

110TH CONGRESS
1ST SESSION

H. R. 3121

To restore the financial solvency of the national flood insurance program and to provide for such program to make available multiperil coverage for damage resulting from windstorms and floods, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2007

Ms. WATERS (for herself, Mr. TAYLOR, Mr. JINDAL, Mr. AL GREEN of Texas, and Mr. FRANK of Massachusetts) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To restore the financial solvency of the national flood insurance program and to provide for such program to make available multiperil coverage for damage resulting from windstorms and floods, and for other purposes.

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

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

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

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Study regarding status of pre-firm properties and mandatory purchase requirement for natural 100-year floodplain and non-federally related loans.
- Sec. 4. Phase-in of actuarial rates for nonresidential properties and non-primary residences.
- Sec. 5. Exception to waiting period for effective date of policies.
- Sec. 6. Enforcement.
- Sec. 7. Multiperil coverage for flood and windstorm.
- Sec. 8. Maximum coverage limits.
- Sec. 9. Coverage for additional living expenses, basement improvements, business interruption, and replacement cost of contents.
- Sec. 10. Notification to tenants of availability of contents insurance.
- Sec. 11. Increase in annual limitation on premium increases.
- Sec. 12. Increase in borrowing authority.
- Sec. 13. FEMA participation in State disaster claims mediation programs.
- Sec. 14. FEMA annual report on insurance program.
- Sec. 15. Flood insurance outreach grants.
- Sec. 16. Grants for direct funding of mitigation activities for individual repetitive claims properties.
- Sec. 17. Extension of pilot program for mitigation of severe repetitive loss properties.
- Sec. 18. Flood mitigation assistance program.
- Sec. 19. GAO study of methods to increase flood insurance program participation by low-income families.
- Sec. 20. Notice of availability of flood insurance and escrow in RESPA good faith estimate.
- Sec. 21. Reiteration of FEMA responsibilities under 2004 Reform Act.
- Sec. 22. Ongoing modernization of flood maps and elevation standards.
- Sec. 23. Notification and appeal of map changes; notification of establishment of flood elevations.
- Sec. 24. Clarification of replacement cost provisions, forms, and policy language.
- Sec. 25. Authorization of additional FEMA staff.
- Sec. 26. Extension of deadline for filing proof of loss.
- Sec. 27. 5-year extension of program.

1 SEC. 2. FINDINGS AND PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (4) to provide for the national flood insurance
9 program to make available optional multiperil insur-
10 ance coverage against loss resulting from physical
11 damage to or loss of real or personal property aris-
12 ing from any flood or windstorm.

13 **SEC. 3. STUDY REGARDING STATUS OF PRE-FIRM PROP-**
14 **ERTIES AND MANDATORY PURCHASE RE-**
15 **QUIREMENT FOR NATURAL 100-YEAR FLOOD-**
16 **PLAIN AND NON-FEDERALLY RELATED**
17 **LOANS.**

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

20 (1) PRE-FIRM PROPERTIES.—The study shall
21 determine the status of the national flood insurance
22 program, as of the date of the enactment of this Act,
23 with respect to the provision of flood insurance cov-
24 erage for pre-FIRM properties (as such term is de-
25 fined in section 578(b) of the National Flood Insur-

1 ance Reform Act of 1994 (42 U.S.C. 4014 note)),
2 which shall include determinations of—

3 (A) the number of pre-FIRM properties
4 for which coverage is provided and the extent of
5 such coverage;

6 (B) the cost of providing coverage for such
7 pre-FIRM properties to the national flood in-
8 surance program;

9 (C) the anticipated rate at which such pre-
10 FIRM properties will cease to be covered under
11 the program; and

12 (D) the effects that implementation of the
13 Bunning-Bereuter-Blumenauer Flood Insurance
14 Reform Act of 2004 will have on the national
15 flood insurance program generally and on cov-
16 erage of pre-FIRM properties under the pro-
17 gram.

18 (2) MANDATORY PURCHASE REQUIREMENT FOR
19 NATURAL 100-YEAR FLOODPLAIN.—The study shall
20 assess the impact, effectiveness, and feasibility of
21 amending the provisions of the Flood Disaster Pro-
22 tection Act of 1973 regarding the properties that are
23 subject to the mandatory flood insurance coverage
24 purchase requirements under such Act to extend
25 such requirements to properties located in any area

1 that would be designated as an area having special
2 flood hazards but for the existence of a structural
3 flood protection system, and shall determine—

4 (A) the regulatory, financial and economic
5 impacts of extending such mandatory purchase
6 requirements on the costs of homeownership,
7 the actuarial soundness of the national flood in-
8 surance program, the Federal Emergency Man-
9 agement Agency, local communities, insurance
10 companies, and local land use;

11 (B) the effectiveness of extending such
12 mandatory purchase requirements in protecting
13 homeowners from financial loss and in pro-
14 tecting the financial soundness of the national
15 flood insurance program; and

16 (C) any impact on lenders of complying
17 with or enforcing such extended mandatory re-
18 quirements.

