A BILL

To reauthorize the National Flood Insurance Program, and for other purposes.

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

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “National Flood Insur-
5 ance Program Reauthorization and Reform Act of 2021”.

6 SEC. 2. TABLE OF CONTENTS.

7 The table of contents for this Act is as follows:

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SEC. 3. DEFINITIONS.

In this Act:

(1) Administrator.—The term “Administrator” 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. 4001 et seq.).


(4) Write Your Own Company.—The term “Write Your Own Company” has the meaning given the term in section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)), as amended by section 109 of this Act.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

SEC. 101. REAUTHORIZATION.

(a) In General.—

(1) Financing.—Section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C.
(2) PROGRAM EXPIRATION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2021” and inserting “September 30, 2026”.

(3) RETROACTIVE EFFECTIVE DATE.—If this Act is enacted after December 3, 2021, the amendments made by paragraphs (1) and (2) shall take effect as if enacted on December 3, 2021.

(b) CONTINUED OPERATION DURING LAPSE OF APPROPRIATIONS.—Section 1310(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(f)) is amended—

(1) by inserting “(1)” after “(f)”; and

(2) by adding at the end the following:

“(2)(A) In this paragraph, the term ‘period of a lapse in appropriations from the Fund’ means a period, on or after the first day of a fiscal year, during which an appropriation Act for the fiscal year with respect to the Fund has not been enacted and continuing appropriations are not in effect for the fiscal year with respect to the Fund.

“(B) Notwithstanding paragraph (1), during a period of a lapse in appropriations from the Fund, amounts in the Fund not otherwise appropriated shall be available to the Administrator to carry out the flood insurance pro-
gram under this title, subject to the same terms and conditions (except with respect to the period of availability), and in an amount not greater than the rate for operations, provided for the Fund in the most recently enacted regular or continuing appropriation Act.

“(C) Amounts in the Fund shall be available under subparagraph (B) for a fiscal year during the period beginning on the first day of a period of a lapse in appropriations from the Fund during the fiscal year and ending on the date on which the regular appropriation Act for the fiscal year with respect to the Fund is enacted (whether or not such law makes amounts available from the Fund) or a law making continuing appropriations with respect to the Fund is enacted, as the case may be.

“(D) Expenditures and obligations made under this paragraph shall be charged to the Fund whenever a regular appropriation Act, or a law making continuing appropriations, with respect to the Fund is enacted for the applicable fiscal year.”.

SEC. 102. CAP ON ANNUAL PREMIUM INCREASES.

(a) DEFINITION.—In this section, the term “covered cost”—

(1) means—
(A) the amount of an annual premium with respect to any policy for flood insurance under the National Flood Insurance Program;

(B) any surcharge imposed with respect to a policy described in subparagraph (A) (other than a surcharge imposed under section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b))), including a surcharge imposed under section 1308A(a) of that Act (42 U.S.C. 4015a(a)); and

(C) a fee described in paragraph (1)(B)(iii) or (2) of section 1307(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)); and

(2) does not include any cost associated with the purchase of insurance under section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), including any surcharge that relates to insurance purchased under such section 1304(b).

(b) Limitation on Increases.—

(1) Limitation.—

(A) In General.—During the 5-year period beginning on the date of enactment of this Act, notwithstanding section 1308(e) of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C. 4015(e)), and subject to subparagraph (B), the Administrator may not, in any year, increase the amount of any covered cost by an amount that is more than 9 percent, as compared with the amount of the covered cost during the previous year, except where the increase in the covered cost relates to an exception under paragraph (1)(C)(iii) of such section 1308(e).

(B) DECREASE OF AMOUNT OF DEDUCTIBLE OR INCREASE IN AMOUNT OF COVERAGE.—In the case of a policyholder described in section 1308(e)(1)(C)(ii) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)(1)(C)(ii)), the Administrator shall establish a process by which the Administrator determines an increase in covered costs for the policyholder that is—

(i) proportional to the relative change in risk based on the action taken by the policyholder; and

(ii) in compliance with subparagraph (A).

(2) NEW RATING SYSTEMS.—
(A) CLASSIFICATION.—With respect to a property, the limitation under paragraph (1) shall remain in effect for each year until the covered costs with respect to the property reflect full actuarial rates, without regard to whether, at any time until the year in which those covered costs reflect full actuarial rates, the property is rated or classified under the Risk Rating 2.0 methodology (or any substantially similar methodology).

(B) NEW POLICYHOLDER.—If a property to which the limitation under paragraph (1) applies is sold before the covered costs for the property reflect full actuarial rates determined under the Risk Rating 2.0 methodology (or any substantially similar methodology), that limitation shall remain in effect for each year until the year in which those full actuarial rates takes effect.

(c) RULE OF CONSTRUCTION.—Nothing in subsection (b) may be construed as prohibiting the Administrator from reducing, in any year, the amount of any covered cost, as compared with the amount of the covered cost during the previous year.
(d) Average Historical Loss Year.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by striking subsection (h) and inserting the following:

“(h) Rule of Construction.—For purposes of this section, the calculation of an ‘average historical loss year’ shall be computed in accordance with generally accepted actuarial principles.”.

(e) Disclosure With Respect to the Affordability Standard.—Section 1308(j) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(j)) is amended, in the second sentence, by inserting “and shall include in the report the number of those exceptions as of the date on which the Administrator submits the report and the location of each policyholder insured under those exceptions, organized by county and State” after “of the Senate”.

SEC. 103. TARGETED MEANS-TESTED ASSISTANCE.

(a) Means-tested Program.—

(1) In general.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1308A (42 U.S.C. 4015a) the following:

“SEC. 1308B. FLOOD INSURANCE ASSISTANCE.

“(a) Definitions.—In this section:
“(1) Covered Property.—The term ‘covered property’ means—

“(A) a primary residential dwelling designed for the occupancy of from 1 to 4 families; or

“(B) personal property relating to a dwelling described in subparagraph (A).

“(2) Eligible Policyholder.—The term ‘eligible policyholder’ means a policyholder with a household income that is not more than 120 percent of the area median income for the area in which the property to which the policy applies is located.

“(3) Housing Expenses.—The term ‘housing expenses’ means, with respect to a household, the total amount that the household spends in a year on—

“(A) mortgage payments or rent;

“(B) property taxes;

“(C) homeowners insurance; and

“(D) premiums for flood insurance under the national flood insurance program.

“(4) Insurance Costs.—The term ‘insurance costs’ means, with respect to a covered property for a year—
“(A) risk premiums and fees estimated under section 1307 and charged under section 1308;

“(B) surcharges assessed under sections 1304 and 1308A; and

“(C) any amount established under section 1310A(c).

“(b) Authority.—Subject to the availability of appropriations, the Administrator is authorized to carry out a means-tested program under which the Administrator provides assistance to eligible policyholders in the form of graduated discounts for insurance costs with respect to covered properties.

“(c) Eligibility.—To determine eligibility for means-tested assistance under this section, the Administrator may accept any of the following with respect to an eligible policyholder:

“(1) Income verification from the National Directory of New Hires established under section 453(i) of the Social Security Act (42 U.S.C. 653(i)).

“(2) A self-certification of eligibility by the eligible policyholder that is provided under penalty of perjury pursuant to section 1746 of title 28, United States Code.
“(3) Any other method identified by the Administrator in interim guidance, or a final rule, issued under subsection (e).

“(d) DISCOUNT.—The Administrator may establish graduated discounts available to eligible policyholders under this section, which shall be based on the following factors:

“(1) The percentage by which the household income of an eligible policyholder is equal to, or less than, 120 percent of the area median income for the area in which the property to which the policy applies is located.

“(2) The housing expenses of an eligible policyholder.

“(3) The number of eligible policyholders participating in the program established under this section.

“(4) The availability of funding.

“(5) Any other factor that the Administrator finds reasonable and necessary to carry out the purposes of this section.

“(e) IMPLEMENTATION.—

“(1) IN GENERAL.—The Administrator shall issue final rules to implement this section.

“(2) INTERIM GUIDANCE.—
"(A) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Administrator shall issue interim guidance to implement this section, which shall—

"(i) include—

"(I) a description of how the Administrator will determine—

"(aa) eligibility for households to participate in the program established under this section; and

"(bb) assistance levels for eligible households to which assistance is provided under this section;

"(II) the methodology that the Administrator will use to determine the amount of assistance provided to eligible households under this section; and

"(III) any requirements to which eligible policyholders to which assistance is provided under this section will be subject; and

"(ii) expire on the later of—
“(I) the date that is 84 months after the date of enactment of this section; or
“(II) the date on which the final rules issued under paragraph (1) take effect.

“(B) Rule of Construction.—Nothing in subparagraph (A) may be construed to preclude the Administrator from amending the interim guidance issued under that subparagraph.

“(f) Collection of Demographic Information.—The Administrator, in order to evaluate and monitor the effectiveness of this section, and to comply with the reporting requirements under subsection (g), may request demographic information, and other information, with respect to an eligible policyholder to which assistance is provided under this section, which may include—
“(1) the income of the eligible policyholder, as compared with the area median income for the area in which the property to which the policy applies is located; and
“(2) demographic characteristics of the eligible policyholder, including the race and ethnicity of the eligible policyholder.
“(g) Reports to Congress.—
“(1) IN GENERAL.—Not later than 2 years after the date of enactment of this section, and biennially thereafter, the Administrator shall submit to Congress a report regarding the implementation and effectiveness of this section.

“(2) CONTENTS.—Each report submitted under paragraph (1) shall include information regarding, for the period covered by the report—

“(A) the distribution of household area median income for eligible policyholders to which assistance is provided under this section;

“(B) the number of eligible policyholders to which assistance is provided under this section, which shall be disaggregated by income and demographic characteristics;

“(C) the cost of providing assistance under this section; and

“(D) the average amount of assistance provided to an eligible policyholder under this section, which shall be disaggregated as described in subparagraph (B).

“(h) RISK COMMUNICATION.—For the purposes of the communication required under section 1308(l), the Administrator shall provide to an eligible policyholder to which assistance is provided under this section a full flood
risk determination with respect to the property of the eligible policyholder, which shall reflect the insurance costs with respect to the property before that assistance is provided.

“(i) Funding.—

“(1) Authorization of Appropriations.—

There is authorized to be appropriated to the Administrator to carry out this section—

“(A) $250,000,000 for fiscal year 2022;
“(B) $340,000,000 for fiscal year 2023;
“(C) $400,000,000 for fiscal year 2024;
“(D) $500,000,000 for fiscal year 2025;

and

“(E) $600,000,000 for fiscal year 2026.

“(2) Notification.—If, in a fiscal year, the Administrator determines that the amount made available to carry out this section is insufficient to provide assistance under this section, the Administrator shall submit to Congress a notification of the remaining amounts necessary to provide that assistance for that fiscal year.

“(3) Distribution of Premium.—With respect to the amount of the discounts provided under this section in a fiscal year, and any administrative expenses incurred in carrying out this section for
that fiscal year, the Administrator shall, from amounts made available to carry out this section for that fiscal year, deposit in the National Flood Insurance Fund established under section 1310 an amount equal to those discounts and administrative expenses, except to the extent that section 1310A applies to any portion of those discounts or administrative expenses, in which case the Administrator shall deposit an amount equal to those amounts to which section 1310A applies in the National Flood Insurance Reserve Fund established under section 1310A.”.

(2) Use of Savings.—In addition to any amounts made available to the Administrator to carry out section 1308B of the National Flood Insurance Act of 1968, as added by paragraph (1), the Administrator shall use any amounts saved as a direct result of the amendments made by section 302(a) of this Act to carry out such section 1308B.

(b) National Flood Insurance Act of 1968.—

The National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) is amended—

(1) in section 1308(e) (42 U.S.C. 4015(e))—

(A) in paragraph (1)—
(i) in subparagraph (B), by striking “or” at the end;
(ii) in subparagraph (C)(iii), by adding “or” at the end; and
(iii) by adding at the end the following:
“(D) in the case of a property with respect to which assistance is provided under section 1308B, if—
“(i) the applicable policyholder is no longer eligible to receive assistance under that section;
“(ii) the assistance so provided has been decreased under that section; or
“(iii) the Administrator is not authorized, or lacks appropriated funds, to carry out that section;”; and
(B) in paragraph (3), by striking “period; and” and inserting the following: “period, except in the case of a property with respect to which assistance is provided under section 1308B if a condition described in clause (i), (ii), or (iii) of paragraph (1)(D) is applicable; and”; and
(2) in section 1366(d) (42 U.S.C. 4104c(d)—
(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

“(3) FLOOD INSURANCE ASSISTANCE.—In the case of mitigation activities to structures insured by policyholders that are eligible for assistance under section 1308B, in an amount up to 100 percent of all eligible costs.”.

(c) INFORMATION COMPARISONS WITH THE NATIONAL DIRECTORY OF NEW HIRES FOR FLOOD INSURANCE ASSISTANCE INCOME VERIFICATION.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended by adding at the end the following new paragraph:

“(12) INFORMATION COMPARISONS FOR FLOOD INSURANCE ASSISTANCE.—

“(A) FURNISHING OF INFORMATION BY FEMA.—The Administrator of the Federal Emergency Management Agency (in this paragraph, referred to as the ‘Administrator’) shall furnish to the Secretary, on such periodic basis as determined by the Administrator in consultation with the Secretary, information in the custody of the Administrator for comparison with
information in the National Directory of New Hires, in order to obtain information in such Directory with respect to individuals who are applying for, or receiving benefits under, section 1308B of the National Flood Insurance Act of 1968.

“(B) Requirement to seek minimum information.—The Administrator shall seek information pursuant to this paragraph only to the extent necessary to verify the employment and income of individuals described in subparagraph (A).

“(C) Duties of the Secretary.—

“(i) Information disclosure.—The Secretary, in cooperation with the Administrator, shall compare information in the National Directory of New Hires with information provided by the Administrator with respect to individuals described in subparagraph (A), and shall disclose information in such Directory regarding such individuals to the Administrator, in accordance with this paragraph, for the purposes specified in this paragraph.
“(ii) Condition on disclosure.—

The Secretary shall make disclosures in accordance with clause (i) only to the extent that the Secretary determines that such disclosures do not interfere with the effective operation of the program under this part.

“(D) Use of information by FEMA.—

The Administrator may use information resulting from a data match pursuant to this paragraph only—

“(i) for the purpose of verifying the employment and income of individuals described in subparagraph (A); and

“(ii) after removal of personal identifiers, to conduct analyses of the employment and income reporting of individuals described in subparagraph (A).

“(E) Disclosure of information by FEMA.—

“(i) Purpose of disclosure.—The Administrator may make a disclosure under this subparagraph only for the purpose of verifying the employment and in-
come of individuals described in subparagraph (A).

“(ii) DISCLOSURES PERMITTED.—

Subject to clause (iii), the Administrator may disclose information resulting from a data match pursuant to this paragraph only to contractors of the Federal Emergency Management Agency, private insurance companies participating in the Write Your Own Program of the Federal Emergency Management Agency, the Inspector General of the Department of Homeland Security, and the Attorney General, in connection with the administration of a program described in subparagraph (A). Information obtained by the Administrator pursuant to this paragraph shall not be made available under section 552 of title 5, United States Code.

“(iii) CONDITIONS ON DISCLOSURE.—

Disclosures under this paragraph shall be—

“(I) made in accordance with data security and control policies es-
established by the Administrator and approved by the Secretary;

“(II) subject to audit in a manner satisfactory to the Secretary; and

“(III) subject to the sanctions under subsection (l)(2).

“(iv) Restrictions on redisclosure.—A person or entity to which information is disclosed under this subparagraph may use or disclose such information only as needed for verifying the employment and income of individuals described in subparagraph (A), subject to the conditions in clause (iii) and such additional conditions as agreed to by the Secretary and the Administrator.

“(F) Reimbursement of HHS costs.—The Administrator shall reimburse the Secretary, in accordance with subsection (k)(3), for the costs incurred by the Secretary in furnishing the information requested under this paragraph.

“(G) Consent.—The Administrator shall not seek, use, or disclose information under this paragraph relating to an individual without the
prior written consent of such individual (or of
a person legally authorized to consent on behalf
of such individual).”.

SEC. 104. OPTIONAL MONTHLY INSTALLMENT PREMIUM
PAYMENT PLANS.

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

(1) by striking “With respect to” and inserting
the following:

“(1) ANNUAL OR MONTHLY OPTION.—Subject
to paragraph (2), with respect to”; and

(2) by adding at the end the following:

“(2) MONTHLY INSTALLMENT.—With respect
to a policyholder that opts under paragraph (1) to
pay premiums on a monthly basis, the Administrator
may charge the policyholder an annual fee of not
more than $15.

