under this section to a local governmental agency in an amount exceeding 3 times the amount that the agency certifies, as the Director shall require, that the agency will contribute from non-Federal funds to be used with grant amounts only for carrying out activities described in subsection (b).

“(2) NON-FEDERAL FUNDS.—For purposes of this subsection, the term ‘non-Federal funds’ includes State or local government agency amounts, in-kind contributions, any salary paid to staff to carry out the eligible activities of the grant recipient, the value of the time and services contributed by volunteers to carry out such services (at a rate determined by the Director), and the value of any do-
nated material or building and the value of any lease on a building.

“(d) Administrative Cost Limitation.—Notwithstanding subsection (b), the Director may use not more than 5 percent of amounts made available under subsection (g) to cover salaries, expenses, and other administrative costs incurred by the Director in making grants and provide assistance under this section.

“(e) Application and Selection.—

“(1) In general.—The Director shall provide for local governmental agencies described in subsection (a) to submit applications for grants under this section and for competitive selection, based on criteria established by the Director, of agencies submitting such applications to receive such grants.

“(2) Selection considerations.—In selecting applications of local government agencies to receive grants under paragraph (1), the Director shall consider—

“(A) the existence of a cooperative technical partner agreement between the local governmental agency and the Federal Emergency Management Agency;

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

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

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

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

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

“(g) REPORTING.—Each local government agency
that receives a grant under this section, and each entity
that receives amounts pursuant to subsection (f), shall
submit a report to the Director, not later than 12 months
after such amounts are first received, which shall include
such information as the Director considers appropriate to
describe the activities conducted using such amounts and
the effect of such activities on the retention or acquisition
of flood insurance coverage.

“(h) Authorization of Appropriations.—There
is authorized to be appropriated for grants under this sec-
tion $50,000,000 for each of fiscal years 2011 through
2015.”.

SEC. 15. NOTICE OF AVAILABILITY OF FLOOD INSURANCE
AND ESCROW IN RESPA GOOD FAITH ESTI-
MATE.

Subsection (c) of section 5 of the Real Estate Settle-
ment Procedures Act of 1974 (12 U.S.C. 2604(c)) is
amended by adding at the end the following new sentence:
“Each such good faith estimate shall include the following
conspicuous statements and information: (1) that flood in-
surance coverage for residential real estate is generally
available under the national flood insurance program
whether or not the real estate is located in an area having
special flood hazards and that, to obtain such coverage,
a home owner or purchaser should contact the national
flood insurance program; (2) a telephone number and a
location on the Internet by which a home owner or pur-
chaser can contact the national flood insurance program;
and (3) that the escrowing of flood insurance payments
is required for many loans under section 102(d) of the
Flood Disaster Protection Act of 1973, and may be a convenient and available option with respect to other loans.”.

SEC. 16. AUTHORIZATION OF ADDITIONAL FEMA STAFF.

Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency may employ such additional staff as may be necessary to carry out all of the responsibilities of the Director pursuant to this Act and the amendments made by this Act. There are authorized to be appropriated to Director such sums as may be necessary for costs of employing such additional staff.

SEC. 17. PLAN TO VERIFY MAINTENANCE OF FLOOD INSURANCE ON MISSISSIPPI AND LOUISIANA PROPERTIES RECEIVING EMERGENCY SUPPLEMENTAL FUNDS.

The Director of the Federal Emergency Management Agency shall develop and implement a plan to verify that persons receiving funds under the Homeowner Grant Assistance Program of the State of Mississippi or the Road Home Program of the State of Louisiana from amounts allocated to the State of Mississippi or the State of Louisiana, respectively, from the Community development fund under the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109–148) are main-
Section 18. 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 estab-
lished 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 Agency relating to such program;

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

“(D) identify potential legislative, administrative, or regulatory changes which may be appropriate to mitigate such problems.