19 (3) MANDATORY PURCHASE REQUIREMENT FOR
20 NON-FEDERALLY RELATED LOANS.—The study shall
21 assess the impact, effectiveness, and feasibility of,
22 and basis under the Constitution of the United
23 States for, amending the provisions of the Flood
24 Disaster Protection Act of 1973 regarding the prop-
25 erties that are subject to the mandatory flood insur-

1 ance coverage purchase requirements under such Act
2 to extend such requirements to any property that is
3 located in any area having special flood hazards and
4 which secures the repayment of a loan that is not
5 described in paragraph (1), (2), or (3) of section
6 102(b) of such Act, and shall determine how best to
7 administer and enforce such a requirement, taking
8 into consideration other insurance purchase require-
9 ments under Federal and State law.

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

15 **SEC. 4. PHASE-IN OF ACTUARIAL RATES FOR NONRESIDEN-**
16 **TIAL PROPERTIES AND NON-PRIMARY RESI-**
17 **DENCES.**

18 (a) IN GENERAL.—Section 1308(c) of the National
19 Flood Insurance Act of 1968 (42 U.S.C. 4015(c)) is
20 amended—

21 (1) by redesignating paragraph (2) as para-
22 graph (4); and

23 (2) by inserting after paragraph (1) the fol-
24 lowing new paragraphs:

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

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

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

9 (1) in subsection (c)—

10 (A) in the matter preceding paragraph (1),
11 by striking “the limitations provided under
12 paragraphs (1) and (2)” and inserting “sub-
13 section (e)”; and

14 (B) in paragraph (1), by striking “, ex-
15 cept” and all that follows through “subsection
16 (e)”; and

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

19 (c) EFFECTIVE DATE AND TRANSITION.—

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

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

1 (A) INCREASE OF RATES OVER TIME.—In
2 the case of any property described in paragraph
3 (2) or (3) of section 1308(c) of the National
4 Flood Insurance Act of 1968, as amended by
5 subsection (a) of this section, that, as of the ef-
6 fective date under paragraph (1) of this sub-
7 section, is covered under a policy for flood in-
8 surance made available under the national flood
9 insurance program for which the chargeable
10 premium rates are less than the applicable esti-
11 mated risk premium rate under section
12 1307(a)(1) for the area in which the property
13 is located, the Director of the Federal Emer-
14 gency Management Agency shall increase the
15 chargeable premium rates for such property
16 over time to such applicable estimated risk pre-
17 mium rate under section 1307(a)(1).

18 (B) ANNUAL INCREASE.—Such increase
19 shall be made by increasing the chargeable pre-
20 mium rates for the property (after application
21 of any increase in the premium rates otherwise
22 applicable to such property), once during the
23 12-month period that begins upon the effective
24 date under paragraph (1) of this subsection and
25 once every 12 months thereafter until such in-

1 crease is accomplished, by 15 percent (or such
2 lesser amount as may be necessary so that the
3 chargeable rate does not exceed such applicable
4 estimated risk premium rate or to comply with
5 subparagraph (C)). Any increase in chargeable
6 premium rates for a property pursuant to this
7 paragraph shall not be considered for purposes
8 of the limitation under section 1308(e) of such
9 Act.

10 (C) PROPERTIES SUBJECT TO PHASE-IN
11 AND ANNUAL INCREASES.—In the case of any
12 pre-FIRM property (as such term is defined in
13 section 578(b) of the National Flood Insurance
14 Reform Act of 1974), the aggregate increase,
15 during any 12-month period, in the chargeable
16 premium rate for the property that is attrib-
17 utable to this paragraph or to an increase de-
18 scribed in section 1308(e) of the National Flood
19 Insurance Act of 1968 may not exceed the fol-
20 lowing percentage:

21 (i) NONRESIDENTIAL PROPERTIES.—

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

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

4 (D) FULL ACTUARIAL RATES.—The provi-
5 sions of paragraphs (2) and (3) of such section
6 1308(c) shall apply to such a property upon the
7 accomplishment of the increase under this para-
8 graph and thereafter.

9 **SEC. 5. EXCEPTION TO WAITING PERIOD FOR EFFECTIVE**
10 **DATE OF POLICIES.**

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

22 **SEC. 6. ENFORCEMENT.**

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

25 (1) in paragraph (5)—

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

3 (B) in the last sentence, by striking
4 “\$100,000” and inserting “\$1,000,000; except
5 that such limitation shall not apply to a regu-
6 lated lending institution or enterprise for a cal-
7 endar year if, in any three (or more) of the five
8 calendar years immediately preceding such cal-
9 endar year, the total amount of penalties as-
10 sessed under this subsection against such lend-
11 ing institution or enterprise was \$1,000,000”;
12 and

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

20 **SEC. 7. MULTIPERIL COVERAGE FOR FLOOD AND WIND-**
21 **STORM.**

22 (a) IN GENERAL.—Section 1304 of the National
23 Flood Insurance Act of 1968 (42 U.S.C. 4011) is amend-
24 ed—

1 (1) by redesignating subsection (c) as sub-
2 section (d); and

3 (2) by inserting after subsection (b) the fol-
4 lowing new subsection:

5 “(c) MULTIPERIL COVERAGE FOR DAMAGE FROM
6 FLOOD OR WINDSTORM.—

7 “(1) IN GENERAL.—The national flood insur-
8 ance program established pursuant to subsection (a)
9 shall enable the purchase of optional insurance
10 against loss resulting from physical damage to or
11 loss of real property or personal property related
12 thereto located in the United States arising from
13 any flood or windstorm, subject to the limitations in
14 this subsection and section 1306(b).