“(3) EXEMPTION FROM RULE MAKING; PILOT
PROGRAM.—During the period beginning on the date
of enactment of this paragraph and ending on the
date on which the Administrator promulgates regu-
lations carrying out paragraph (1), the Adminis-
trator may, notwithstanding any other provision of
law—
“(A) adopt policies and procedures to carry out that paragraph without—

“(i) undergoing notice and comment rule making under section 553 of title 5, United States Code; or

“(ii) conducting regulatory analyses otherwise required by statute, regulation, or Executive order; or

“(B) carry out that paragraph by establishing a pilot program that gradually implements the requirements of that paragraph.”.

SEC. 105. STUDY ON BUSINESS INTERRUPTION COVERAGE.

(a) IN GENERAL.—The Administrator shall conduct a study on the feasibility and soundness of offering coverage for interruption business losses caused by a flood under the National Flood Insurance Program (referred to in this section as “business interruption coverage”).

(b) CONTENTS.—In conducting the study under subsection (a), the Administrator shall, at a minimum—

(1) evaluate insurance industry best practices for offering business interruption coverage, including the types of coverage provided and the utilization rate;

(2) estimate the potential risk premium rates for business interruption coverage based on the flood
risk reflected in the flood insurance rate map or
other risk metrics in effect at the time of purchase;

(3) analyze the operational and administrative
expenses associated with providing business inter-
ruption coverage and adjusting claims;

(4) identify potential obstacles that may prevent
the Administrator from offering business interrup-
tion coverage;

(5) evaluate the benefits of providing business
interruption coverage;

(6) analyze any potential impacts on the finan-
cial position of the National Flood Insurance Pro-
gram; and

(7) develop a feasibility implementation plan
and projected timelines for offering business inter-
ruption coverage.

(c) AVAILABILITY OF EXPERTS.—In conducting the
study under subsection (a), the Administrator may accept
and utilize the personnel and services of any other Federal
agency, and appoint and fix the compensation of tem-
porary personnel without regard to the provisions of title
5, United States Code, governing appointments in the
competitive service, or employ experts and consultants in
accordance with the provisions of section 3109 of such
title, without regard to the provisions of chapter 51 and
subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) **DEADLINE.**—The Administrator shall complete the study required under subsection (a) not later than September 30 of the second full fiscal year after the date of enactment of this Act.

**SEC. 106. COOPERATIVE COVERAGE FAIRNESS.**

(a) **IN GENERAL.**—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by adding at the end the following:

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“(e) **COOPERATIVES.**—

“(1) **DEFINITION.**—In this subsection, the term ‘cooperative building’ has the meaning given the term in section 1312(d).

“(2) **EQUAL TREATMENT WITH CONDOMINIUMS.**—Notwithstanding any other provision of law, an owner of a share of a cooperative building shall be eligible to purchase flood insurance coverage under the national flood insurance program on the same terms as a condominium owner.”.

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

(1) in subsection (e)—
(A) in the subsection heading, by inserting “AND COOPERATIVE” after “CONDOMINIUM”; 

(B) by inserting “or owners of a share of a cooperative building” after “condominium owners”; and 

(C) by inserting “or cooperative association” after “condominium association” each place that term appears; and 

(2) by adding at the end the following: 

“(d) DEFINITIONS.—In this section, the terms ‘cooperative association’ and ‘cooperative building’ have the meanings given the terms by the Administrator.”.

SEC. 107. COVERAGE LIMITS.

(a) In General.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013), as amended by section 106(a), is amended— 

(1) in subsection (b)— 

(A) in the matter preceding paragraph (1), by striking “In addition to any other terms and conditions under subsection (a), such regulations” and inserting “The Administrator”; 

(B) in paragraph (2)— 

(i) by striking “shall be made” and inserting “may be made”; and
(ii) by striking “$250,000” and inserting “the baseline amount”; 

(C) in paragraph (3)—

(i) by striking “shall be made” and inserting “may be made”; and

(ii) by striking “$100,000” and inserting “50 percent of the baseline amount”; and

(D) in paragraph (4)—

(i) by striking “shall be made” each place that term appears and inserting “may be made”; and

(ii) by striking “$500,000” each place that term appears and inserting “200 percent of the baseline amount”; and

(2) by adding at the end the following:

“(f) DEFINITION.—Subject to paragraph (2), in this section, the term ‘baseline amount’ means an amount determined by the Administrator that is equal to the maximum original principal obligation of a conventional mortgage secured by a single-family residence that may be purchased by the Federal National Mortgage Association, as established under the seventh sentence of section 302(b)(2) of the Federal National Mortgage Association
Charter Act (12 U.S.C. 1717(b)(2)), which the Administrator may not—

“(1) increase more than once every 5 years;
“(2) increase with respect to any particular property pursuant to the 11th or 12th sentence of such section 302(b)(2); or
“(3) decrease.”.

(b) Authority of Administrator To Sell Policies.—The Administrator may sell a policy for flood insurance under the National Flood Insurance Program that meets the requirements of paragraphs (2), (3), and (4) of section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)), as amended by subsection (a), without regard to—

(1) section 61.6 of title 44, Code of Federal Regulations, as in effect on the day before the date of enactment of this Act; or

(2) any other provision of law.

SEC. 108. STUDY ON PARTICIPATION RATES.

(a) Definitions.—In this section—

(1) the term “500-year floodplain” has the meaning given the term in section 100202(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (40 U.S.C. 4004(a));
(2) the terms “Federal agency lender”, “improved real estate”, and “regulated lending institution” have the meanings given those terms in section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)); and

(3) the term “property with a Federally backed mortgage” means improved real estate or a mobile home securing a loan that was—

(A) made by a regulated lending institution or Federal agency lender; or

(B) purchased by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

(b) STUDY.—The Comptroller General of the United States shall conduct a study that proposes to address, through programmatic and regulatory changes, how to increase the rate at which properties in the United States are covered by flood insurance.

(c) CONSIDERATIONS.—In conducting the study required under subsection (b), the Comptroller General of the United States shall—

(1) consider—

(A) expanding participation in the National Flood Insurance Program beyond areas
having special flood hazards to areas of moderate or minimum risk with respect to flooding;

(B) automatically enrolling consumers in the National Flood Insurance Program and providing those consumers with the opportunity to decline such enrollment; and

(C) bundling flood insurance coverage that diversifies risk across all or multiple forms of peril; and

(2) determine—

(A) the percentage of properties with Federally backed mortgages located in an area having special flood hazards that are covered by flood insurance that satisfies the requirement under section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)); and

(B) the percentage of properties with Federally backed mortgages located in the 500-year floodplain that are covered by flood insurance that would satisfy the requirement described in subparagraph (A) if that requirement applied to such properties.

(d) REPORT.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on
Banking, Housing, and Urban Affairs of the Senate and
the Committee on Financial Services of the House of Rep-
resentatives a report regarding the results of the study
conducted under subsection (b).

SEC. 109. NATIONAL FLOOD INSURANCE ACT DEFINITIONS
REGARDING THE WRITE YOUR OWN PRO-
GRAM.

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

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

(2) in paragraph (15), by striking the period at
the end; and

(3) by adding at the end the following:

“(16) the term ‘Write Your Own Program’
means the program under which the Federal Emer-
gency Management Agency enters into a standard
arrangement with private property insurance compa-
nies to—

“(A) sell contracts for Federal flood insur-
ance under their own business lines of insur-
ance; and

“(B) adjust and pay claims arising under
the contracts described in subparagraph (A); and
“(17) the term ‘Write Your Own Company’
means a private property insurance company that
participates in the Write Your Own Program.”.

**TITLE II—MITIGATION AND MAPPING**

**SEC. 201. MITIGATION FOR HIGH-RISK PROPERTIES.**

(a) **IN GENERAL.**—Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) is amended by adding at the end the following:

“(n) **FLOOD MITIGATION ACTIVITIES.**—The President shall set aside from the Disaster Relief Fund an amount equal to 10 percent of the average amount appropriated to the Fund during the preceding 10 fiscal years to provide assistance for mitigation activities under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) for—

“(1) severe repetitive loss structures; and

“(2) properties insured under the national flood insurance program with the largest increase in the actuarial risk for the property compared to the actuarial risk for the previous fiscal year as a result of Risk Rating 2.0, as in effect on October 1, 2021.”.

(b) **APPLICABILITY.**—The amendment made to section 203 of the Robert T. Stafford Disaster Relief and
Emergency Assistance Act (42 U.S.C. 5133) by subsection (a) shall apply to funds appropriated on or after the date of enactment of this Act.

(e) TECHNICAL AND CONFORMING AMENDMENT.—Effective on October 5, 2023, section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) is amended by redesignating subsection (n), as added by subsection (a) of this section, as subsection (m).

SEC. 202. INCREASED COST OF COMPLIANCE COVERAGE.

Section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is amended—

(1) in paragraph (4), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and adjusting the margins accordingly;

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and adjusting the margins accordingly;

(3) in subparagraph (C), as so redesignated, by striking the period at the end and inserting a semicolon;

(4) by redesignating paragraph (4) as subparagraph (F), and adjusting the margins accordingly;

(5) by inserting after subparagraph (C), as so redesignated, the following:
“(D) properties identified by the Administrator as priorities for mitigation activities before the occurrence of damage to or loss of property which is covered by flood insurance;

“(E) properties outside an area having special flood hazards if the communities in which the properties are located have, under section 1361, established land use and control measures for the areas in which the properties are located; and”;

(6) by inserting before “The national flood insurance program” the following: “(1) IN GENERAL.—”;

(7) in the flush text following subparagraph (F)(iv), as so redesignated, by striking “The Administrator” and inserting the following:

“(2) PREMIUM.—The Administrator”; and

(8) by adding at the end the following:

“(3) AMOUNT OF COVERAGE.—Each policy for flood insurance coverage made available under this title shall provide coverage under this subsection having an aggregate liability for any single property of $60,000.

“(4) ELIGIBLE MITIGATION ACTIVITIES.—
“(A) IN GENERAL.—Eligible mitigation methods the cost of which is covered by coverage provided under this subsection shall include—

“(i) alternative methods of mitigation identified in the guidelines issued pursuant to section 1361(d);

“(ii) pre-disaster mitigation projects for eligible structures; and

“(iii) costs associated with the purchase, clearing, and stabilization of property that is part of an acquisition or relocation project that complies with subparagraph (B).

“(B) ACQUISITION AND RELOCATION PROJECT ELIGIBILITY AND REQUIREMENTS.—

“(i) IN GENERAL.—An acquisition or relocation project shall be eligible to receive assistance pursuant to subparagraph (A)(iii) only if—

“(I) any property acquired, accepted, or from which a structure will be removed shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetland and natural floodplain management practices; and
“(II) any new structure erected on such property will be—

“(aa) a public facility that is open on all sides and functionally related to a designated open space;

“(bb) a restroom; or

“(cc) a structure that the Administrator approves in writing before the commencement of the construction of the structure.

“(ii) FURTHER ASSISTANCE.—If an acquisition or relocation project is assisted pursuant to subparagraph (A)(iii)—

“(I) no person may apply to a Federal entity for disaster assistance with regard to any property acquired, accepted, or from which a structure was removed as part of such acquisition or relocation project; and

“(II) no Federal entity may provide disaster assistance for such property.

“(iii) REQUIREMENT TO MAINTAIN FLOOD INSURANCE COVERAGE.—

“(I) IN GENERAL.—Notwithstanding any other provision of law, any assisted
structure shall, at all times, maintain insurance against flood damage, in accordance with Federal law, for the life of such structure.

“(II) Transfer of property.—

“(aa) Duty to notify.—If any part of a property on which an assisted structure is located is transferred, the transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing, including in all documents evidencing the transfer of ownership of the property, that such transferee is required to—

“(AA) obtain flood insurance in accordance with applicable Federal law with respect to such assisted structure, if such structure is not so insured on the date on which the structure is transferred; and

“(BB) maintain flood insurance in accordance with applica-
ble Federal law with respect to such structure.

“(bb) Failure to Notify.—If a transferor fails to make a notification in accordance with item (aa) and such assisted structure is damaged by a flood disaster, the transferor shall pay the Federal Government an amount equal to the amount of any disaster relief provided by the Federal Government with respect to such assisted structure.

“(III) Assisted Structure Defined.—For the purposes of this clause, the term ‘assisted structure’ means a structure on property that is part of an acquisition or relocation project assisted pursuant to subparagraph (A) that was, as part of such acquisition or relocation project—

“(aa) altered;

“(bb) improved;

“(cc) replaced;

“(dd) repaired; or

“(ee) restored.
“(C) ELIGIBLE STRUCTURE DEFINED.—For purposes of this paragraph, the term ‘eligible structure’ means any structure that—

“(i) was constructed in compliance with the Flood Insurance Rate Map and local building and zoning codes in effect on the date of construction of the structure; and

“(ii) has not previously been altered, improved, replaced, or repaired using assistance provided under this subsection.

“(5) TREATMENT OF COVERAGE LIMITS.—Any amount of coverage provided for a property pursuant to this subsection shall not be considered or counted for purposes of any limitation on coverage applicable to such property under section 1306(b) and any claim on such coverage shall not be considered a claim for purposes of section 1307(h) or subsection (a)(3) or (h)(3) of section 1366.

“(6) IMPLEMENTATION.—Notwithstanding any other provision of law, the Administrator may implement this subsection by adopting 1 or more standard endorsements to the Standard Flood Insurance Policy by publication of such standards in the Federal Register, or by comparable means.”.
SEC. 203. FLOOD MITIGATION ASSISTANCE GRANTS.

(a) Flood Mitigation Assistance Grant Program Priority.—Section 1366 of the National Flood Insurance Act (42 U.S.C. 4104c) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and adjusting the margins accordingly;

(B) in the second sentence of the matter preceding subparagraph (A), as so redesignated, by striking “assistance shall be” and inserting the following: “assistance shall—

“(1) be”;

(C) in paragraph (1)(C), as so redesignated, by striking the period at the end and inserting “; and”;

(D) by adding at the end the following: “(2) in addition to the requirement under paragraph (1)(C), give priority to properties—

“(A) that are repetitive loss structures;

“(B) with respect to which the Administrator makes a determination that the premium rates with respect to a policy for flood insurance coverage under this title—

“(i) are unaffordable; or
“(ii) will soon become unaffordable as a result of a risk adjustment under Risk Rating 2.0, as in effect on the date of that determination; and

“(C) for which aggregate losses exceed the replacement value of the properties.”; and

(2) in subsection (h), by adding at the end the following:

“(4) UNAFFORDABLE.—The term ‘unaffordable’ means, with respect to the premium rates for a policy for flood insurance coverage under this title, that, in a year, those rates are in such an amount that the housing expenses (as defined in section 1308B(a)) of the household that is the subject of the policy are, for that year, more than 30 percent of the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986).”.

(b) ADDITIONAL MITIGATION ASSISTANCE.—

(1) APPROPRIATIONS FROM GENERAL FUND OF TREASURY.—For each of the first 5 full fiscal years after the date of enactment of this Act, there is authorized to be appropriated $1,000,000,000 to the National Flood Mitigation Fund to provide mitigation assistance under this subsection.
(2) **Rule of Construction.**—The authorization of appropriations under subparagraph (A) shall not be construed to authorize the transfer or crediting to the National Flood Mitigation Fund of any amounts from the National Flood Insurance Fund.

**SEC. 204. URBAN MITIGATION OPPORTUNITIES.**

(a) **Mitigation Strategies.**—Section 1361(d)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B), by striking “and” at the end; and

(3) by inserting after subparagraph (B) the following:

“(C) with respect to buildings in dense urban environments, methods that can be deployed on a block or neighborhood scale; and

“(D) elevation of mechanical systems; and”.

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

(1) by striking “shall take into account” and inserting “shall—
“(1) take into account; 

(2) in paragraph (1), as so designated, by striking the period at the end and inserting ‘‘; and’’; and 

(3) by adding at the end the following: 

‘‘(2) offer a reduction of the risk premium rate charged to a policyholder in an amount that is not less than 10 percent of that rate if the policyholder implements any mitigation method described in paragraph (1).’’.

SEC. 205. COMMUNITY RATING SYSTEM REGIONAL COORDINATOR.

Section 1315(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended by adding at the end the following:

‘‘(5) REGIONAL COORDINATOR.—

“(A) IN GENERAL.—The Administrator shall appoint a regional coordinator in each region served by a Regional Office (as defined in section 501 of the Homeland Security Act of 2002 (6 U.S.C. 311)) to provide technical assistance to small communities to enable those communities to effectively participate in and benefit from the community rating system program.”
“(B) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this paragraph, which shall remain available until expended.”.