“(2) ANNUAL REPORTS.—

“(A) ACTIVITIES.—Not later than December 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 end-
ing during such calendar year. Any such report
shall contain full and substantive analysis, 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
program;

“(ii) describe the nature of rec-
ommendations made to the Director under
subsection (e);

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

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

“(vi) contain an inventory of the items described in clauses (i), (ii), and (iii) for which no action has been taken, the period 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 regulations relating to the national flood insurance program that impose significant compliance 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, outlining the criteria for referral of inquiries by insureds under such program to regional offices of flood insurance advocates;

“(C) ensure that the local telephone number for each regional office of the flood insurance advocate is published and available to such insureds served by the office; and

“(D) establish temporary State or local offices 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 appropriate coverage based upon regional flood insurance program participation; and

“(ii) hire, evaluate, and take personnel actions (including dismissal) with respect to any employee of any regional off-
Office 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 insured that the flood insurance advocate offices operate independently of any other Federal Emergency Management Agency office and report directly to Congress through the National Flood Insurance Advocate; and

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

“(2) MAINTENANCE OF INDEPENDENT COMMUNICATIONS.—Each regional office of the flood insurance advocate shall maintain a separate phone, facsimile, and other electronic communication access.

“(e) FLOOD INSURANCE ASSISTANCE RECOMMENDATIONS.—

“(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 qualified 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 subsection:

“(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 coverage provided under the national flood insurance program under this title.

“(f) FUNDING.—Pursuant to section 1310(a)(4), the Director may use amounts from the National Flood Insurance Fund to fund the activities of the Office of the Flood Advocate in each of fiscal years 2011 through 2016, except that the amount so used in each such fiscal year may not exceed $5,000,000 and shall remain available until expended. 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. 19. STUDY REGARDING MANDATORY PURCHASE REQUIREMENT FOR NATURAL 100-YEAR FLOOD-PLAIN AND NON-FEDERALLY RELATED LOANS.

(a) IN GENERAL.—The Comptroller General shall conduct a study to assess the impact, effectiveness, and feasibility of, and basis under the Constitution of the United States for, amending the provisions of the Flood Disaster Protection Act of 1973 regarding the properties that are subject to the mandatory flood insurance coverage purchase requirements under such Act to extend such requirements to any property that is located in any area having special flood hazards and which secures the repayment of a loan that is not described in paragraph (1), (2), or (3) of section 102(b) of such Act, and shall determine how best to administer and enforce such a requirement, taking into consideration other insurance purchase requirements under Federal and State law.

(b) REPORT.—The Comptroller General shall submit a report to the Congress regarding the results and conclusions of the study under subsection (a) not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.
SEC. 20. STUDY OF METHODS TO INCREASE FLOOD INSURANCE PROGRAM PARTICIPATION BY LOW-INCOME FAMILIES.

(a) In general.—The Comptroller General of the United States shall conduct a study to identify and analyze potential methods, practices, and incentives that would increase the extent to which low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))) that own residential properties located within areas having special flood hazards purchase flood insurance coverage for such properties under the national flood insurance program. In conducting the study, the Comptroller General shall analyze the effectiveness and costs of the various methods, practices, and incentives identified, including their effects on the national flood insurance program.

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

SEC. 21. REPORT ON INCLUSION OF BUILDING CODES IN FLOODPLAIN MANAGEMENT CRITERIA.

Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall conduct a study and submit a report to the Com-
mittee on Financial Services of the House of Representa-
tives and the Committee on Banking, Housing, and Urban
Affairs of the Senate regarding the impact, effectiveness,
and feasibility of amending section 1361 of the National
Flood Insurance Act of 1968 (42 U.S.C. 4102) to include
widely used and nationally recognized building codes as
part of the floodplain management criteria developed
under such section, and shall determine—

(1) the regulatory, financial, and economic im-
pacts of such a building code requirement on home-
owners, States and local communities, local land use
policies, and the Federal Emergency Management
Agency;

(2) the resources required of State and local
communities to administer and enforce such a build-
ing code requirement;

(3) the effectiveness of such a building code re-
quirement in reducing flood-related damage to build-
ings and contents;

(4) the impact of such a building code require-
ment on the actuarial soundness of the National
Flood Insurance Program;

(5) the effectiveness of nationally recognized
codes in allowing innovative materials and systems
for flood-resistant construction; and
(6) the feasibility and effectiveness of providing an incentive in lower premium rates for flood insurance coverage under such Act for structures meeting whichever of such widely used and nationally recognized building code or any applicable local building code provides greater protection from flood damage.