15 “(2) COMMUNITY PARTICIPATION REQUIRE-
16 MENT.—Multiperil coverage pursuant to this sub-
17 section may not be provided in any area (or subdivi-
18 sion thereof) unless an appropriate public body shall
19 have adopted adequate land use and control meas-
20 ures (with effective enforcement provisions) which
21 the Director finds are consistent with the com-
22 prehensive criteria for land management and use re-
23 lating to windstorms establish pursuant to section
24 1361(d)(2).

1 “(3) PROHIBITION AGAINST DUPLICATIVE COV-
2 ERAGE.—Multiperil coverage pursuant to this sub-
3 section may not be provided with respect to any
4 structure (or the personal property related thereto)
5 for any period during which such structure is cov-
6 ered, at any time, by flood insurance coverage made
7 available under this title.

8 “(4) NATURE OF COVERAGE.—Multiperil cov-
9 erage pursuant to this subsection shall—

10 “(A) cover losses only from physical dam-
11 age resulting from flooding or windstorm; and

12 “(B) provide for approval and payment of
13 claims under such coverage upon proof that
14 such loss must have resulted from either wind-
15 storm or flooding, but shall not require for ap-
16 proval and payment of a claim that the specific
17 cause of the loss, whether windstorm or flood-
18 ing, be distinguished or identified.

19 “(5) ACTUARIAL RATES.—Multiperil coverage
20 pursuant to this subsection shall be made available
21 for purchase for a property only at chargeable risk
22 premium rates that, based on consideration of the
23 risks involved and accepted actuarial principles, and
24 including operating costs and allowance and admin-
25 istrative expenses, are required in order to make

1 such coverage available on an actuarial basis for the
2 type and class of properties covered.

3 “(6) TERMS OF COVERAGE.—The Director
4 shall, after consultation with persons and entities re-
5 ferred to in section 1306(a), provide by regulation
6 for the general terms and conditions of insurability
7 which shall be applicable to properties eligible for
8 multiperil coverage under this subsection, subject to
9 the provisions of this subsection, including—

10 “(A) the types, classes, and locations of
11 any such properties which shall be eligible for
12 such coverage, which shall include residential
13 and nonresidential properties;

14 “(B) subject to paragraph (7), the nature
15 and limits of loss or damage in any areas (or
16 subdivisions thereof) which may be covered by
17 such coverage;

18 “(C) the classification, limitation, and re-
19 jection of any risks which may be advisable;

20 “(D) appropriate minimum premiums;

21 “(E) appropriate loss deductibles; and

22 “(F) any other terms and conditions relat-
23 ing to insurance coverage or exclusion that may
24 be necessary to carry out this subsection.

1 “(7) LIMITATIONS ON AMOUNT OF COV-
2 ERAGE.—The regulations issued pursuant to para-
3 graph (6) shall provide that the aggregate liability
4 under multiperil coverage made available under this
5 subsection shall not exceed the lesser of the replace-
6 ment cost for covered losses or the following
7 amounts, as applicable:

8 “(A) RESIDENTIAL STRUCTURES.—In the
9 case of residential properties—

10 “(i) for any single-family dwelling,
11 \$500,000; and

12 “(ii) for any structure containing
13 more than one dwelling unit, \$500,000 for
14 each separate dwelling unit in the struc-
15 ture; and

16 “(iii) \$150,000 per dwelling unit
17 for—

18 “(I) any contents related to such
19 unit; and

20 “(II) any necessary increases in
21 living expenses incurred by the in-
22 sured when losses from flooding or
23 windstorm make the residence unfit to
24 live in.

1 “(B) NONRESIDENTIAL PROPERTIES.—In
2 the case of nonresidential properties (including
3 church properties)—

4 “(i) \$1,000,000 for any single struc-
5 ture; and

6 “(ii) \$750,000 for—

7 “(I) any contents related to such
8 structure;

9 “(II) in the case of any nonresi-
10 dential property that is a business
11 property, any losses resulting from
12 any partial or total interruption of the
13 insured’s business caused by damage
14 to, or loss of, such property from
15 flooding or windstorm, except that for
16 purposes of such coverage, losses shall
17 be determined based on the profits the
18 covered business would have earned,
19 based on previous financial records,
20 had the flood or windstorm not oc-
21 curred.”.

22 (b) PROHIBITION AGAINST DUPLICATIVE COV-
23 ERAGE.—The National Flood Insurance Act of 1968 is
24 amended by inserting after section 1313 (42 U.S.C. 4020)
25 the following new section;

1 “PROHIBITION AGAINST DUPLICATIVE COVERAGE

2 “SEC. 1314. Flood insurance under this title may not
3 be provided with respect to any structure (or the personal
4 property related thereto) for any period during which such
5 structure is covered, at any time, by multiperil insurance
6 coverage made available pursuant to section 1304(c).”.