SEC. 206. MITIGATION LOAN PROGRAM.

(a) Definition.—In this section, the term “mitigation measure” means, with respect to a structure, a measure undertaken to reduce the risk of flood damage to the structure.

(b) Establishment.—The Administrator may establish a pilot program through which the Administrator may provide low-interest loans to policyholders under the National Flood Insurance Program for the purposes described in subsection (c).

(e) Purposes of Loans.—A loan provided to a policyholder under the pilot program established under subsection (b) shall be used to undertake mitigation measures with respect to the insured property that cost less than the cost of the estimated amount of premiums that would be paid with respect to the property during the 50-year period beginning in the year in which the loan is made and if those mitigation measures were not undertaken.
(d) **SALE OF PROPERTY.**—If a property with respect to which a loan has been made under this section is sold, upon that sale, the outstanding loan balance shall—

1. be repaid using the proceeds of the sale; or
2. carry over to the purchaser of the property if the purchaser so consents before the execution of the sale.

**SEC. 207. REVOLVING LOAN FUNDS.**

(a) **IN GENERAL.**—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by section 103, is amended by adding at the end the following:

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"SEC. 1327. STATE OR TRIBAL GOVERNMENT REVOLVING LOAN FUNDS FOR FLOOD MITIGATION.

"(a) DEFINITIONS.—In this section:

"(1) COMMUNITY RATING SYSTEM.—The term ‘Community Rating System’ means the community rating system program carried out under section 1315(b).

"(2) INTENDED USE PLAN.—The term ‘intended use plan’ means a plan prepared under subsection (d)(1).

"(3) LOW-INCOME GEOGRAPHIC AREA.—The term ‘low-income geographic area’ means an area described in paragraph (1) or (2) of section 301(a)
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of the Public Works and Economic Development Act
of 1965 (42 U.S.C. 3161(a)).

“(4) LOW-INCOME HOMEOWNER.—The term
‘low-income homeowner’ means the owner of a pri-
mary residence, the household income of which in a
taxable year is not more than 80 percent of the me-
dian income for the area in which the residence is
located.

“(5) PARTICIPATING ENTITY.—The term ‘par-
ticipating entity’ means a State or Tribal govern-
ment that—

“(A) has entered into an agreement under
subsection (b)(1); and

“(B) agrees to comply with the require-
ments of this section.

“(6) PRE-FIRM BUILDING.—The term ‘pre-
FIRM building’ means a building for which con-
struction or substantial improvement occurred before
the later of—

“(A) December 31, 1974; or

“(B) the effective date of the rate map
published by the Administrator under section
1360 for the area in which the building is lo-
cated.
“(7) **State or Tribal government loan fund.**—The term ‘State or Tribal government loan fund’ means a flood mitigation assistance revolving loan fund established by a State or Tribal government under this section.

“(8) **Tribal government.**—The term ‘Tribal government’ means the recognized government of an Indian tribe, or the governing body of an Alaska Native regional or village corporation, that has been determined eligible to receive services from the Bureau of Indian Affairs.

“(b) **General Authority.**—

“(1) **In general.**—The Administrator may enter into an agreement with a State or Tribal government to provide a capitalization grant for the State or Tribal government to establish a revolving fund that will provide funding assistance to help homeowners, businesses, nonprofit organizations, and communities reduce flood risk in order to decrease—

“(A) the loss of life and property;

“(B) the cost of flood insurance; and

“(C) Federal disaster payments.

“(2) **Timing of deposit and agreements for distribution of funds.**—
“(A) IN GENERAL.—Not later than the
last day of the fiscal year following the fiscal
year in which a capitalization grant is made to
a participating entity under paragraph (1), the
participating entity shall—

“(i) deposit the grant in the State or
Tribal government loan fund of the partici-
pat ing entity; and

“(ii) enter into 1 or more binding
agreements that provide for the partici-
pating entity to distribute the grant funds
for purposes authorized under subsection
(c) such that—

“(I) in the case of the initial
grant made to a participating entity
under this section, not less than 75
percent of the amount of the grant
shall be distributed before the end of
the 2-year period beginning on the
date on which the funds are deposited
in the State or Tribal government
loan fund of the participating entity;
and

“(II) in the case of any subse-
quent grant made to a participating
entity under this section, not less than
90 percent of the amount of the grant
shall be distributed before the end of
the 1-year period beginning on the
date on which the funds are deposited
in the State or Tribal government
loan fund of the participating entity.

“(B) NONCOMPLIANCE.—Except as pro-
vided in subparagraph (C), if a participating
entity does not comply with subparagraph (A)
with respect to a grant, the Administrator shall
reallocate the grant in accordance with para-
graph (3)(B).

“(C) EXCEPTION.—The Administrator
may not reallocate any funds under subpara-
graph (B) to a participating entity that violated
subparagraph (A) with respect to a grant made
during the same fiscal year in which the funds
to be reallocated were originally made available.

“(3) ALLOCATION.—

“(A) IN GENERAL.—The Administrator
shall allocate amounts made available to carry
out this section to participating entities—

“(i) for the participating entities to
deposit in the State or Tribal government
loan fund established by the participating entity; and

“(ii) except as provided in paragraph (6), in accordance with the requirements described in subparagraph (B).

“(B) REQUIREMENTS.—The requirements described in this subparagraph are as follows:

“(i) Fifty percent of the total amount made available under subparagraph (A) shall be allocated so that each participating entity receives the percentage amount that is obtained by dividing the number of properties that were insured under the national flood insurance program in that State or Tribal government jurisdiction, as applicable, in the fiscal year preceding the fiscal year in which the amount is allocated by the total number of properties that were insured under the national flood insurance program in the fiscal year preceding the fiscal year in which the amount is allocated.

“(ii) Fifty percent of the total amount made available under subparagraph (A) shall be allocated so that each partici-
participating entity receives a percentage of funds that is equal to the product obtained under clause (iii)(IV) with respect to that participating entity after following the procedures described in clause (iii).

“(iii) The procedures described in this clause are as follows:

“(I) Divide the total amount collected in premiums for properties insured under the national flood insurance program in each participating entity during the previous fiscal year by the number of properties insured under the national flood insurance program in that State or Tribal government jurisdiction, as applicable, for that fiscal year.

“(II) Add together each quotient obtained under subclause (I).

“(III) For each participating entity, divide the quotient obtained under subclause (I) with respect to that State or Tribal government jurisdiction, as applicable, by the sum obtained under subclause (II).
“(IV) For each participating entity, multiply the amount that is 50 percent of the total amount made available under subparagraph (A) by the quotient obtained under subclause (III).

“(iv) Except as provided in paragraph (5), in a fiscal year—

“(I) a participating entity may not receive more than 15 percent of the total amount that is made available under subparagraph (A) in that fiscal year; and

“(II) if a participating entity, based on the requirements under clauses (i) through (iii), would, but for the limitation under subclause (I) of this clause, receive an amount that is greater than the amount that the State or Tribal government jurisdiction, as applicable, is authorized to receive under that subclause, the difference between the authorized amount and the amount otherwise due to the State or Tribal government ju-
risdiction, as applicable, under clauses (i) through (iii) shall be allocated to other participating entities—

“(aa) that, in that fiscal year, have not received an amount under subparagraph (A) that is more than the authorized amount under subclause (I) of this clause; and

“(bb) by using the requirements under clauses (i) through (iii), except that a participating entity may receive an allocation under this subclause only if the allocation does not result in the State or Tribal government jurisdiction, as applicable, receiving a total amount for the fiscal year under subparagraph (A) that is greater than the authorized amount under subclause (I).

“(4) NO REVOLVING FUND REQUIRED.—

“(A) IN GENERAL.—Notwithstanding any other provision of this section, and subject to subparagraph (B), a participating entity that
receives less than $4,000,000 under paragraph (3)(B) in a fiscal year may distribute the funds directly in the form of grants or technical assistance for a purpose described in subsection (c)(2), without regard to whether the participating entity has established a State or Tribal government loan fund.

“(B) MATCHING.—A participating entity that exercises the authority under subparagraph (A) in a fiscal year shall provide matching funds from non-Federal sources in an amount that is equal to 25 percent of the amount that the participating entity receives under paragraph (3)(B) in that fiscal year for purposes described in subparagraph (A).

“(5) ALLOCATION OF REMAINING FUNDS.—After allocating amounts made available to carry out this section for a fiscal year in accordance with paragraph (3), the Administrator shall allocate any remaining amounts made available for that fiscal year to participating entities, using the procedures described in clauses (i) through (iii) of paragraph (3)(B).

“(6) RESERVATION OF FUNDS.—The Administrator shall reserve not more than 1.5 percent of the
amount made available to carry out this section in
a fiscal year—

“(A) for administrative costs incurred by
the Federal Emergency Management Agency in
carrying out this section;

“(B) to provide technical assistance to re-
cipients of grants under this section; and

“(C) to enter into grant agreements with
insular areas, with the grant funds to be dis-
tributed—

“(i) according to criteria established
by the Administrator; and

“(ii) for a purpose described in sub-
section (c)(2).

“(c) USE OF FUNDS.—

“(1) IN GENERAL.—Amounts deposited in a
State or Tribal government loan fund, including re-
payments of loans made from the fund and interest
earned on the amounts in the fund, shall be used—

“(A) consistent with paragraph (2) and
subsection (g), to provide financial assistance
for—

“(i) homeowners, businesses, and non-
profit organizations that are eligible to
participate in the national flood insurance program; and

“(ii) any local government that participates in the national flood insurance program;

“(B) as a source of revenue and security for leveraged loans, the proceeds of which shall be deposited in the State or Tribal government loan fund; or

“(C) for the sale of bonds as security for payment of the principal and interest on revenue or general obligation bonds issued by the participating entity to provide matching funds under subsection (f), if the proceeds from the sale of the bonds are deposited in the State or Tribal government loan fund.

“(2) PURPOSES.—A recipient of financial assistance provided through amounts from a State or Tribal government loan fund—

“(A) shall use the amounts to reduce—

“(i) flood risk; or

“(ii) potential claims for losses covered under the national flood insurance program;
“(B) shall use the amounts in a cost-effective manner under requirements established by the participating entity, which may require an applicant for financial assistance to submit any information that the participating entity considers relevant or necessary before the date on which the applicant receives the assistance;

“(C) shall use the amounts for projects that—

“(i) meet design and construction standards established by the Administrator;

“(ii) are located in communities that—

“(I) participate in the national flood insurance program; and

“(II) have developed a community flood risk mitigation plan that has been approved by the Administrator under section 1366;

“(iii) address—

“(I) a repetitive loss structure or a severe repetitive loss property; or

“(II) flood risk in the 500-year floodplain, areas of residual flood risk,
or other areas of potential flood risk,
as identified by the Administrator;
and
“(iv) address current risk and anticipate future risk, such as sea-level rise, and flood risk resulting from wildfire;
“(D) may use the amounts—
“(i) for projects relating to—
“(I) structural elevation;
“(II) floodproofing;
“(III) the relocation or removal of buildings from the 100-year floodplain or other areas of flood risk, including the acquisition of properties for such a purpose;
“(IV) environmental restoration activities that directly reduce flood risk, including green infrastructure;
“(V) any eligible activity described in subparagraphs (A) through (G) of section 1366(c)(3); or
“(VI) other activities determined appropriate by the Administrator;
“(ii) with respect to a project described in clause (i), only for expenditures
directly related to a project described in that clause, including expenditures for planning, design, and associated pre-construction activities;

“(iii) to acquire, for the purposes of permanent protection, land, buildings, or a conservation easement from a willing seller or grantor, provided that—

“(I) the use of the land will be committed in perpetuity, with assurances from the recipient, that the land will only be used for open spaces, recreational use, or wetland management practices;

“(II) no new structure will be erected on the property acquired other than—

“(aa) a public facility that is open on all sides and functionally related to a designated open space;

“(bb) a restroom; or

“(cc) a structure that the Administrator approves in writing before the commencement of
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a construction of the structure;

and

“(iv) the recipient may make no sub-
sequent application for disaster assistance
for any purpose and no such assistance
will be provided to the applicant from any
Federal source;

“(E) may not use the amounts—

“(i) to construct buildings or expand
existing buildings, unless the activity is for
the purpose of flood mitigation;

“(ii) to improve any structure, unless
the recipient has obtained flood insurance
coverage, which shall be maintained for the
useful life of the structure, in an amount
that is not less than the lesser of—

“(I) the eligible project costs with
respect to the structure; and

“(II) the maximum insurable
limit for the structure under the na-
tional flood insurance program cov-
erage for the structure;

“(iii) to improve a residential property
with an appraised value that is not less
than 125 percent of the limitation on the
maximum original principal obligation of a
conventional mortgage that may be pur-
chased by the Federal National Mortgage
Association or the Federal Home Loan
Mortgage Corporation in the area in which
the property is located, as established
under section 302(b)(2) of the Federal Na-
tional Mortgage Association Charter Act
(12 U.S.C. 1717(b)(2)) and section
305(a)(2) of the Federal Home Loan
Mortgage Corporation Act (12 U.S.C.
1454(a)(2));

“(iv) for the direct benefit of a home-
owner if the annual household adjusted
gross income of the homeowner during the
previous fiscal year was not less than
$200,000, as annually adjusted by the Ad-
ministrator to reflect changes in the Con-
sumer Price Index for All Urban Con-
sumers, as published by the Bureau of
Labor Statistics of the Department of
Labor and rounded to the nearest $25; or

“(v) to acquire real property or an in-
terest in real property unless the property
is purchased from a willing seller; and
“(F) to the maximum extent practicable, shall, in using those amounts, give priority to projects that assist low-income homeowners and low-income geographical areas.

“(d) INTENDED USE PLANS.—

“(1) IN GENERAL.—After providing the opportunity for public review and comment, each participating entity shall annually prepare a plan that identifies, for the year following the date of issuance of the intended use plan, the intended uses of the amounts available in the State or Tribal government loan fund of the participating entity.

“(2) CONSULTATION DURING PREPARATION.—Each participating entity, in preparing an intended use plan, shall ensure that the State or Tribal government agency with primary responsibility for floodplain management—

“(A) provides oversight with respect to the preparation of the intended use plan; and

“(B) consults with any other appropriate State or Tribal government agency, including agencies responsible for coastal and environmental management.

“(3) CONTENTS.—A participating entity shall, in each intended use plan—
“(A) include—

“(i) an explanation of the mitigation and resiliency benefits the participating entity intends to achieve, including by—

“(I) reducing future damage and loss associated with flooding;

“(II) reducing the number of severe repetitive loss properties and repetitive loss structures in the State or Tribal government jurisdiction, as applicable;

“(III) decreasing the number of flood insurance claims in the State or Tribal government jurisdiction, as applicable; and

“(IV) increasing the rating under the Community Rating System for communities in the State or Tribal government jurisdiction, as applicable;

“(ii) information with respect to the availability of, and the application process for receiving, financial assistance from the State or Tribal government loan fund of the participating entity;
“(iii) the criteria and methods established for the distribution of amounts from the State or Tribal government loan fund of the participating entity;

“(iv) the amount of financial assistance that the participating entity anticipates providing to—

“(I) local government projects;

and

“(II) projects for homeowners, business, or nonprofit organizations;

“(v) the expected terms of the assistance provided under clause (iv); and

“(vi) a description of the financial status of the State or Tribal government loan fund and the short-term and long-term goals of the State or Tribal government loan fund; and

“(B) provide, to the maximum extent practicable, that priority for the use of amounts from the State or Tribal government loan fund shall be given to projects that—

“(i) address severe repetitive loss properties and repetitive loss structures;
“(ii) assist low-income homeowners and low-income geographic areas; and

“(iii) address flood risk for pre-FIRM buildings.

“(4) PUBLICATION.—Each participating entity shall publish and periodically update a list of all projects receiving funding from the State or Tribal government loan fund of the participating entity, which shall include identification of—

“(A) the community in which the project is located;

“(B) the type and amount of assistance provided for each project; and

“(C) the expected funding schedule and date of completion of each project.

“(e) FUND MANAGEMENT.—Amounts in a State or Tribal government loan fund shall—

“(1) remain available for providing financial assistance under this section until distributed;

“(2) if the amounts are not required for immediate distribution or expenditure, be invested in interest-bearing obligations; and

“(3) except as provided in subsection (i), include only—
“(A) amounts received from capitalization grants made under this section;

“(B) repayments of loans made from the fund; and

“(C) interest earned on amounts in the fund.

“(f) MATCHING FUNDS.—

“(1) FULL GRANT.—On or before the date on which a participating entity receives a capitalization grant, the participating shall deposit into the State or Tribal government loan fund of the participating entity, in addition to the amount of the capitalization grant, an amount from non-Federal sources that is not less than 20 percent of the total amount of the capitalization grant.