7 (c) COMPLIANCE WITH STATE AND LOCAL LAW.—
8 Section 1316 of the National Flood Insurance Act of 1968
9 (42 U.S.C. 4023) is amended—

10 (1) by inserting “(a) FLOOD PROTECTION
11 MEASURES.—” before “No new”; and

12 (2) by adding at the end the following new sub-
13 section:

14 “(b) WINDSTORM PROTECTION MEASURES.—No new
15 multiperil coverage shall be provided under section
16 1304(c) for any property that the Director finds has been
17 declared by a duly constituted State or local zoning au-
18 thority, or other authorized public body to be in violation
19 of State or local laws, regulations, or ordinances, which
20 are intended to reduce damage caused by windstorms.”.

21 (d) CRITERIA FOR LAND MANAGEMENT AND USE.—
22 Section 1361 of the National Flood Insurance Act of 1968
23 (42 U.S.C. 4102) is amended by adding at the end the
24 following new subsection:

25 “(d) WINDSTORMS.—

1 “(1) STUDIES AND INVESTIGATIONS.—The Di-
2 rector shall carry out studies and investigations
3 under this section to determine appropriate meas-
4 ures in windstorm-prone areas as to land manage-
5 ment and use, windstorm zoning, and windstorm
6 damage prevention, and may enter into contracts,
7 agreements, and other appropriate arrangements to
8 carry out such activities. Such studies and investiga-
9 tions shall include laws, regulations, and ordinance
10 relating to the orderly development and use of areas
11 subject to damage from windstorm risks, and zoning
12 building codes, building permits, and subdivision and
13 other building restrictions for such areas.

14 “(2) CRITERIA.—On the basis of the studies
15 and investigations pursuant to paragraph (1) and
16 such other information as may be appropriate, the
17 Direct shall establish comprehensive criteria de-
18 signed to encourage, where necessary, the adoption
19 of adequate State and local measures which, to the
20 maximum extent feasible, will assist in reducing
21 damage caused by windstorms.

22 “(3) COORDINATION WITH STATE AND LOCAL
23 GOVERNMENTS.—The Director shall work closely
24 with and provide any necessary technical assistance
25 to State, interstate, and local governmental agencies,

1 to encourage the application of criteria established
2 under paragraph (2) and the adoption and enforce-
3 ment of measures referred to in such paragraph .”.

4 (e) DEFINITIONS.—Section 1370 of the National
5 Flood Insurance Act of 1968 (42 U.S.C. 4121) is amend-
6 ed—

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

9 (2) in paragraph (15) by striking the period at
10 the end and inserting “; and”; and

11 (3) by adding at the end the following new
12 paragraph:

13 “(16) the term ‘windstorm’ means any hurri-
14 cane, tornado, cyclone, typhoon, or other wind
15 event.”.

16 **SEC. 8. MAXIMUM COVERAGE LIMITS.**

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

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

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

23 (3) in paragraph (4), by striking “\$500,000”
24 each place such term appears and inserting
25 “\$670,000”.

1 **SEC. 9. COVERAGE FOR ADDITIONAL LIVING EXPENSES,**
2 **BASEMENT IMPROVEMENTS, BUSINESS**
3 **INTERRUPTION, AND REPLACEMENT COST**
4 **OF CONTENTS.**

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

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

9 (2) in paragraph (5)—

10 (A) by inserting “pursuant to paragraph
11 (2), (3), or (4)” after “any flood insurance cov-
12 erage”; and

13 (B) by striking the period at the end and
14 inserting a semicolon; and

15 (3) by adding at the end the following new
16 paragraphs:

17 “(6) in the case of any residential property,
18 each renewal or new contract for flood insurance
19 coverage shall provide not less than \$1,000 aggre-
20 gate liability per dwelling unit for any necessary in-
21 creases in living expenses incurred by the insured
22 when losses from a flood make the residence unfit to
23 live in, which coverage shall be available only at
24 chargeable rates that are not less than the estimated
25 premium rates for such coverage determined in ac-
26 cordance with section 1307(a)(1);

1 “(7) in the case of any residential property, op-
2 tional coverage for additional living expenses de-
3 scribed in paragraph (6) shall be made available to
4 every insured upon renewal and every applicant in
5 excess of the limits provided in paragraph (6) in
6 such amounts and at such rates as the Director
7 shall establish, except that such chargeable rates
8 shall not be less than the estimated premium rates
9 for such coverage determined in accordance with sec-
10 tion 1307(a)(1);

11 “(8) in the case of any residential property, op-
12 tional coverage for losses, resulting from floods, to
13 improvements and personal property located in base-
14 ments, crawl spaces, and other enclosed areas under
15 buildings that are not covered by primary flood in-
16 surance coverage under this title, shall be made
17 available to every insured upon renewal and every
18 applicant, except that such coverage shall be made
19 available only at chargeable rates that are not less
20 than the estimated premium rates for such coverage
21 determined in accordance with section 1307(a)(1);

22 “(9) in the case of any commercial property,
23 optional coverage for losses resulting from any par-
24 tial or total interruption of the insured’s business
25 caused by damage to, or loss of, such property from

1 a flood shall be made available to every insured upon
2 renewal and every applicant, except that—

3 “(A) for purposes of such coverage, losses
4 shall be determined based on the profits the
5 covered business would have earned, based on
6 previous financial records, had the flood not oc-
7 curred; and

8 “(B) such coverage shall be made available
9 only at chargeable rates that are not less than
10 the estimated premium rates for such coverage
11 determined in accordance with section
12 1307(a)(1); and

13 “(10) in the case of any residential property
14 and any commercial property, optional coverage for
15 the full replacement costs of any contents related to
16 the structure that exceed the limits of coverage oth-
17 erwise provided in this subsection shall be made
18 available to every insured upon renewal and every
19 applicant, except that such coverage shall be made
20 available only at chargeable rates that are not less
21 than the estimated premium rates for such coverage
22 determined in accordance with section 1307(a)(1).”.

1 **SEC. 10. NOTIFICATION TO TENANTS OF AVAILABILITY OF**
2 **CONTENTS INSURANCE.**

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

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

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

12 “(1) provide to the insured sufficient copies of
13 the notice developed pursuant to subsection (b) to
14 provide for distribution of a copy of such notice to
15 each tenant of the property; and

16 “(2) strongly encourage the insured to provide
17 a copy to each such tenant and to each new tenant
18 upon commencement of such a tenancy.

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

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

24 “(2) that flood insurance coverage is available
25 under the national flood insurance program under

1 this title for contents of the unit or structure leased
2 by the tenant;

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

6 “(4) of where to obtain information regarding
7 how to obtain such coverage, including a telephone
8 number, mailing address, and location on the World
9 Wide Web of the Director where such information is
10 available.”.

11 **SEC. 11. INCREASE IN ANNUAL LIMITATION ON PREMIUM**
12 **INCREASES.**

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

16 **SEC. 12. INCREASE IN BORROWING AUTHORITY.**

17 (a) BORROWING AUTHORITY.—The first sentence of
18 subsection (a) of section 1309 of the National Flood In-
19 surance Act of 1968 (42 U.S.C. 4016(a)), as amended by
20 the National Flood Insurance Program Further Enhanced
21 Borrowing Authority Act of 2005 (Public Law 109–106;
22 119 Stat. 2288), is amended by striking
23 “\$20,775,000,000” and inserting “\$21,500,000,000”.

24 (b) FEMA REPORT.—Not later than the expiration
25 of the 6-month period beginning on the date of the enact-

1 ment of this Act, the Director of the Federal Emergency
2 Management Agency shall submit a report to the Congress
3 setting forth a plan for repaying any amounts borrowed
4 pursuant to increase in borrowing authority authorized
5 under the amendments made by subsection (a).

6 **SEC. 13. FEMA PARTICIPATION IN STATE DISASTER CLAIMS**
7 **MEDIATION PROGRAMS.**

8 Chapter I of the National Flood Insurance Act of
9 1968 (42 U.S.C. 4011 et seq.) is amended by adding at
10 the end the following new section:

11 **“SEC. 1325. FEMA PARTICIPATION IN STATE DISASTER**
12 **CLAIMS MEDIATION PROGRAMS.**

13 “(a) REQUIREMENT TO PARTICIPATE.—In the case
14 of the occurrence of a natural catastrophe that may have
15 resulted in flood damage covered by insurance made avail-
16 able under the national flood insurance program and a loss
17 covered by personal lines residential property insurance
18 policy, upon request made by the insurance commissioner
19 of a State (or such other official responsible for regulating
20 the business of insurance in the State) for the participa-
21 tion of representatives of the Director in a program spon-
22 sored by such State for nonbinding mediation of insurance
23 claims resulting from a natural catastrophe, the Director
24 shall cause such representatives to participate in such
25 State program, when claims under the national flood in-

1 surance program are involved, to expedite settlement of
2 flood damage claims resulting from such catastrophe.

3 “(b) EXTENT OF PARTICIPATION.—Participation by
4 representatives of the Director required under subsection
5 (a) with respect to flood damage claims resulting from a
6 natural catastrophe shall include—

7 “(1) providing adjusters certified for purposes
8 of the national flood insurance program who are au-
9 thorized to settle claims against such program re-
10 sulting from such catastrophe in amounts up to the
11 limits of policies under such program;

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

16 “(3) participating in good-faith negotiations to-
17 ward the settlement of such claims with policy-
18 holders of coverage made available under the na-
19 tional flood insurance program; and

20 “(4) finalizing the settlement of such claims on
21 behalf of the national flood insurance program with
22 such policyholders.

23 “(c) COORDINATION.—Representatives of the Direc-
24 tor who participate pursuant to this section in a State-
25 sponsored mediation program with respect to a natural ca-

1 catastrophe shall at all times coordinate their activities with
2 insurance officials of the State and representatives of in-
3 surers for the purpose of consolidating and expediting the
4 settlement of claims under the national flood insurance
5 program resulting from such catastrophe at the earliest
6 possible time.