“(2) REDUCED GRANT.—If, with respect to a capitalization grant, a participating entity deposits in the State or Tribal government loan fund of the participating entity an amount from non-Federal sources that is less than 20 percent of the total amount of the capitalization grant that the participating entity would otherwise receive, the Administrator shall—

“(A) reduce the amount of the capitalization grant received by the participating entity
to the amount that is 5 times the amount so deposited; and

“(B) in accordance with subsection (b)(5), allocate the difference between the amount that the participating entity would have received if the participating entity had complied with paragraph (1) and the amount of the reduced grant that the participating entity receives under subparagraph (A).

“(g) TYPES OF ASSISTANCE.—Unless otherwise prohibited by law of a participating entity, the participating entity may use the amounts deposited into a State or Tribal government loan fund under this section only—

“(1) to make a loan, on the condition that—

“(A) the interest rate for the loan is not more than the market interest rate;

“(B) the recipient of the loan will begin making principal and interest payments on the loan not later than 1 year after the date on which the project for which the loan was made is completed;

“(C) the loan will be fully amortized not later than 20 years after the date on which the project for which the loan was made is completed, except that, in the case of a loan made
for a project in a low-income geographic area or
to a low-income homeowner, the State may pro-
vide a longer amortization period for the loan if
that longer period—

“(i) ends on a date that is not later
than 30 years after the date on which the
project is completed; and

“(ii) is not longer than the expected
design life of the project;

“(D) the recipient of the loan dem-
onstrates, based on verified and documented in-
formation that, as of the date on which the loan
is made, the recipient has a reasonable ability
to repay the loan, according to the terms of the
loan, except that this subparagraph may not be
construed to authorize any reduction or limita-
tion in efforts to comply with the requirements
of subsection (c)(2)(F); and

“(E) payments of principal and interest
with respect to the loan will be deposited into
the State or Tribal government loan fund;

“(2) to buy or refinance the debt obligation of
a local government at an interest rate that is not
more than the market interest rate;
“(3) to guarantee, or purchase insurance for, a local obligation, the proceeds of which finance a project eligible for assistance under this section, if the guarantee or purchase, as applicable, would—

“(A) improve credit market access; or

“(B) reduce the interest rate with respect to the obligation;

“(4) as a source of revenue or as security for the payment of principal and interest on revenue or general obligation bonds issued by the participating entity if the proceeds of the sale of the bonds will be deposited into the State or Tribal government loan fund; or

“(5) to earn interest on those amounts.

“(h) Assistance for Low-Income Homeowners and Low-Income Geographic Areas.—

“(1) In general.—Notwithstanding any other provision of this section, if a participating entity uses amounts from a State or Tribal government loan fund to provide financial assistance under subsection (c) in a low-income geographic area or to a low-income homeowner, the participating entity may provide additional subsidization to the recipient of the assistance, including forgiveness of the principal of a loan.
“(2) LIMITATION.—For each fiscal year, the total amount of additional subsidization provided by a participating entity under paragraph (1) may not exceed 30 percent of the amount of the capitalization grant allocated to the participating entity for that fiscal year.

“(i) ADMINISTRATION OF FUND.—

“(1) IN GENERAL.—A participating entity may combine the financial administration of a State or Tribal government loan fund with the financial administration of any other revolving fund established by the participating entity if—

“(A) combining the administration of the funds would—

“(i) be convenient and avoid administrative costs; and

“(ii) not violate the law of the participating entity; and

“(B) the Administrator determines that—

“(i) amounts obtained from a grant made under this section, amounts obtained from the repayment of a loan made from a State or Tribal government loan fund, and interest earned on amounts in a State or Tribal government loan fund will be—
“(I) accounted for separately from amounts from other revolving funds; and

“(II) used only for purposes authorized under this section; and

“(ii) after consulting with the appropriate State or Tribal government agencies, the authority to establish assistance priorities and carry out oversight and related activities, other than financial administration, with respect to flood assistance remains with the State or Tribal government agency with primary responsibility for floodplain management.

“(2) Administrative and technical costs.—

“(A) In general.—For each fiscal year, a participating entity may use the amount described in subparagraph (B) to—

“(i) pay the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs incurred in establishing a State or Tribal government loan fund;
“(ii) provide appropriate oversight of projects authorized under this section; and

“(iii) provide technical assistance and outreach to recipients in the State or Tribal government jurisdiction of amounts under this section, including with respect to updating hazard mitigation plans and participating in the Community Rating System, in an amount that is not more than 4 percent of the funds made available to the State or Tribal government jurisdiction under this section.

“(B) DESCRIPTION.—The amount described in this subparagraph is an amount equal to the sum of—

“(i) any fees collected by a participating entity to recover the costs described in subparagraph (A)(i), regardless of the source; and

“(ii) the greatest of—

“(I) $400,000;

“(II) 0.2 percent of the value of the State or Tribal government loan fund of a participating entity, as of
the date on which the valuation is made; and

“(III) an amount equal to 7 percent of all grant awards made to a participating entity for the State or Tribal government loan fund of the participating entity under this section for the fiscal year.

“(3) AUDIT AND REPORT.—

“(A) AUDIT REQUIREMENT.—Not less frequently than biennially, each participating entity shall conduct an audit of the State or Tribal government loan fund of the participating entity.

“(B) REPORT.—Each participating entity shall submit to the Administrator a biennial report regarding the activities of the participating entity under this section during the period covered by the report, including—

“(i) the result of any audit conducted by the participating entity under subparagraph (A); and

“(ii) a review of the effectiveness of the State or Tribal government loan fund
of the participating entity with respect to—

“(I) the intended use plans of the participating entity; and

“(II) meeting the objectives described in subsection (b)(1).

“(4) OVERSIGHT.—In conducting oversight with respect to State or Tribal government loan funds established under this section, the Administrator—

“(A) shall—

“(i) periodically audit the funds in accordance with procedures established by the Comptroller General of the United States; and

“(ii) not less frequently than once every 4 years, review each State or Tribal government loan fund to determine the effectiveness of the fund in reducing flood risk; and

“(B) may, at any time—

“(i) make recommendations to a participating entity with respect to the administration of the State or Tribal government loan fund of the participating entity; or
“(ii) require specific changes with respect to a State or Tribal government loan fund of the participating entity in order to improve the effectiveness of the fund.

“(j) LIABILITY PROTECTIONS.—The Federal Emergency Management Agency shall not be liable for any claim based on the exercise or performance of, or the failure to exercise or perform, a discretionary function or duty by the Agency, or an employee of the Agency, in carrying out this section.

“(k) REGULATIONS.—The Administrator shall promulgate such guidance or regulations as may be necessary to carry out this section, including guidance or regulations that—

“(1) ensure that each participating entity to which funds are allocated under this section uses the funds as efficiently as possible;

“(2) reduce, to the maximum extent practicable, waste, fraud, and abuse with respect to the implementation of this section; and

“(3) require any party that receives funds directly or indirectly under this section, including a participating entity and a recipient of amounts from a State or Tribal government loan fund, to use procedures with respect to the management of the
funds that conform to generally accepted accounting standards.

“(l) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section for fiscal years 2022 through 2031.”.

(b) Consideration of Mitigation Measures Funded by State Loan Funds in Flood Insurance Premium Rates.—

(1) Estimated rates.—Section 1307(a)(1)(A)(ii) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(A)(ii)) is amended by striking “and similar measures” and inserting “similar measures, and any activities funded through amounts from a State or Tribal government loan fund established under section 1327”.

(2) Chargeable rates.—Section 1308(b)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(b)(1)) is amended by striking “and similar measures” and inserting “similar measures, and any activities funded through amounts from a State or Tribal government loan fund established under section 1327”.
SEC. 208. MAPPING MODERNIZATION.

(a) Amendments to the Biggert-Waters Flood Insurance Reform Act of 2012.—The Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4004 et seq.) is amended—

(1) in section 100215 (42 U.S.C. 4101a)—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) by redesignating subparagraphs (A) through (E) as subparagraphs (B) through (F), respectively;

(II) by inserting before subparagraph (B), as so redesignated, the following:

“(A) the Director of the United States Geological Survey;”; and

(III) in subparagraph (F), as so redesignated—

(aa) in the matter preceding clause (i), by striking “16” and inserting “17”; 

(bb) in clause (xiii), by striking “and” at the end; 

(EE) in clause (xiv), by striking the period at the end and inserting “; and”; and
(dd) by adding at the end the following:

“(xv) an expert in the field of catastrophic risk modeling.”;

(ii) in paragraph (2), in the second sentence, by striking “paragraph (1)(E)” and inserting “paragraph (1)(F)”;

(iii) by adding at the end the following:

“(3) CONFLICTS OF INTEREST.—A member of the Council—

“(A) may not, while serving on the Council, be employed or retained by—

“(i) a Federal Emergency Management Agency contractor or consultant; or

“(ii) a nongovernmental entity that was awarded a Federal grant during the 5-year period preceding the date on which the member was appointed to the Council; and

“(B) may not have been employed by a Federal Emergency Management Agency contractor or consultant during the 5-year period preceding the date on which the member was appointed to the Council.”; and
(B) by adding at the end the following:

“(m) **PRIVATE OR COMMUNITY FLOOD MAPS.**—

“(1) **STANDARDS AND PROCEDURES.**—In addition to the other duties of the Council under this section, not later than 1 year after the date of enactment of this subsection, the Council shall develop and establish a set of standards, guidelines, and procedures for—

“(A) State and local governments, federally or State-recognized metropolitan planning organizations (commonly known as ‘MPOs’), federally or State-recognized councils of local governments, and federally or State-recognized rural transportation planning organizations to use in mapping flood risks and developing alternative maps to the flood insurance rate maps developed by the Administrator; and

“(B) certification, by the Administrator not later than 90 days after the date on which a map developed under subparagraph (A) is submitted to the Administrator, for use under the National Flood Insurance Program in the case of any area covered by a flood insurance rate map developed or approved by the Admin-
istrator that has not been updated or reissued during the preceding 3-year period.

“(2) TREATMENT.—On and after the date on which the Administrator certifies a map under paragraph (1)(B), and subject to the requirements of section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104), the map—

“(A) shall be considered the flood insurance rate map in effect for all purposes of the National Flood Insurance Program with respect to the area covered by the map; and

“(B) may not be revised, updated, or re placed in accordance with the standards, guidelines, and procedures established under paragraph (1) before the expiration of the 3-year period beginning on that date of certification.

“(3) EXEMPTION FROM RULEMAKING.—Until the date on which the Administrator promulgates regulations implementing paragraphs (1) and (2), the Administrator may adopt policies and procedures, notwithstanding any other provision of law, necessary to implement those paragraphs without regard to section 553 of title 5, United States Code, and without conducting regulatory analyses other-
wise required by statute, regulation, or Executive
order.”; and

(2) in section 100216 (42 U.S.C. 4101b)—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) in subparagraph (A)—

(aa) in clause (v), by strik-

ing “and” at the end;

(bb) in clause (vi), by add-

ing “and” at the end; and

(ce) by inserting after clause

(vi) the following:

“(vii) all other areas of the United

States that are not described in clauses (i)

through (vi);”;

(II) in subparagraph (B), by

striking “and” at the end;

(III) in subparagraph (C), by

striking the period at the end and in-

serting “; including the most recently

available and best remote sensing

technology;”; and

(IV) by adding at the end the fol-

lowing:
“(D) when appropriate, partner with other Federal agencies, States, and private entities in order to meet the objectives of the program; and

“(E) consult and coordinate with the Secretary of Defense, the Director of the United States Geological Survey, the Director of the Fish and Wildlife Service, and the Administrator of the National Oceanic and Atmospheric Administration to obtain the most up-to-date maps and other information of those agencies, including information relating to topography, water flow, watershed characteristics, and any other issues that are relevant to identifying, reviewing, updating, maintaining, and publishing National Flood Insurance Program rate maps.”; and

(ii) in paragraph (3)—

(I) in subparagraph (A), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly;

(II) by redesignating subparagraphs (A) through (E) as clauses (i)
through (v), respectively, and adjusting the margins accordingly;

(III) in the matter preceding clause (i), as so redesignated, by striking “Administrator shall include—” and inserting the following:

“Administrator—

“(A) shall include—”;

(IV) in subparagraph (A)(v), as so redesignated, by striking the period at the end and inserting “; and”; and

(V) by adding at the end the following:

“(B) may include—

“(i) any relevant information that is obtained under paragraph (1)(E); and

“(ii) cadastral features, including, for each cadastral feature—

“(I) the associated parcel identification data for that feature; and

“(II) to the maximum extent practicable, using public and private sector address data, the address of that feature.”;

(B) in subsection (e)(2)—
(i) in subparagraph (B), by striking “and” at the end;
(ii) in subparagraph (C), by striking the period at the end and inserting a semi-colon; and
(iii) by adding at the end the following:
“(D) not later than 5 years after the date on which the National Geodetic Survey completes the modernization of the National Spatial Reference System in 2022, updated to conform with the geospatial data provided by that system; and
“(E) spatially accurate in accordance with the common protocols for geographic information systems under applicable law.”;
(C) by redesignating subsection (f) as subsection (g);
(D) by inserting after subsection (e) the following:
“(f) INCORPORATING BUILDING-SPECIFIC FLOOD RISK INFORMATION.—
“(1) ESTABLISHMENT.—
“(A) IN GENERAL.—Not later than 5 years after the date of enactment of the National
Flood Insurance Program Reauthorization and Reform Act of 2021, the Administrator, in coordination with, and as recommended by, the Technical Mapping Advisory Council, shall establish a dynamic, database-derived digital display environment for flood hazard risk production and dissemination.

“(B) Consultation with States and Communities.—In designing and constructing the environment under subparagraph (A), the Administrator shall—

“(i) leverage and partner with States and communities that have successfully implemented the same approach; and

“(ii) consider adopting the techniques and technologies used by States and communities described in clause (i) and applying them nationwide.

“(2) Digital display.—

“(A) In general.—In carrying out paragraph (1), the Administrator shall create a digital display prompted through dynamic querying of a spatial, relational building database that includes—
“(i) special flood hazard areas and base flood elevations for purposes of lender compliance with the requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a); and

“(ii) structure-specific flood risk information, including, for each property address—

“(I) the spatial footprint and elevation of the structure relative to special flood hazard areas and base flood elevations;

“(II) elevation data applicable to the property;

“(III) any letter of map changes;

“(IV) to the maximum extent practicable, the full risk premium rate estimated for the structure under section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) based on elevation data and, where applicable, the level of protection provided by levee systems;

“(V) the disclosure described in section 1308(l) of the National Flood
Insurance Act of 1968 (42 U.S.C. 4015(l)), which shall include—

“(aa) the extent to which, if any, the chargeable premium rate applicable to the property is less than the full risk premium rate under section 1307(a)(1) of that Act (42 U.S.C. 4014(a)(1)); and

“(bb) an explanation of the difference described in item (aa) and the methodology used to rate the property;

“(VI) the estimated cost to repair the structure in the case of damage from floods with recurrence intervals ranging from the 10 percent annual chance event to the 0.2 percent annual chance event;

“(VII) the cost-effectiveness of mitigating the structure using common methods and how the chargeable premium rate would change based on each mitigation method; and
“(VIII) the claims history of the
structure, including the amount and
date of each loss.

“(B) Privacy requirements.—With re-
spect to the database described in subparagraph
(A), including any data used to create that
database, the Administrator may not dissemi-
nate the database to any person other than the
owner or leaseholder of a property identified in
the database.

“(3) Database.—

“(A) In general.—The Administrator
shall—

“(i) develop a spatial, relational data-
base of buildings for which flood hazard
has been identified through the National
Flood Insurance Program; and

“(ii) obtain the data necessary to sup-
port the digital display created under para-
graph (2).

“(B) Data.—The data obtained under
subparagraph (A) shall include, at a min-
umum—

“(i) footprints and elevations (includ-
ing lowest adjacent grade and first floor)
from Light Detection and Ranging (commonly known as ‘LiDAR’) data collections or other data collection methods that meet or exceed the standards for buildings, as determined by the Administrator;

“(ii) elevation data;

“(iii) parcel, address, and imagery data necessary for the identification, assessment, and reduction of flood hazards for individual properties;

“(iv) flood insurance rate maps, studies, and supporting data;

“(v) letters of map change; and

“(vi) any other data that the Administrator determines necessary to collect to meet the objectives of this section.