7 “(d) MEDIATION PROCEEDINGS AND PRIVILEGED
8 DOCUMENTS.—As a condition of the participation of Rep-
9 resentatives of the Director pursuant to this section in
10 State-sponsored mediation, all statements made and docu-
11 ments produced pursuant to such mediation involving rep-
12 resentatives of the Director shall be deemed privileged and
13 confidential settlement negotiations made in anticipation
14 of litigation.

15 “(e) EFFECT OF PARTICIPATION ON LIABILITY,
16 RIGHT, AND OBLIGATIONS.—Participation of Representa-
17 tives of the Director pursuant to this section in State-
18 sponsored mediation shall not affect or expand the liability
19 of any party in contract or in tort, nor shall it affect the
20 rights or obligations of the parties as provided in the
21 Standard Flood Insurance Policy under the national flood
22 insurance program, regulations of the Federal Emergency
23 Management Agency, this Act, or Federal common law.

24 “(f) EXCLUSIVE FEDERAL JURISDICTION.—Partici-
25 pation of Representatives of the Director pursuant to this

1 section in State-sponsored mediation shall not alter,
2 change or modify the original exclusive jurisdiction of
3 United States courts as provided in this Act.

4 “(g) COST LIMITATION.—Nothing in this section
5 shall be construed to require the Director or representa-
6 tives of the Director to pay additional mediation fees relat-
7 ing to flood claims associated with a State-sponsored me-
8 diation program in which representatives of the Director
9 participate.

10 “(h) EXCEPTION.—In the case of the occurrence of
11 a natural catastrophe that results in flood damage claims
12 under the national flood insurance program and does not
13 result in any loss covered by a personal lines residential
14 property insurance policy—

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

16 “(2) the provisions of the Standard Flood In-
17 surance Policy under the national flood insurance
18 program and the appeals process established pursu-
19 ant to section 205 of the Bunning-Bereueter-
20 Blumenauer Flood Insurance Reform Act of 2004
21 (Public Law 108–264; 118 Stat. 726) and regula-
22 tions issued pursuant to such section shall apply ex-
23 clusively.

24 “(i) REPRESENTATIVES OF DIRECTOR.—For pur-
25 poses of this section, the term ‘representatives of the Di-

1 rector’ means representatives of the national flood insur-
2 ance program who participate in the appeals process es-
3 tablished pursuant to section 205 of the Bunning-
4 Bereueter-Blumenauer Flood Insurance Reform Act of
5 2004 (Public Law 108–264; 118 Stat. 726) and regula-
6 tions issued pursuant to such section.”.

7 **SEC. 14. FEMA ANNUAL REPORT ON INSURANCE PROGRAM.**

8 Section 1320 of the National Flood Insurance Act of
9 1968 (42 U.S.C. 4027) is amended—

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

13 (2) in subsection (a)—

14 (A) by striking “biennially”;

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

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

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

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

23 “(c) **FINANCIAL STATUS OF PROGRAM.**—The report
24 under this section for each year shall include information
25 regarding the financial status of the national flood insur-

1 ance program under this title, including a description of
2 the financial status of the National Flood Insurance Fund
3 and current and projected levels of claims, premium re-
4 ceipts, expenses, and borrowing under the program.”.

5 **SEC. 15. FLOOD INSURANCE OUTREACH GRANTS.**

6 Chapter I of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4011 et seq.), as amended by the pre-
8 ceding provisions of this Act, is further amended by add-
9 ing at the end the following new section:

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

12 “(a) IN GENERAL.—The Director may, to the extent
13 amounts are made available pursuant to subsection (h),
14 make grants to local governmental agencies responsible for
15 floodplain management activities (including such agencies
16 of Indians tribes, as such term is defined in section 4 of
17 the Native American Housing Assistance and Self-Deter-
18 mination Act of 1996 (25 U.S.C. 4103)) in communities
19 that participate in the national flood insurance program
20 under this title, for use by such agencies to carry out out-
21 reach activities to encourage and facilitate the purchase
22 of flood insurance protection under this Act by owners and
23 renters of properties in such communities and to promote
24 educational activities that increase awareness of flood risk
25 reduction.

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

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

8 “(2) notify such owners and renters when their
9 properties become included in, or when they are ex-
10 cluded from, an area having special flood hazards
11 and the effect of such inclusion or exclusion on the
12 applicability of the mandatory flood insurance pur-
13 chase requirement under section 102 of the Flood
14 Disaster Protection Act of 1973 (42 U.S.C. 4012a)
15 to such properties;

16 “(3) educate such owners and renters regarding
17 the flood risk and reduction of this risk in their
18 community, including the continued flood risks to
19 areas that are no longer subject to the flood insur-
20 ance mandatory purchase requirement;

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

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

3 “(c) COST SHARING REQUIREMENT.—

4 “(1) IN GENERAL.—In any fiscal year, the Di-
5 rector may not provide a grant under this section to
6 a local governmental agency in an amount exceeding
7 3 times the amount that the agency certifies, as the
8 Director shall require, that the agency will con-
9 tribute from non-Federal funds to be used with
10 grant amounts only for carrying out activities de-
11 scribed in subsection (b).

12 “(2) NON-FEDERAL FUNDS.—For purposes of
13 this subsection, the term ‘non-Federal funds’ in-
14 cludes State or local government agency amounts,
15 in-kind contributions, any salary paid to staff to
16 carry out the eligible activities of the grant recipient,
17 the value of the time and services contributed by vol-
18 unteers to carry out such services (at a rate deter-
19 mined by the Director), and the value of any do-
20 nated material or building and the value of any lease
21 on a building.

22 “(d) ADMINISTRATIVE COST LIMITATION.—Notwith-
23 standing subsection (b), the Director may use not more
24 than 5 percent of amounts made available under sub-
25 section (g) to cover salaries, expenses, and other adminis-

1 trative costs incurred by the Director in making grants
2 and provide assistance under this section.

3 “(e) APPLICATION AND SELECTION.—

4 “(1) IN GENERAL.—The Director shall provide
5 for local governmental agencies described in sub-
6 section (a) to submit applications for grants under
7 this section and for competitive selection, based on
8 criteria established by the Director, of agencies sub-
9 mitting such applications to receive such grants.

10 “(2) SELECTION CONSIDERATIONS.—In select-
11 ing applications of local government agencies to re-
12 ceive grants under paragraph (1), the Director shall
13 consider—

14 “(A) the existence of a cooperative tech-
15 nical partner agreement between the local gov-
16 ernmental agency and the Federal Emergency
17 Management Agency;

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

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

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

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

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

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

23 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
24 is authorized to be appropriated for grants under this sec-

1 tion \$50,000,000 for each of fiscal years 2008 through
2 2012.”.

3 **SEC. 16. GRANTS FOR DIRECT FUNDING OF MITIGATION**
4 **ACTIVITIES FOR INDIVIDUAL REPETITIVE**
5 **CLAIMS PROPERTIES.**

6 (a) DIRECT GRANTS TO OWNERS.—Section 1323 of
7 the National Flood Insurance Act of 1968 (42 U.S.C.
8 4030) is amended—

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

11 (2) in the matter in subsection (a) that pre-
12 cedes paragraph (1)—

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

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

16 (b) AVAILABILITY OF FUNDS.—Paragraph (9) of sec-
17 tion 1310(a) of the National Flood Insurance Act of 1968
18 (42 U.S.C. 4017(a)) is amended by inserting “which shall
19 remain available until expended,” after “and fiscal year,”.

20 **SEC. 17. EXTENSION OF PILOT PROGRAM FOR MITIGATION**
21 **OF SEVERE REPETITIVE LOSS PROPERTIES.**

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

1 (1) in subsection (k)(1), by striking “2005,
2 2006, 2007, 2008, and 2009” and inserting “2008,
3 2009, 2010, 2011, and 2012”; and

4 (2) by striking subsection (l).

5 **SEC. 18. FLOOD MITIGATION ASSISTANCE PROGRAM.**

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

11 (b) **ELIMINATION OF LIMITATIONS ON AGGREGATE**
12 **AMOUNT OF ASSISTANCE.**—Section 1366 of the National
13 Flood Insurance Act of 1968 is amended by striking sub-
14 section (f).

15 (c) **SOURCE OF FUNDS.**—Subsection (a) of section
16 1367 of the National Flood Insurance Act of 1968 (42
17 U.S.C. 4104d(a)) is amended by adding at the end the
18 following new sentence: “Notwithstanding any other provi-
19 sion of this title, amounts made available pursuant to this
20 subsection shall not be subject to offsetting collections
21 through premium rates for flood insurance coverage under
22 this title.”.

23 (d) **TECHNICAL AMENDMENTS.**—Section 1366 of the
24 National Flood Insurance Act of 1968 is amended—

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

4 (2) by redesignating subsections (g) through (k)
5 as subsections (f) through (j), respectively.

6 **SEC. 19. GAO STUDY OF METHODS TO INCREASE FLOOD IN-**
7 **SURANCE PROGRAM PARTICIPATION BY LOW-**
8 **INCOME FAMILIES.**

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

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

1 **SEC. 20. NOTICE OF AVAILABILITY OF FLOOD INSURANCE**
2 **AND ESCROW IN RESPA GOOD FAITH ESTI-**
3 **MATE.**

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

22 **SEC. 21. REITERATION OF FEMA RESPONSIBILITIES UNDER**
23 **2004 REFORM ACT.**

24 (a) APPEALS PROCESS.—As directed in section 205
25 of the Bunning-Bereuter-Blumenauer Flood Insurance
26 Reform Act of 2004 (42 U.S.C. 4011 note), the Director

1 of the Federal Emergency Management Agency is again
2 directed to, not later than 90 days after the date of the
3 enactment of this Act, establish an appeals process
4 through which holders of a flood insurance policy may ap-
5 peal the decisions, with respect to claims, proofs of loss,
6 and loss estimates relating to such flood insurance policy
7 as required by such section.