“(4) DATA PROCUREMENT.—The Administrator shall obtain any data necessary to establish the environment under paragraph (1), including by—

“(A) directing communities participating in the National Flood Insurance Program, by regulation, to collect and supply information, including elevation data, for each structure that obtains a construction or other development permit within—
“(i) a special flood hazard area; or
“(ii) an advisory special flood hazard area adopted by the community;
“(B) issuing guidelines and standards, as determined by the Administrator;
“(C) partnering with other Federal, State, local, and private stakeholders to the greatest extent possible to obtain and share existing data that meets or exceeds the standards determined by the Administrator under subparagraph (B); and
“(D) contracting with private companies to obtain new LiDAR data collections or elevation data.
“(5) NFIP PREMIUM CREDIT.—The Administrator shall provide a 1-time premium credit of not more than $500 to a policyholder for the purchase of an elevation certificate.
“(6) MASS LETTERS OF MAP CHANGE.—In coordination with States and communities that have successfully implemented a dynamic, database-derived digital display environment for flood hazard risk production and dissemination, the Administrator shall issue guidelines for the adoption and integration into the program established under sub-
section (a) of LiDAR-based letter of map amendment approaches.

“(7) ANNUAL REPORT.—The Administrator 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 an annual progress report on the implementation of this subsection, which shall include recommendations to reduce the cost and improve the implementation of this subsection.”; and

(E) in subsection (g), as so redesignated—

(i) by striking “this section $400,000,000” and inserting the following:

“this section—

“(1) $500,000,000”; and

(ii) by striking the period at the end and inserting the following: “; and

“(2) $500,000,000 for each of fiscal years 2022 through 2027.”.

(b) APPEALS.—

(1) IN GENERAL.—

(A) RIGHT TO APPEAL.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following:
“(k) Appeals of Existing Maps.—

“(1) Right to Appeal.—Subject to paragraph (6), a State or local government, or the owner or lessee of real property, that makes a formal request to the Administrator to update a flood insurance rate map that the Administrator denies may at any time appeal the denial in accordance with this subsection.

“(2) Basis for Appeal.—The basis for an appeal under this subsection shall be the possession of knowledge or information that—

“(A) the base flood elevation level or designation of any aspect of a flood insurance rate map is scientifically or technically inaccurate; or

“(B) factors exist that mitigate the risk of flooding, including ditches, banks, walls, vegetation, levees, lakes, dams, reservoirs, basin, retention ponds, and other natural or manmade topographical features.

“(3) Appeals Process.—

“(A) Administrative Adjudication.—

The Administrator shall determine an appeal under this subsection by making a final adjudication on the record, after providing an opportunity for an administrative hearing.

“(B) Rights upon Adverse Decision.—
“(i) OPTIONAL ARBITRATION.—If an appeal determined under subparagraph (A) does not result in a decision in favor of the State, local government, owner, or lessee, that party may request that an appeal of the adverse decision be heard—

“(I) through independent, non-binding arbitration; or

“(II) by the Scientific Resolution Panel provided for in section 1363A.

“(ii) PROCESS.—Notwithstanding any provision of section 1363A(c)(4) regarding the binding nature of the recommendations of the Scientific Resolution Panel, the Administrator shall establish a process for the purposes of clause (i) under which an arbitrator or the Scientific Resolution Panel, as applicable, provides a non-binding recommendation to the Administrator.

“(4) RELIEF.—

“(A) WHOLLY SUCCESSFUL APPEALS.—If the Administrator determines in an appeal under this subsection that the property of a policyholder that had been included in a special flood hazard area under the flood insurance
rate map is actually not in a special flood hazard area—

“(i) the policyholder may cancel the policy at any time during the year in which the Administrator makes the determination; and

“(ii) the Administrator shall provide the policyholder a refund equal to the amount of—

“(I) any premiums that the policyholder paid during the year described in clause (i); and

“(II) any premiums that the policyholder paid for flood insurance coverage that the policyholder was required to purchase or maintain during the 2-year period preceding the year described in clause (i).

“(B) PARTIALLY SUCCESSFUL APPEALS.—

If the Administrator determines in an appeal under this subsection that mitigating factors have reduced, but not eliminated, the risk of flooding to a property, the Administrator shall—
“(i) reduce the amount of flood insurance coverage required to be maintained for the property by the ratio of the successful portion of the appeal as compared to the entire appeal; and

“(ii) provide the policyholder a refund equal to the difference between—

“(I) the amount of any premiums that the policyholder paid during the period—

“(aa) beginning on the later of—

“(AA) the date on which the mitigating factor was created; or

“(BB) January 1 of the second year preceding the date on which the determination is made; and

“(bb) ending on the date on which the reduction in the amount of flood insurance required, as described in clause (i), takes effect; and
“(II) the amount of premiums that the policyholder would have been required to pay if the reduced amount of flood insurance coverage required, as described in clause (i), had been in effect during the period described in subclause (I) of this clause.

“(C) ADDITIONAL RELIEF.—The Administrator may provide additional refunds in excess of the amounts required under subparagraphs (A) and (B) if the Administrator determines that such additional refunds are warranted.

“(5) RECOVERY OF COSTS.—

“(A) APPEAL EXPENSES.—If a State or local government, or the owner or lessee of real property, incurs any expense in connection with an appeal under this subsection that is based on a scientific or technical error made by the Administrator and that is successful in whole or part regarding the designation of the base flood elevation or any aspect of a flood insurance rate map, including elevation or designation of a special flood hazard area, the Administrator shall reimburse the State, local government,
owner, or lessee in accordance with subparagraph (B).

“(B) Reimbursable Expenses.—The Administrator—

“(i) may reimburse a party under subparagraph (A) for reasonable expenses described in that subparagraph—

“(I) including for a service provided by a surveyor, engineer, or scientific expert; and

“(II) to the extent measured by the ratio of the successful portion of the appeal as compared to the entire appeal; and

“(ii) may not reimburse a party under subparagraph (A) for—

“(I) the cost of legal services; or

“(II) the payment of any fee or expense, the payment of which was agreed to be contingent upon the result of the appeal.

“(6) Guidance.—The Administrator shall issue guidance to implement this subsection, which shall not be subject to the notice and comment re-
requirements under section 553 of title 5, United States Code.”.

(B) TECHNICAL AND CONFORMING AMENDMENTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(i) in paragraph (7), by striking “and” at the end;

(ii) in paragraph (8), by striking the period at the end and inserting “; and”;

and

(iii) by adding at the end the following:

“(9) for providing reimbursements of expenses of flood insurance rate map appeals under section 1360(k)(5).”.

(2) DEADLINE FOR ISSUANCE OF GUIDANCE.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue the guidance required under subsection (k)(6) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by paragraph (1)(A).

(3) ISSUANCE OF REGULATIONS FOR MAP APPEALS.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue
the regulations required to be issued under subsection (f) of section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) and any relevant guidance to implement that subsection.

SEC. 209. LEVEE-PROTECTED AREAS.

Section 100216(b) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)) is amended by adding at the end the following:

“(4) AREAS PROTECTED BY LEVEE SYSTEMS.—

“(A) APPLICABILITY.—To facilitate the implementation of this section, and notwithstanding any other provision of law, this paragraph shall apply to a community in which the Administrator establishes rates for flood insurance under the National Flood Insurance Program in a levee-protected area.

“(B) NON-ACCREDITED LEVEE SYSTEMS.—

“(i) ASSESSMENT OF PROTECTION PROVIDED BY NON-ACCREDITED LEVEE SYSTEMS.—With respect to an area in which the pertinent levee system fails to meet the minimum design, operation, and maintenance standards of the National Flood Insurance Program described in sec-
tion 65.10 of title 44, Code of Federal Regulations, or any successor regulation, for levee accreditation on a National Flood Insurance Program rate map under the Risk Rating 2.0 methodology (or any substantially similar methodology), the Administrator shall, not later than 1 year after the date of enactment of this paragraph—

“(I) through rules issued under section 553 of title 5, United States Code, establish—

“(aa) the analysis that the Administrator will perform to determine the level of protection provided by the non-accredited levee system; and

“(bb) the procedure by which the Administrator will establish rates for flood insurance under the National Flood Insurance Program for that area; and

“(II)(aa) issue guidance with respect to the matters described in items (aa) and (bb) of subclause (I); or
“(bb) use the levee analysis and mapping procedure of the Federal Emergency Management Agency, as in effect on the date of enactment of this paragraph, for purposes of updating flood insurance rate maps and establishing rates for flood insurance under the National Flood Insurance Program, working with established Local Levee Partnership Teams or their equivalent for verification of accurate results.

“(ii) RATE FOR AREAS WITHOUT SUFFICIENT DATA.—With respect to a structure that is located in an area described in clause (i), and for which the Administrator does not have sufficient data to assess risk, the Administrator may not increase the rates for flood insurance under the National Flood Insurance Program for that structure until the Administrator—

“(I) carries out clause (i) with respect to that area; and

“(II) makes available to all parties affected by the increased rate the
data on which the Administrator is re-
lying in establishing that increased
rate.

“(C) MANDATORY PURCHASE REQUIRE-
MENT FOR LEVEE SYSTEMS.—In any area in
which the pertinent levee system meets the min-
imum design, operation, and maintenance
standards described in section 65.10 of title 44,
Code of Federal Regulations, or any successor
regulation, the Administrator may not—

“(i) designate the levee-protected area
a special flood hazard area; or

“(ii) impose any requirement to pur-
chase flood insurance for a structure lo-
cated in the area.

“(D) APPEALS PROCESS.—

“(i) IN GENERAL.—Not later than 1
year after the date of enactment of this
paragraph, the Administrator shall develop
an appeals process for communities located
within a levee-protected area described in
this paragraph that disputes the assess-
ment made by the Administrator of the
level of protection provided by the levee or
the residual risk associated with the levee.
“(ii) DEFINITION REQUIREMENTS.—

With respect to the appeals process established under clause (i)—

“(I) subject to subclause (II), the Administrator shall make clear which definition of the terms ‘levee’ and ‘residual risk’ shall apply for the purposes of the appeal; and

“(II) an appellant in an appeal brought under that process may require that the Administrator use the definition of the term ‘levee’ in section 59.1 of title 44, Code of Federal Regulations, or any successor regulation.”.

SEC. 210. COMMUNITY-WIDE FLOOD MITIGATION ACTIVITIES.

It is the sense of Congress that the Administrator should consider flood mitigation activities that—

(1) provide benefits to an entire floodplain or community, or to a portion of such a community;

(2) consider all available and practicable approaches; and

(3) the Administrator determines—

(A) are technically feasible;
(B) have the highest net benefits; and

(C) are consistent with mitigation plans approved by the Administrator.

TITLE III—SOLVENCY

SEC. 301. FORBEARANCE ON NFIP INTEREST PAYMENTS.

(a) IN GENERAL.—During the 5-year period beginning on the date of enactment of this Act, the Secretary of the Treasury may not charge the Administrator interest on amounts borrowed by the Administrator under section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) that were outstanding as of the date of enactment of this Act, including amounts borrowed after the date of enactment of this Act that refinance debts that existed before the date of enactment of this Act.

(b) USE OF SAVED AMOUNTS.—There shall be deposited into the National Flood Mitigation Fund an amount equal to the interest that would have accrued on the borrowed amounts during the 5-year period described in subsection (a) at the time at which those interest payments would have otherwise been paid, which, notwithstanding any provision of section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d), the Administrator shall use to carry out the program established under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104e).
(c) No Retroactive Accrual.—After the 5-year period described in subsection (a), the Secretary of the Treasury shall not require the Administrator to repay any interest that, but for that subsection, would have accrued on the borrowed amounts described in that subsection during that 5-year period.

SEC. 302. CAP ON WRITE YOUR OWN COMPANY COMPENSATION.

(a) In General.—Section 1311 of the National Flood Insurance Act of 1968 (42 U.S.C. 4018) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) Limitation on Compensation; Minimum Agent Commissions.—In negotiating with appropriate representatives of the insurance industry under subsection (a), the Administrator shall ensure that—

“(1) any reimbursement paid to a property and casualty insurance company for selling, writing, and servicing flood insurance policies is not more than 22.46 percent of the aggregate amount of premiums charged by the insurance company; and
“(2) an insurance company pays a portion of the reimbursement described in paragraph (1) to agents of the company as a commission, in an amount that is not less than 15 percent of the aggregate amount of the premiums sold by the agent.”.

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

Section 1311 of the National Flood Insurance Act of 1968 (42 U.S.C. 4018), as amended by subsection (a), is amended—

(1) in subsection (a), by striking “The Administrator” and inserting “IN GENERAL.—The Administrator”; and

(2) in subsection (e), as so redesignated by subsection (a) of this section, by striking “For purposes of subsection (a)” and inserting “DEFINITIONS.—For purposes of this section”.

**SEC. 303. THIRD PARTY SERVICE PROVIDER COSTS; TRANSPARENCY.**

(a) **IN GENERAL.**—Section 100224(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4081 note) is amended—

(1) by striking “Not later than 12 months after the date of enactment of this Act, the Administrator” and inserting the following:
“(1) IN GENERAL.—The Administrator”; and

(2) by adding at the end the following:

“(2) VENDOR COSTS; TRANSPARENCY.—In issuing the rule under paragraph (1), the Administrator shall—

“(A) develop a schedule to determine the actual costs of third party service providers, including claims adjusters and engineering companies;

“(B) provide that if a company requests reimbursement for the costs of a service or product provided to the company by a vendor, the Administrator only reimburses the company for the actual costs of the service or products; and

“(C) require that all reimbursements to Write Your Own companies be made public, including a description of the product or service provided to which the reimbursement pertains.”.

(b) DEADLINE FOR REVISED RULE.—Not later than 90 days after the date of enactment of this Act, the Administrator shall issue a revised rule under section 100224(d) of the Biggert-Waters Flood Insurance Reform
Act of 2012 (42 U.S.C. 4081 note), as amended by subsection (a).

SEC. 304. AVAILABILITY OF NFIP CLAIMS DATA.

(a) Study Required.—

(1) In general.—The Administrator shall study the feasibility of selling or licensing the use of historical structure-specific National Flood Insurance Program claims data (referred to in this section as “covered claims data”) to nongovernmental entities.

(2) Contents.—In conducting the study required under paragraph (1), the Administrator shall, at a minimum—

(A) investigate 1 or more methods of providing the most specific covered claims data possible while reasonably protecting policyholder privacy;

(B) review existing means, as of the date of enactment of this Act, by which the Federal Government and nongovernmental entities provide leases or licenses to private persons, and the various regulations, terms, conditions, and guidance employed;

(C) identify potential uses for covered claims data and any known risks concerning
those uses, including the risk that private insurance companies will use the data to issue flood insurance policies with respect to properties that have the lowest level of flood risk, which would require the National Flood Insurance Program to issue those policies with respect to properties with higher levels of flood risk;

(D) identify mechanisms for determining the likely market value for access to covered claims data;

(E) consider whether selling or licensing the use of covered claims data, as described in paragraph (1), would be in compliance with section 552a of title 5, United States Code (commonly known as the “Privacy Act of 1974”);

(F) review the costs of researching, developing, and producing previous releases of covered claims data and identify if releasing this data has benefitted the National Flood Insurance Program in a tangible way that benefits policyholders; and

(G) recommend actions the Administrator could take, if any, to prevent unintended consequences associated with the sale or licensing
for private insurance purposes covered claims data.

(b) Report by Administrator.—Not later than 1 year after the date of enactment of this Act, the Administrator 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 that contains the results and conclusions of the study conducted under subsection (a), which shall include an analysis of any recommendations made by the study.

SEC. 305. REFUSAL OF MITIGATION ASSISTANCE.

Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), in the first sentence, by inserting “and, with respect to financial assistance described in paragraph (2), using amounts made available from the Disaster Relief Fund in accordance with section 203(n) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(n))” after “section 1367”;

(2) by redesignating subsection (h) as subsection (i); and

(3) by inserting after subsection (g) the following:
“(h) Refusal of Assistance.—

“(1) Definition.—In this subsection, the term ‘bona fide offer of assistance’ means an offer of assistance made by the Administrator to a policyholder under the national flood insurance program that—

“(A) relates to mitigation activities with respect to the structure insured under that program;

“(B) covers 100 percent of the cost of the mitigation activities described in subparagraph (A);

“(C) permits the policyholder to continue to live in the structure to which the policy relates; and

“(D) is carried out under a mitigation plan.

“(2) Penalty.—If, after the date of enactment of the National Flood Insurance Program Reauthorization and Reform Act of 2021, a policyholder under the national flood insurance program refuses a bona fide offer of assistance with respect to the property so insured, the Administrator shall, notwithstanding any other provision of this title, increase the chargeable risk premium rate for flood in-
insurance under this title for the property by 25 per-
cent each year until—

“(A) the policyholder accepts the bona fide
offer of assistance; or

“(B) that chargeable risk premium rate is
actuarially sound.”

SEC. 306. MULTIPLE STRUCTURE MITIGATION.

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

(1) in the first sentence, by striking “The Ad-
ministrator” and inserting the following:

“(1) IN GENERAL.—Except as provided in para-
graph (2), the Administrator”; and

(2) by adding at the end the following:

“(2) RELIEF FOR SMALL BUSINESSES AND
NONPROFITS.—

“(A) DEFINITION.—In this paragraph, the
term ‘covered small business or nonprofit orga-
nization’ means a small business concern (as
defined in section 3 of the Small Business Act
(15 U.S.C. 632)) or an organization that is de-
scribed in section 501(e)(3) of the Internal Rev-
ene Code of 1986 and is exempt from taxation
under section 501(a) of such Code that owns
not fewer than 3 structures that are located on a single property.

“(B) RELIEF.—The Administrator may not impose a surcharge under this section for a policy for flood insurance coverage under the National Flood Insurance Program for a covered small business concern or nonprofit organization with respect to more than 2 detached units or buildings located on a single property if the covered small business or nonprofit organization certifies to the Administrator that the savings from the surcharge not being imposed shall be used for flood mitigation on the property on which the units or buildings are located.

“(C) RULES.—Not later than 1 year after the date of enactment of this paragraph, the Administrator shall issue rules establishing the process for submitting a certification described in subparagraph (B).”.

**TITLE IV—POLICYHOLDER PROTECTION AND FAIRNESS**

**SEC. 401. EARTH MOVEMENT FIX AND ENGINEER STANDARDS.**

(a) REBUTTABLE PRESUMPTION FOR FOUNDATION AND STRUCTURAL DAMAGE.—
(1) IN GENERAL.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 106(b), is amended by adding at the end the following:

“(e) REBUTTABLE PRESUMPTION FOR FOUNDATION AND STRUCTURAL DAMAGE.—

“(1) IN GENERAL.—For the purposes of the Administrator determining coverage under the standard flood insurance policy under the national flood insurance program, a rebuttable presumption that physical damage to the foundation of, or structural damage to, a structure was not caused by earth movement shall apply if—

“(A) flood caused direct physical change to the structure; and

“(B) there is damage to the foundation of, or structural damage to, the structure that was not present before the flood, as demonstrated by a certification from the policyholder.

“(2) REBUTTAL.—In determining coverage as a result of the rebuttable presumption under paragraph (1), an insurance company may rebut the presumption only by providing the Administrator with an engineering report that—
“(A) meets standards issued by the Administrator under paragraph (3); and

“(B) clearly demonstrates that the physical damage to the foundation of, or structural damage to, a structure described in paragraph (1) was caused directly by earth movement that was not—

“(i) caused by the horizontal pressure from standing or slow-moving floodwater (commonly known as ‘hydrostatic pressure’);

“(ii) caused by the force of floodwater that causes the vertical uplift from the underside of a horizontal foundation component, such as a concrete slab, footer, or structural floor assembly (commonly known as ‘buoyancy’);

“(iii) caused by pressure imposed on an object, such as a wall of a building, by high-velocity floodwater or waves flowing against and around the building (commonly known as ‘hydrodynamic force’);

“(iv) caused by floodwater moving along the surface of the ground causing soil to suddenly erode or undermine, re-
sulting in failure of a foundation or to one
of the structural components of the foun-
dation (commonly known as ‘scouring’); or
“(v) otherwise caused by flood.
“(3) Minimum Standards for Engineering
Reports.—The Administrator shall issue minimum
standards—
“(A) regarding the form and content of en-
gineering reports used to assist insurance
claims adjusters with respect to carrying out
this subsection; and
“(B) that—
“(i) include a requirement that any
such engineering report shall be signed and
have a seal affixed by an engineer who is
licensed in the State in which the property
to which the claim relates is located; and
“(ii) are consistent with generally ac-
cepted practices in—
“(I) the field of forensic engi-
neering; and
“(II) the insurance industry.
“(4) Documentation of Condition of
Foundation.—
“(A) IN GENERAL.—If the holder of a policy for flood insurance coverage made available under this title documents the condition of the foundation of a structure covered by the policy with a photograph, video recording, or otherwise, and submits the documentation to the Administrator or the Write Your Own Company that sold the policy, as applicable, the Administrator or Write Your Own Company, respectively, shall keep the documentation and use the documentation when adjusting a claim that arises under the policy.

“(B) NOTICE TO POLICYHOLDERS.—The Administrator shall notify a policyholder, when the policyholder purchases or renews a flood insurance policy sold under this title, that the policyholder may document the condition of the foundation of a structure covered by the policy in accordance with subparagraph (A).

“(5) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to modify the terms and conditions of the standard flood insurance policy.”.

(2) APPLICATION.—The amendment made by paragraph (1) shall apply with respect to a claim
with a date of loss that is on or after the date that
is 90 days after the date of enactment of this Act.

(b) Regulations.—Not later than 90 days after the
date of enactment of this Act, the Administrator shall
issue the standards required under subsection (e)(3) of
section 1312 of the National Flood Insurance Act of 1968
(42 U.S.C. 4019), as added by subsection (a)(1).

SEC. 402. COVERAGE OF PRE-FIRM CONDOMINIUM BASEMENTS AND STUDY ON STREET RAISING.

(a) Basement Clarification.—

(1) In general.—Section 1305 of the Na-
tional Flood Insurance Act of 1968 (42 U.S.C.
4012) is amended by adding at the end the fol-
lowing:

“(e) Availability of Insurance for Pre-FIRM
Condominium Basements.—

“(1) Definition.—In this subsection, the term
‘pre-FIRM condominium building’ means a condo-
minium building that was not constructed or sub-
stantially improved after the later of—

“(A) December 31, 1974; or

“(B) the effective date of the initial flood
insurance rate map published by the Adminis-
trator under section 1360 for the area in which
the building is located.
“(2) COVERAGE.—The Administrator shall offer an optional rider to a contract for flood insurance made available under this title that covers the basement of a pre-FIRM condominium building that serves as a separate residential unit within that condominium building.”.

(2) AMENDMENTS TO REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Administrator shall make any amendments to the regulations of the Federal Emergency Management Agency that are necessary as a result of the amendment made by paragraph (1).

(b) STUDY ON CONSEQUENCES OF STREET-RAISING.—

(1) DEFINITION.—In this subsection, the term “affected property” means a property containing an area—

(A) the floor of which was located at or above grade before the community raised the street adjacent to the property; and

(B) after the street-raising described in subparagraph (A), that was designated as a basement because of the street-raising.

(2) STUDY; REPORT.—Not later than 1 year after the date of enactment of this Act, the Adminis-
trator shall study and submit to Congress a report on the consequences of street-raising on flood insurance coverage for an affected property under the National Flood Insurance Program, including the cost implications for the property owner.

SEC. 403. GUIDANCE ON REMEDIATION AND POLICYHOLDER DUTIES.

(a) In General.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 401(a)(1), is amended by adding at the end the following:

“(f) Guidance on Mold Remediation.—

“(1) In General.—The Administrator shall issue guidance relating to the identification of reasonable actions that a policyholder of coverage for flood insurance made available under this title may take to inspect and maintain the property to which that coverage applies—

“(A) after a flood recedes; and

“(B) in order to avoid damage to the property that is caused by mold, mildew, moisture, or water.

“(2) Considerations.—In developing guidance under paragraph (1), the Administrator shall consider—
“(A) any applicable laws and regulations;

“(B) the terms and conditions of the standard flood insurance policy;

“(C) technical best practices;

“(D) the costs of remediation in relation to the condition of a property described in that paragraph; and

“(E) the actions that the Administrator may reasonably expect a policyholder described in that paragraph to take, given the likely challenges faced by the policyholder after a flood.

“(3) REGULAR REVIEW.—The Administrator shall—

“(A) regularly review the guidance issued under paragraph (1); and

“(B) revise the guidance issued under paragraph (1) as the Administrator determines appropriate.

“(4) ANNUAL DISTRIBUTION.—The Administrator shall provide a copy of the guidance issued under paragraph (1) to a policyholder at the time of the purchase or renewal of a flood insurance policy sold under this title.”.

(b) INITIAL ISSUANCE.—Not later than 1 year after the date of enactment of this Act, the Administrator shall
issue the guidance required under subsection (f) of section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as added by subsection (a) of this section.

(e) ACCESSIBILITY, REASONABLENESS AND DEGREE OF DAMAGE.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by subsection (a), is amended by adding at the end the following:

“(g) EXCLUSION OF CERTAIN DAMAGE.—For purposes of determining whether damage caused by mold, mildew, moisture, or water to a property shall be excluded from coverage under the standard flood insurance policy—

“(1) subject to paragraph (2), only the degree of damage caused by mold, mildew, moisture, or water that could have been avoided through inspection and maintenance may be excluded from that coverage; and

“(2) the condition of the property to which the damage relates may not be considered to be attributable to the policyholder with respect to the property, including any failure by the policyholder to inspect and maintain the property after a flood recedes, if—

“(A) the policyholder was denied access to the property after the flood receded because of—
“(i) a lawful government order;
“(ii) a determination by local authorities that the property—
“(I) is unsafe or unstable; or
“(II) shall be condemned; or
“(iii) otherwise unsafe conditions;
“(B) a reasonable individual exercising reasonable judgment could not be expected to inspect, maintain, or mitigate the damage to the property under the circumstances; or
“(C) the policyholder faced particular challenges, including—
“(i) practical or financial difficulty in inspecting or maintaining the property;
“(ii) the need to address other more immediate priorities, including—
“(I) the health and well-being of the policyholder and the family of the policyholder;
“(II) the preservation of basic items;
“(III) displacement; and
“(IV) other issues that make inspection and maintenance of the prop-
property a near-term challenge for the policyholder; and
“(iii) the unavailability of contractors or other individuals to perform any required inspection and maintenance.”.

SEC. 404. APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

(a) Enhanced Policyholder Appeals Process.—

(1) In general.—Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding at the end the following:

“SEC. 1349. APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

“(a) Definition.—In this section, the term ‘Office’, except as otherwise specified, means the Independent Office for Policyholder Appeals established under subsection (b).

“(b) Independent Office for Policyholder Appeals.—Not later than 180 days after the date of enactment of this section, the Administrator shall establish an Independent Office for Policyholder Appeals to provide for a non-adversarial and fair administrative review of appeals submitted under subsection (c)(1).
“(c) Appeals Process.—

“(1) Right to appeal.—A policyholder of a flood insurance policy issued under the National Flood Insurance Program may appeal the denial of a claim arising under the policy in writing to the Office not later than 1 year after receipt of the denial.

“(2) Exhaustion of administrative appeals required before filing civil action.—A policyholder of a flood insurance policy issued under the National Flood Insurance Program may not institute an action on a denied claim arising under the policy against the Administrator in a United States district court under section 1333 or 1341, as applicable, unless the policyholder has exhausted the appeals process under this section.

“(d) Duties and Responsibilities.—In administering appeals submitted under subsection (c)(1), the Office shall—

“(1) issue final appeal decisions through an appeal process established by the Office;

“(2) disseminate information to appellants concerning the information that an appellant may include in the appeal submissions;
“(3) provide an appellant with an opportunity to discuss any issue on appeal with a claims expert in the Office;

“(4) provide aggregated appeals data to the Office of the Flood Insurance Advocate for use in fulfilling the duties and responsibilities of that office under section 24(b) of the Homeowner Flood Insurance Affordability Act of 2014 (42 U.S.C. 4033(b)); and

“(5) publish final appeal decisions to a public-facing website—

“(A) to inform the public; and

“(B) for awareness to support transparency and training for Write Your Own Companies and contractors of the Federal Emergency Management Agency.

“(e) REGULATIONS.—

“(1) IN GENERAL.—For purposes of implementing the appeals process under this section, the Administrator may promulgate new regulations or use regulations that were in effect on the date of enactment of this section, except that—

“(A) the Administrator may not declare any appeal ineligible if the policyholder submits the appeal to the Office not later than 1 year
after the date on which the policyholder receives
the denial of the applicable claim, as required
under subsection (c)(1);

“(B) upon receiving all information nec-
essary to complete an appeal, the Office shall
notify the appellant that the Office will make a
final decision not later than 90 days after re-
ceipt of that information; and

“(C) not later than 90 days after receipt
of all information necessary to complete an ap-
peal, the Office shall make a final decision on
the appeal.

“(2) Enforcement of final decision dead-
line.—If the Office does not comply with the dead-
line under paragraph (1)(C) with respect to an ap-
peal, and the policyholder that brought the appeal is
ultimately successful, the Administrator shall pay to
the policyholder interest on the claim that is the
subject of the appeal, which shall—

“(A) begin accruing on the date on which
the policyholder submits the appeal; and

“(B) be calculated using the rate of return
on a 3-year Treasury bill, as in effect on the
date described in subparagraph (A).
“(3) All information necessary.—For purposes of paragraph (1), the term ‘all information necessary’ includes information obtained from a physical reinspection of the property or from an expert report, if that information is needed in order to complete the review of the appeal.

“(4) Liability protection.—No cause of action shall lie or be maintained in any court against the United States, and any such action shall be promptly dismissed, for violation of the notification requirement under paragraph (1)(B).”.

(2) Effective date for new appeals process.—Subsection (c) of section 1349 of the National Flood Insurance Act of 1968, as added by paragraph (1), shall take effect on the date that is 180 days after the date of enactment of this Act.

(b) Repeal and transfer.—

(1) In general.—Effective on the date that is 180 days after the date of enactment of this Act, section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note; Public Law 108–264) is repealed, and any appeals that were pending before the Administrator under that section on the day before that effective date shall be transferred to the Independent
Office for Policyholder Appeals established under section 1349 of the National Flood Insurance Act of 1968 (as added by subsection (a)) for disposition under such section 1349.

(2) Technical and Conforming Amendments.—

(A) Table of Contents.—The table of contents for the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 712) is amended by striking the item relating to section 205.

(B) Other Amendment.—Section 204(a)(3) of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note; Public Law 108–264) is amended by striking “section 205” and inserting “section 1349 of the National Flood Insurance Act of 1968”.

(c) Judicial Review Reform.—

(1) Government Program with Industry Assistance.—Section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072) is amended—

(A) by striking “In the event the program” and inserting the following:
“(a) IN GENERAL.—If the program;

(B) in subsection (a), as so designated—

(i) by inserting “or the Administrator’s fiscal agent” after “upon the disallowance by the Administrator”;

(ii) by striking “within one year after the date of mailing of notice of disallowance or partial disallowance by the Administrator, may institute an action against the Administrator on such claim” and inserting “not later than 1 year after exhausting available administrative remedies, may institute an action against the insurer on such claim”; and

(C) by adding at the end the following:

“(b) EXHAUSTION OF ADMINISTRATIVE REMEDIES.—For the purposes of subsection (a), a claimant exhausts available administrative remedies if—

“(1) the claimant submits an appeal and complies with all requirements of the appeal process established under section 1349 and other applicable requirements; and

“(2) the Administrator—

“(A) issues a final decision on the appeal that partially or fully concurs with the insurer’s
disallowance or partial disallowance of the claim; or

“(B) the Administrator makes no finding regarding the appeal by the date that is 90 days after the date on which the Administrator acknowledges receipt and acceptance of the appeal.

“(c) LIMITATIONS.—

“(1) ISSUES RAISED ON APPEAL.—An action may not be instituted under this section for any issue of a claim that was not presented to the Administrator on appeal.

“(2) WEIGHT OF ADMINISTRATOR’S DISPOSITION.—For purposes of this section, disposition of an appeal by the Administrator shall not be competent evidence of liability or the amount of damages.”.

(2) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL ASSISTANCE.—Section 1333 of the National Flood Insurance Act of 1968 (42 U.S.C. 4053) is amended—

(A) by striking “The insurance companies and other insurers” and inserting the following:

“(a) IN GENERAL.—The insurance companies and other insurers”;
(B) in subsection (a), as so designated, by striking “within one year after the date of mailing of notice of disallowance or partial disallowance of the claim, may institute an action on such claim against such company or other insurer” and inserting “not later than 1 year after exhausting available administrative remedies, may institute an action on the claim against the company or other insurer”; and

(C) by adding at the end the following:

“(b) EXHAUSTION OF ADMINISTRATIVE REMEDIES.—For the purposes of subsection (a), a claimant exhausts available administrative remedies if—

“(1) the claimant submits an appeal and complies with all requirements of the appeal process established under section 1349 and other applicable requirements; and

“(2) the Administrator—

“(A) issues a final decision on the appeal that partially or fully concurs with the insurer’s disallowance or partial disallowance of the claim; or

“(B) the Administrator makes no finding regarding the appeal by the date that is 90 days after the date on which the Administrator
acknowledges receipt and acceptance of the appeal.

“(c) LIMITATIONS.—

“(1) ISSUES RAISED ON APPEAL.—An action may not be instituted under this section for any issue of a claim that was not presented to the Administrator on appeal.

“(2) WEIGHT OF ADMINISTRATOR’S DISPOSITION.—For purposes of this section, disposition of an appeal by the Administrator shall not be competent evidence of liability or the amount of damages.”.

SEC. 405. ACCOUNTABILITY FOR UNDERPAYMENTS AND OVERPAYMENTS BY WRITE YOUR OWN COMPANIES.

Section 1348 of the National Flood Insurance Act of 1968 (42 U.S.C. 4084) is amended by adding at the end the following:

“(c) UNDERPAYMENTS AND OVERPAYMENTS.—

“(1) ACCOUNTABILITY FOR UNDERPAYMENTS.—If the Administrator determines through any audit that the pool or an insurance company or other private organization described in subsection (a) has not adjusted a claim in accordance with adjusting standards that are in effect as of the date
on which the adjustment is performed and, as a result of that failure, has underpaid or overpaid a claim of a policyholder, the penalty imposed by the Administrator with respect to such a failure may not be less for an overpayment of a claim than for an underpayment of a claim.

“(2) Safe harbor for certain overpayments.—The Administrator may not impose a penalty on the pool or an insurance company or other private organization described in subsection (a) for overpayment of a claim of a policyholder for reasons described in paragraph (1) of this subsection if—

“(A) the overpayment was not in bad faith;

and

“(B) the amount of the overpayment was not more than 4 percent of the coverage limit of the policy.

“(d) GAO report.—Not later than 2 years after the date of enactment of this subsection, and triennially thereafter, the Comptroller General of the United States 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 regarding any penalties imposed by the Administrator under subsection (c)(1).”
SEC. 406. POLICYHOLDERS’ RIGHT TO KNOW.

(a) USE.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 403(c), is amended by adding at the end the following:

“(h) USE OF TECHNICAL ASSISTANCE REPORTS.—When adjusting claims for any damage to or loss of property that is covered by flood insurance made available under this title, the Administrator may rely upon technical assistance reports, as defined in section 1312A(a), only if the reports are final and are prepared in compliance with applicable State and Federal laws regarding professional licensure and conduct.”.

(b) DISCLOSURE.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by inserting after section 1312 (42 U.S.C. 4019) the following:

“SEC. 1312A. DISCLOSURE OF CLAIMS DOCUMENTS AND TECHNICAL ASSISTANCE REPORTS.

“(a) DEFINITIONS.—In this section—

“(1) the term ‘policyholder’ means any person listed as a named or additional insured on the declarations page of a policy for flood insurance coverage made available under this title; and

“(2) the term ‘technical assistance report’ means a report created for the purpose of furnishing technical assistance to an insurance claims adjuster
assigned under the national flood insurance pro-
gram, including any report created by an engineer,
a surveyor, a salvor, an architect, or a certified pub-
lic accountant.

“(b) Provision of Copies.—

“(1) In general.—Notwithstanding section
552a of title 5, United States Code, not later than
1 week after the date on which the Administrator re-
ceives a written request, or a request submitted on-
line, from a policyholder, and with respect to a claim
for loss submitted by the policyholder for any dam-
age to or loss of property that is covered by the pol-
icy, the Administrator shall provide a true, complete,
and unredacted copy of—

“(A) all documents that constitute the
claim file of the insurance company with respect
to the claim, in accordance with the memo-
randum issued by the Administrator on June 1,
2018 entitled ‘Guidance for the Release of
Claim File Information to Policyholders’ (WYO
Bulletin W–18012) (or any successor docu-
ment);

“(B) any document created by any ad-
juster in scoping the loss, including measure-
ments, photographs, and notes;
“(C) any estimates of damages with respect to the claim;

“(D) any draft and final technical assistance report relating to adjusting and paying or denying the claim;

“(E) any proof of loss, supplemental proofs of loss, or any equivalent notices, together with supporting documentation, with respect to the claim; and

“(F) any document relating to the denial or partial denial of the claim.

“(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) may be construed to limit the right of a policyholder to receive a disclosure under section 552a of title 5, United States Code, or any other provision of law.

“(c) DIRECT DISCLOSURE BY WRITE YOUR OWN COMPANIES AND DIRECT SERVICING AGENTS.—

“(1) IN GENERAL.—A Write Your Own Company or direct servicing agent in possession of any technical assistance report that is subject to disclosure under subsection (b) may disclose such technical assistance report without further review or approval by the Administrator.
“(2) **Affirmative Notification.**—A Write Your Own Company, or any other entity servicing a claim under the national flood insurance program, shall, not later than 30 days after the date on which the company or entity receives notice of a claim, notify the claimant that the claimant or an authorized representative of the claimant may obtain, upon request, a copy of any claim-related document described in subsection (b)(1) that pertains to the claimant.”.

(c) **Transmission of Report Without Approval.**—

(1) **Definition.**—In this subsection, the term “final engineering report” means an engineering report, survey, or other document in connection with a claim for losses covered by a policy for flood insurance coverage made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) that—

(A) is based on an on-site inspection;

(B) contains final conclusions with respect to an engineering issue or issues involved in the claim; and
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(C) is signed by the responsible in charge
or affixed with the seal of the responsible in
charge, or both.

(2) TRANSMISSION.—A Write Your Own Com-
pany or a National Flood Insurance Program direct
servicer may, without obtaining further review or ap-
proval by the Administrator, transmit to a policy-
holder a final engineering report in the possession of
the Write Your Own Company or the direct servicer
in connection with a claim submitted by the policy-
holder.

SEC. 407. EXCLUSION OF SERVICE PROVIDERS FROM PAR-
TICIPATION IN THE NATIONAL FLOOD INSUR-
ANCE PROGRAM.

Part C of chapter II of the National Flood Insurance
Act of 1968 (42 U.S.C. 4081 et seq.), as amended by sec-
tion 404, is amended by adding at the end the following:

“SEC. 1350. EXCLUSION OF CERTAIN SERVICE PROVIDERS
FROM PARTICIPATION IN THE NATIONAL
FLOOD INSURANCE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) EXCLUDED SERVICE PROVIDER.—The
term ‘excluded service provider’ means a service pro-
ducer that is excluded by the Administrator under
this section from participation in the National Flood Insurance Program.

“(2) SERVICE PROVIDER.—The term ‘service provider’ means any attorney, accountant, appraiser, adjuster, engineer, or other individual or entity that directly or indirectly provides, has provided, or is likely to provide services to the National Flood Insurance Program.

“(3) SHOULD KNOW.—The term ‘should know’—

“(A) means that a person, with respect to information, acts in deliberate ignorance of, or in reckless disregard of, the truth or falsity of the information; and

“(B) does not require specific intent to defraud.

“(b) EFFECT OF EXCLUSION.—

“(1) PROHIBITION ON MAKING PAYMENTS TO EXCLUDED SERVICE PROVIDERS.—The Administrator may not make any payment or reimbursement for any service furnished under this title by a service provider excluded under this section during the period of exclusion.

“(2) PROHIBITION ON ENTERING INTO NEW CONTRACTS OR AGREEMENTS.—The Administrator
may not enter into or extend any contract or agreement under this title with a service provider excluded under this section during the period of exclusion.

“(3) EXCEPTION.—The Administrator may waive the applicability of paragraph (1) or (2) to a particular transaction upon making a written determination that the waiver is essential for the operation of the National Flood Insurance Program.

“(c) CAUSES FOR EXCLUSION.—The Administrator may exclude from participation in the National Flood Insurance Program a service provider—

“(1) that is criminally convicted or found civilly liable (as applicable) for—

“(A) any act in connection with obtaining, attempting to obtain, or performing a contract or subcontract for the National Flood Insurance Program;

“(B) fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal tax laws, or receiving stolen property;

“(C) an act relating to fraud, corruption, breach of fiduciary responsibility, or other fi-
nancial misconduct in connection with the business of insurance;

“(D) any other act indicating a lack of business integrity or business honesty that seriously and directly affects the responsibility of a service provider to provide services to the National Flood Insurance Program; or

“(E) attempting, soliciting, or conspiring to commit an act described in subparagraphs (A) through (D);

“(2) that is, at the time of the exclusion under this subsection, debarred, suspended, or otherwise excluded from any procurement or nonprocurement activity (within the meaning of section 2455 of the Federal Acquisition Streamlining Act of 1994 (31 U.S.C. 6101 note; Public Law 103–355));

“(3) whose license to provide professional services has been revoked, suspended, restricted, or not renewed, by a State licensing authority for reasons relating to the provider’s professional competence, professional performance, or financial integrity;

“(4) that surrendered a license described in paragraph (3) while a formal disciplinary proceeding was pending before a State licensing authority, if the proceeding concerned the provider’s professional
competence, professional performance, or financial integrity;

“(5) that has provided professional services to the National Flood Insurance Program—

“(A) at a price or rate substantially higher than the provider’s customary charge for such services;

“(B) in a manner that substantially exceeds the needs of the National Flood Insurance Program; or

“(C) that are of a quality that fails to meet professionally recognized standards for those services;

“(6) that has violated the terms of a contract or agreement related to the National Flood Insurance Program to an extent so serious as to justify exclusion under this subsection, such as—

“(A) willful failure to perform in accordance with the terms of a contract or agreement related to the National Flood Insurance Program; or

“(B) a history of failure to perform, or of unsatisfactory performance of, a contract or agreement related to the National Flood Insurance Program;
“(7) that has engaged in conduct detrimental to
the National Flood Insurance Program so serious or
compelling in nature that it affects the responsibility
of the service provider to provide services to the Na-
tional Flood Insurance Program; or

“(8) that, in the case of an attorney, has com-
mitted an act subject to disbarment under para-
graph (1), regardless of criminal or civil findings of
liability.

“(d) EXCLUSION OF AFFILIATES.—The Adminis-
trator may exclude from participation in the National
Flood Insurance Program a service provider that—

“(1) is an entity directly or indirectly owned, or
with a control interest of 5 percent or more held, by
an individual or entity excluded from participation
under this section; or

“(2)(A) directly or indirectly owns, has a con-
trol interest in, or is an officer or managing em-
ployee of an entity excluded under this section; and

“(B) knows or should know of the action consti-
tuting the basis for the entity’s exclusion.

“(e) NOTICE AND DECISION-MAKING.—

“(1) NOTICE OF PROPOSAL TO EXCLUDE.—Be-
fore excluding a service provider under this section,
the Administrator shall issue a notice of proposed
exclusion to the service provider, by certified mail, return receipt requested, that states—

“(A) that the exclusion is being considered;

“(B) the reasons for the proposed exclusion in terms sufficient to put the service provider on notice of the conduct or transaction upon which it is based;

“(C) the cause relied upon under subsection (e) for proposing exclusion;

“(D) that, not later than 30 days after receipt of the notice, the service provider may submit, in person, in writing, or through a representative, information and argument in opposition to the proposed exclusion, including any additional specific information that raises a genuine dispute over the material facts;

“(E) the Administrator’s procedures governing exclusion decision-making;

“(F) the effect of the issuance of the notice of proposed exclusion; and

“(G) the potential effect of an actual exclusion.

“(2) Administrator’s decision to exclude.—
“(A) Exclusion based on conviction or judgment or without dispute over material facts.—

“(i) In general.—In the case of a proposed exclusion under this section based on a criminal conviction or civil judgment, or in which there is no genuine dispute over material facts, the Administrator shall make an exclusion decision on the basis of all the information in the administrative record, including any submission made by the service provider.

“(ii) Timing.—The Administrator shall make a decision under clause (i) not later than—

“(I) 30 days after receipt of any information and argument submitted by the service provider in opposition to the proposed exclusion, unless the Administrator extends that period for good cause; or

“(II) if the service provider does not submit any information or argument in opposition to the proposed exclusion, 60 days after the date on
which the Administrator issues the notice of proposed exclusion under paragraph (1), unless the Administrator extends that period for good cause.

“(B) Exclusion proceedings involving dispute of material fact.—

“(i) Written findings of fact.—

In the case of a proposed exclusion under this section in which additional proceedings are necessary to resolve disputed material facts, the Administrator shall prepare written findings of fact.

“(ii) Basis for factual findings.—The Administrator shall base a determination under clause (i) on the facts as found, together with any information and argument submitted by the service provider and any other information in the administrative record.

“(iii) Referral to administrative law judge.—The Administrator—

“(I) may refer a matter involving disputed material facts to an adminis-
trative law judge for findings of fact;
and

“(II) may reject any findings of
fact made under subclause (I), in
whole or in part, only after specifically
determining them to be arbitrary and
capricious or clearly erroneous.

“(iv) CONCLUSION OF PRO-
CEEDINGS.—The Administrator shall make
a decision regarding a proposed exclusion
under this subparagraph after the conclu-
sion of the proceedings with respect to dis-
puted facts.

“(C) BURDEN OF PROOF.—In the case of
any proposed exclusion under this section that
is not based on a criminal conviction or civil
judgment, the cause for exclusion shall be es-
established by a preponderance of the evidence.

“(3) NOTICE OF EXCLUSION DECISION.—

“(A) NOTICE OF EXCLUSION.—If the Ad-
ministrator decides to exclude a service provider
from participation in the National Flood Insur-
ance Program under this section, the Adminis-
trator shall provide the service provider prompt
notice by certified mail, return receipt requested—

“(i) referring to the notice of proposed exclusion;

“(ii) specifying the reasons for exclusion; and

“(iii) stating the period of exclusion, including effective dates.

“(B) NOTICE OF NO EXCLUSION.—If the Administrator decides not to exclude a service provider from participation in the National Flood Insurance Program under this section, the Administrator shall promptly notify the service provider, by certified mail, return receipt requested.

“(f) CONSIDERATIONS WHEN MAKING EXCLUSION DETERMINATION.—A determination relating to the appropriateness of excluding a service provider under this section or the length of such an exclusion is committed to the Administrator’s sole discretion, but in making such a determination, the Administrator shall consider—

“(1) the nature of any services involved and the circumstances under which they were provided;
“(2) the degree of culpability and history of
prior offenses or improper conduct of the service
provider involved; and
“(3) such other matters as justice may require.
“(g) NOTIFICATION TO LICENSING AGENCIES OF EX-
CLUSION.—The Administrator shall—
“(1) promptly notify the appropriate agency or
authority having responsibility for the licensing or
certification of a service provider excluded under this
section of the fact of the exclusion, as well as the
reasons for the exclusion;
“(2) request that appropriate investigations be
made and sanctions invoked in accordance with ap-
PLICABLE law and policy; and
“(3) request that the agency or authority keep
the Administrator fully and currently informed with
respect to any actions taken in response to the re-
quest.
“(h) CONSTRUCTION.—
“(1) DETERMINATION OF CONVICTION.—
“(A) IN GENERAL.—For the purposes of
this section, an individual or entity shall be con-
sidered to have been convicted of a criminal of-
fense if—
“(i) a judgment of conviction for the offense has been entered against the individual or entity by a Federal, State, or local court;

“(ii) there has been a finding of guilt against the individual or entity by a Federal, State, or local court with respect to the offense;

“(iii) a plea of guilty or nolo contendere by the individual or entity has been accepted by a Federal, State, or local court with respect to the offense; or

“(iv) the case of an individual, the individual has entered a first offender or other program pursuant to which a judgment of conviction for the offense has been withheld.

“(B) Effect of Appeal or Request for Relief.—A determination of conviction under subparagraph (A) shall be made without regard to the pendency or outcome of any appeal (other than a judgment of acquittal based on innocence) or request for relief on behalf of the individual or entity.
“(2) Application of other proceedings.—
This section shall not be construed to limit or super-
sede any other Federal or State criminal or civil ac-
tion or Federal suspension or debarment pro-
ceeding.”.

SEC. 408. DEADLINE FOR CLAIM PROCESSING.

(a) In General.—Section 1312 of the National
Flood Insurance Act of 1968 (42 U.S.C. 4019), as amend-
ed by section 406(a), is amended by adding at the end
the following:

“(i) Deadline for approval of claims.—

“(1) In general.—The Administrator shall
provide that, in the case of a claim for damage to
or loss of property that is covered by a policy for
flood insurance made available under this title—

“(A) except as provided in paragraph (2),
not later than 60 days after the date on which
a proof of loss or comparable submission is pro-
voked to the Administrator—

“(i) an initial determination regarding
approval of the claim for payment or dis-
approval of the claim shall be made; and

“(ii) notification of the determination
described in clause (i) shall be provided to
the policyholder making the claim; and
“(B) payment of an approved claim shall be made as soon as possible after that approval.

“(2) EXTENSION OF DEADLINE.—The Administrator shall—

“(A) provide that the period described in paragraph (1)(A) may be extended by an additional period of 30 days under extraordinary circumstances; and

“(B) by regulation—

“(i) establish criteria for—

“(I) demonstrating the extraordinary circumstances described in subparagraph (A); and

“(II) determining to which claims the extraordinary circumstances described in subparagraph (A) apply; and

“(ii) provide that, if the deadline imposed under paragraph (1)(A), as extended under subparagraph (A), if applicable, is not satisfied the amount of the claim to which the deadline relates shall be increased with interest, which shall begin accruing on the date on which the initial claim is filed.
“(3) Deadline tolled during certain communication with policyholder.—The deadline under paragraph (1) shall be tolled during any period during which the Administrator or a Write Your Own Company is trying to obtain more information from a policyholder regarding a claim made by the policyholder, or is otherwise working with a policyholder to develop such a claim.”.

(b) Applicability.—The amendment made by subsection (a) shall apply to any claim for damage to or loss of property that is covered by a policy for flood insurance made available under the National Flood Insurance Program that is made after the date of enactment of this Act.

SEC. 409. NO MANIPULATION OF ENGINEER REPORTS.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 408(a), is amended by adding at the end the following:

“(j) Final Engineering Reports.—

“(1) Definitions.—In this subsection—

“(A) the term ‘covered claim’ means any claim for losses covered by a policy for flood insurance coverage made available under this title; and

“(B) the term ‘final engineering report’ means an engineering report, survey, or other
document in connection with a covered claim that—

“(i) is based on an on-site inspection;

“(ii) contains final conclusions with respect to an engineering issue or issues involved in the claim; and

“(iii) is signed by the responsible in charge or affixed with the seal of the responsible in charge, or both.

“(2) Prohibition on manipulation and transmission to third parties.—The Administrator shall require that, in the case of any on-site inspection of a property by an engineer for the purpose of assessing any covered claim, the final engineering report—

“(A) may not—

“(i) include alterations by, or at the request of, anyone other than the person responsible for the report; or

“(ii) be transmitted to any other person before the final engineering report is transmitted to the policyholder who submitted the covered claim; and

“(B) shall include a certification, signed by the person responsible for the final engineering
report, that the final engineering report does not contain any alterations described in sub-
paragraph (A).”.

SEC. 410. IMPROVED TRAINING OF FLOODPLAIN MAN-
AGERS, AGENTS, AND ADJUSTERS.

(a) LOCAL FLOODPLAIN MANAGERS.—Each regional
office of the Federal Emergency Management Agency shall—

(1) provide training to local floodplain man-
agers, agents, and claim adjusters in the region re-
garding the responsibilities and procedures of local
floodplain managers with respect to conducting sub-
stantial damage and substantial improvement deter-
minations;

(2) work with applicable State agencies to pro-
vide the training described in paragraph (1); and

(3) verify that the individuals described in para-
graph (1) are completing the training described in
that paragraph.

(b) MAJOR DISASTER TRAINING.—After a flood that
is declared a major disaster by the President under section
401 of the Robert T. Stafford Disaster Relief and Emer-
gency Assistance Act (42 U.S.C. 5170), the Administrator
shall, if determined appropriate, provide—
(1) refresher training to prepare insurance claims adjusters for the unique circumstances of the major disaster; and

(2) any briefings that are necessary to prepare and inform floodplain managers, agents, and claim adjusters regarding any atypical circumstances and issues arising from the natural disaster.

SEC. 411. FLOOD INSURANCE CONTINUING EDUCATION AND TRAINING.

(a) In General.—The Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 712) is amended—

(1) in section 201 (42 U.S.C. 4011 note)—

(A) in paragraph (1), by striking “Director of the” and inserting “Administrator of the”; and

(B) in paragraph (2), by inserting “4001” after “U.S.C.”; and

(2) by striking section 207 (42 U.S.C. 4011 note) and inserting the following:

“SEC. 207. CONTINUING EDUCATION REQUIREMENTS FOR INSURANCE AGENTS.

“(a) In General.—The Director shall require each insurance agent who sells flood insurance policies under
the Program to, once every 2 years, complete a 3-hour continuing education course that—

“(1) subject to subsection (c), is approved by the insurance commissioner of the State in which the agent is a legal resident; and

“(2) focuses on issues with respect to the Program.

“(b) FAILURE TO COMPLETE COURSE.—If an insurance agent who sells flood insurance policies does not complete a continuing education course required under subsection (a), the agent, until the date on which the agent completes the course in accordance with the requirements of this section, may not—

“(1) sell flood insurance policies; or

“(2) perform any duties with respect to the Program.

“(c) AGENTS LICENSED IN MULTIPLE STATES.—

“(1) IN GENERAL.—If an insurance agent who sells flood insurance policies is licensed to sell insurance in more than 1 State—

“(A) the agent shall submit proof of completion of a continuing education course required under subsection (a) to the insurance commissioner of each State in which the agent is licensed; and
“(B) each insurance commissioner to whom an insurance agent submits a proof of completion under subparagraph (A) may determine whether the course to which that proof of completion relates meets the minimum standards established by that insurance commissioner.

“(2) Effect of denial.—If an insurance commissioner of a State (referred to in this paragraph as the ‘rejecting commissioner’) determines under paragraph (1)(B) that a continuing education course taken in another State by an insurance agent who sells flood insurance policies does not meet the minimum standards established by the rejecting commissioner, the insurance agent may not take any action described in paragraph (1) or (2) of subsection (b) until the agent satisfies the minimum requirements established by the rejecting commissioner.

“(d) Rule of construction.—Any reference in this section to an insurance commissioner of a State shall be construed as a reference to an equivalent official with respect to any State in which there is no official who has the title of insurance commissioner.”.
(b) Technical and Conforming Amendment.—

The table of contents for the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108–264; 118 Stat. 712) is amended by striking the item relating to section 207 and inserting the following:

“Sec. 207. Continuing education requirements for insurance agents.”.

SEC. 412. SHIFTING OF ATTORNEY FEES AND OTHER EXPENSES.

Section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072), as amended by section 405(c), is amended by adding at the end the following:

“(d) Attorney Fees and Other Expenses.—A Write Your Own Company against which an action is instituted under this subsection shall be considered an agency of the United States for the purposes of section 2412(d) of title 28, United States Code.”.

SEC. 413. RESTRICTION ON DEFENSE OF CLAIMS LITIGATION.

(a) Restriction on Defense of Claims Litigation.—

(1) In general.—Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081) is amended by adding at the end the following:

“(f) Restriction on Defense of Claims Litigation.—The Administrator may not enter into any con-
tract, agreement, or other appropriate arrangement under subsection (a) that delegates the authority of the Administrator to defend actions instituted under section 1341.”.

(2) Implementation.—Notwithstanding any other provision of law, the Administrator may implement the amendment made by paragraph (1) by adopting 1 or more standard endorsements to the Standard Flood Insurance Policy by publication of those standards in the Federal Register, or by comparable means.

(3) Effective Date.—The amendment made by paragraph (1) shall take effect on the date that is 1 year after the date of enactment of this Act.

(4) Transition.—Notwithstanding the amendment made by paragraph (1), in the case of an action instituted under subsection (b) of section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072), as added by section 407, before the effective date under paragraph (3) of this subsection, the Administrator may authorize a Write Your Own Company to continue to defend the action after that effective date.

(b) Appointment of Temporary Personnel.—

(1) In general.—Section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C.
4072), as amended by section 412, is amended by adding at the end the following:

“(e) Appointment of Temporary Personnel.—The Administrator may appoint and fix the compensation of such temporary personnel as may be necessary to support the defense of an action instituted under this section, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.”.

(2) Funding.—Section 1310(d)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(d)(1)) is amended by inserting after “losses,” the following: “including the costs associated with the hiring of temporary personnel under section 1341(e),”.

SEC. 414. REFORMING USE OF PROOF OF LOSS FORMS.

(a) In General.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 409, is amended by adding at the end the following:

“(k) No Condition of Payment of Undisputed Claim on Proof of Loss.—

“(1) In General.—Notwithstanding any other provision of law, or any term or condition of a standard flood insurance policy, the Administrator—
“(A) may not condition payment of an undisputed claim based on the submission of a proof of loss; and

“(B) may instead accept a report submitted by the insurance adjuster the Administrator hires to investigate the claim, if the report is signed by the policyholder, unless the Administrator determines that conditions make signature impracticable.

“(2) Refusal to accept amount paid.—

Upon the refusal of a policyholder to accept the amount paid under paragraph (1), the Administrator may require the policyholder to submit a proof of loss within a timeframe determined by the Administrator.”.

(b) Guidance to Defense Attorneys.—The Administrator shall issue guidance for best practices for attorneys defending actions instituted under section 1333 or 1341, as applicable, of the National Flood Insurance Act of 1968 (42 U.S.C. 4053, 4072) (as amended by section 404(c)) relating to how to respond to unintentional errors in a proof of loss submitted by a policyholder under the National Flood Insurance Policy.
SEC. 415. AGENT ADVISORY COUNCIL.

Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by section 407, is amended by adding at the end the following:

SEC. 1351. AGENT ADVISORY COUNCIL.

“(a) Establishment.—There is established a council to be known as the Agent Advisory Council (in this section referred to as the ‘Council’).

“(b) Membership.—

“(1) Members.—The Council shall consist of—

“(A) the Administrator, or the designee of the Administrator; and

“(B) 11 additional members appointed by the Administrator or the designee of the Administrator, of whom—

“(i) 1 shall be a member of the National Association of Insurance Commissioners;

“(ii) 2 shall be members of the Independent Insurance Agents and Brokers of America;

“(iii) 1 shall be a member of United Policyholders;

“(iv) 1 shall be a representative of the Emergency Management Institute of the Federal Emergency Management Agency;
“(v) 1 shall be a representative of the Office of the Flood Insurance Advocate of the Federal Emergency Management Agency;

“(vi) 2 shall be members of the National Association of Professional Insurance Agents;

“(vii) 1 shall be a representative of a recognized professional association or organization representing homebuilders or land developers;

“(viii) 1 shall be a representative of a recognized professional association or organization representing the real estate industry; and

“(ix) 1 of whom shall be a representative of a recognized consumer protection group.

“(2) QUALIFICATIONS.—

“(A) IN GENERAL.—Each member of the Council shall have experience with—

“(i) contacting policyholders under the national flood insurance program, including with respect to applying for flood insurance and processing a claim for damage
to or loss of property that is covered by flood insurance; and

“(ii) riverine and coastal flood insurance policies.

“(B) CONSIDERATIONS.—The Administrator shall, to the maximum extent practicable, ensure that the membership of the Council has a balance of governmental and private members, and includes geographic diversity.

“(C) CONFLICTS OF INTEREST.—A member of the Council—

“(i) may not, while serving on the Council, be employed or retained—

“(I) by a Federal Emergency Management Agency contractor or consultant; or

“(II) by a nongovernmental entity that was awarded a Federal grant during the 5-year period preceding the date on which the member was appointed to the Council; and

“(ii) may not have been employed by a Federal Emergency Management Agency contractor or consultant during the 5-year
period preceding the date on which the
member was appointed to the Council.

“(3) CONSULTATION.—In appointing a member
of the Council from an entity described in clauses (i)
through (viii) of paragraph (1)(B), the Adminis-
trator or the designee of the Administrator, as appli-
cable, shall consult with the entity.

“(4) CHAIRPERSON.—The members of the
Council shall elect 1 member to serve as the chair-
person of the Council (in this section referred to as
the ‘Chairperson’).

“(c) DUTIES.—The Council shall—

“(1) provide recommendations to the Adminis-
trator on—

“(A) improving the customer experience
for policyholders under the national flood insur-
ance program;

“(B) training insurance agents that issue
flood insurance policies; and

“(C) improving the processing and han-
dling of claims for damage to or loss of prop-
erty that is covered by flood insurance; and

“(2) submit to the Administrator an annual re-
port that includes—
“(A) a description of the activities of the Council; and

“(B) a summary of recommendations made by the Council to the Administrator.

“(d) COMPENSATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a member of the Council shall receive no additional compensation for serving on the Council.

“(2) TRAVEL EXPENSES.—Each member of the Council may be allowed travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code, while away from their homes or regular places of business in performance of services for the Council.

“(e) MEETINGS AND ACTIONS.—

“(1) MEETINGS.—

“(A) IN GENERAL.—The Council shall meet not less frequently than twice each year at the request of the Chairperson or a majority of the members of the Council.

“(B) INITIAL MEETING.—The Administrator, or a designee of the Administrator, shall request and coordinate the initial meeting of the Council.
“(2) Action by majority vote.—The Council may take action by a vote of the majority of the members.

“(f) Officers.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (e).

“(g) Staff.—Upon the request of the Chairperson, the Administrator may detail, on a nonreimbursable basis, personnel of the Office of the Flood Insurance Advocate of the Federal Emergency Management Agency to assist the Council in carrying out the duties of the Council.

“(h) Powers.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research as the Council considers appropriate.

“(i) Report to Congress and OMB.—The Administrator shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Director of the Office of Management and Budget an annual report on—

“(1) the recommendations made by the Council; and

“(2) any recommendations made by the Council during the year covered by the report that, as of the
date on which the report is submitted, have been de-
ferred or not acted upon, together with an explana-
tory statement with respect to those recommenda-
tions.

“(j) APPLICABILITY OF THE FEDERAL ADVISORY
COMMITTEE ACT.—Section 14 of the Federal Advisory
Committee Act (5 U.S.C. App.) shall not apply to the
Council.”.

SEC. 416. DISCLOSURE OF FLOOD RISK INFORMATION
PRIOR TO TRANSFER OF PROPERTY.

(a) IN GENERAL.—Chapter I of the National Flood
Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as
amended by section 207, is amended by adding at the end
the following:

“SEC. 1328. DISCLOSURE OF FLOOD RISK INFORMATION
PRIOR TO TRANSFER OF PROPERTY.

“(a) IN GENERAL.—After September 30, 2022, no
new flood insurance coverage may be provided under this
title for any real property unless an appropriate public
body has imposed, by statute or regulation, a duty on any
seller or lessor of improved real estate to provide to any
purchaser or lessee (with respect to a lease for a term that
is not shorter than 30 days) of the property a property
flood hazard disclosure that the Administrator has deter-
mined meets the requirements of subsection (b).
“(b) Disclosure Requirements.—

“(1) Requirements for sellers.—A property flood hazard disclosure for the sale of a property shall meet the requirements of this subsection only if the disclosure—

“(A) is made in writing;

“(B) discloses any actual knowledge of the seller of any—

“(i) prior physical damage caused by flood to a structure located on the property;

“(ii) prior insurance claim for a loss covered under the national flood insurance program or private flood insurance with respect to the property;

“(iii) previous notification regarding the designation of the property as a repetitive loss structure or severe repetitive loss structure (as defined in section 1366(h)); and

“(iv) Federal legal obligation to obtain and maintain flood insurance running with the property;
“(C) discloses to the maximum extent feasible, in a manner to be determined by the Administrator—

“(i) the relative flood risk associated with the property as indicated in flood hazard data maintained by the Administrator under this title; and

“(ii) the availability of and approximate cost of flood insurance for the property; and

“(D) is delivered by, or on behalf of, the seller to the purchaser before the purchaser becomes obligated under any contract to purchase the property.

“(2) REQUIREMENTS FOR LESSORS.—A property flood hazard disclosure for a rental property with a lease for a term that is not shorter than 30 days shall meet the requirements of this subsection only if the disclosure—

“(A) is made in writing;

“(B) discloses any actual knowledge of the lessor—

“(i) of any Federal legal obligation to obtain and maintain flood insurance running with the property;
“(ii) regarding any prior physical damage caused by flood with respect to the unit being leased; and

“(iii) of the availability of coverage under this title for contents located in a structure on the property; and

“(C) is delivered by, or on behalf of, the lessor to the lessee before the lessee becomes obligated under any contract to lease the property.

“(3) RULE OF CONSTRUCTION.—Nothing in this section may be construed as preventing a State from adopting disclosure requirements in addition to the requirements of this section.”.

(b) AVAILABILITY OF FLOOD INSURANCE COVERAGE.—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” at the end 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, not later than October 1, 2024, property flood hazard disclosure requirements will have been adopted for the
area (or subdivision) that meet the requirements of section 1328.”.