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

19 (c) REPORT.—Not later than the expiration of the 6-
20 month period beginning on the date of the enactment of
21 this Act, the Director of the Federal Emergency Manage-
22 ment Agency shall submit a report to the Congress de-
23 scribing the implementation of each provision of the
24 Bunning-Bereuter-Blumenauer Flood Insurance Reform
25 Act of 2004 (Public Law 108–264) and identifying each

1 regulation, order, notice, and other material issued by the
2 Director in implementing each such provision.

3 **SEC. 22. ONGOING MODERNIZATION OF FLOOD MAPS AND**
4 **ELEVATION STANDARDS.**

5 (a) ONGOING FLOOD MAPPING PROGRAM.—Section
6 1360 of the National Flood Insurance Act of 1968 (42
7 U.S.C. 4101) is amended by adding at the end the fol-
8 lowing new subsection:

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

11 “(1) IN GENERAL.—The Director, in coordina-
12 tion with the Technical Mapping Advisory Council
13 established pursuant to section 576 of the National
14 Flood Insurance Reform Act of 1994 (42 U.S.C.
15 4101 note) and section 22(b) of the Flood Insurance
16 Reform and Modernization Act of 2007, shall estab-
17 lish an ongoing program under which the Director
18 shall review, update, and maintain national flood in-
19 surance program rate maps in accordance with this
20 subsection.

21 “(2) INCLUSIONS.—

22 “(A) COVERED AREAS.—Each map up-
23 dated under this subsection shall include a de-
24 piction of—

25 “(i) the 500-year floodplain;

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

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

8 “(B) OTHER INCLUSIONS.—In updating
9 maps under this subsection, the Director may
10 include—

11 “(i) any relevant information on
12 coastal inundation from—

13 “(I) an applicable inundation
14 map of the Corps of Engineers; and

15 “(II) data of the National Oce-
16 anic and Atmospheric Administration
17 relating to storm surge modeling;

18 “(ii) any relevant information of the
19 Geographical Service on stream flows, wa-
20 tershed characteristics, and topography
21 that is useful in the identification of flood
22 hazard areas, as determined by the Direc-
23 tor; and

1 “(iii) a description of any hazard that
2 might impact flooding, including, as deter-
3 mined by the Director—

4 “(I) land subsidence and coastal
5 erosion areas;

6 “(II) sediment flow areas;

7 “(III) mud flow areas;

8 “(IV) ice jam areas; and

9 “(V) areas on coasts and inland
10 that are subject to the failure of
11 structural protective works, such as
12 levees, dams, and floodwalls.

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

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

17 “(i) flood risk determinations; and

18 “(ii) use by State and local govern-
19 ments in managing development to reduce
20 the risk of flooding;

21 “(B) facilitate the Director, in conjunction
22 with State and local governments, to identify
23 and use consistent methods of data collection
24 and analysis in developing maps for commu-

1 nities with similar flood risks, as determined by
2 the Director; and

3 “(C) ensure that emerging weather fore-
4 casting technology is used, where practicable, in
5 flood map evaluations and the identification of
6 potential risk areas.

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

10 “(A) give priority to the updating and
11 maintenance of maps of coastal areas affected
12 by Hurricane Katrina or Hurricane Rita to pro-
13 vide guidance with respect to hurricane recovery
14 efforts; and

15 “(B) use the process of updating and
16 maintaining maps under subparagraph (A) as a
17 model for updating and maintaining other
18 maps.

19 “(5) EDUCATION PROGRAM.—The Director
20 shall, after each update to a flood insurance pro-
21 gram rate map, in consultation with the chief execu-
22 tive officer of each community affected by the up-
23 date, conduct a program to educate each such com-
24 munity about the update to the flood insurance pro-
25 gram rate map and the effects of the update.

1 “(6) ANNUAL REPORT.—Not later than June
2 30 of each year, the Director shall submit a report
3 to the Congress describing, for the preceding 12-
4 month period, the activities of the Director under
5 the program under this section and the reviews and
6 updates of flood insurance program rate maps con-
7 ducted under the program. Each such annual report
8 shall contain the most recent report of the Technical
9 Mapping Advisory Council pursuant to section
10 576(c)(3) of the National Flood Insurance Reform
11 Act of 1994 (42 U.S.C. 4101 note).

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

16 (b) REESTABLISHMENT OF TECHNICAL MAPPING
17 ADVISORY COUNCIL FOR ONGOING MAPPING PROGRAM.—

18 (1) REESTABLISHMENT.—There is reestab-
19 lished the Technical Mapping Advisory Council, in
20 accordance with this subsection and section 576 of
21 the National Flood Insurance Reform Act of 1994
22 (42 U.S.C. 4101 note).

23 (2) MEMBERSHIP.—Paragraph (1) of section
24 576(b) of the National Flood Insurance Reform Act
25 of 1994 (42 U.S.C. 4101 note) is amended—

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

3 (B) by redesignating subparagraphs (E),
4 (F), (G), (H), (I), and (J) as subparagraphs
5 (F), (G), (H), (K), (M), and (N), respectively;

6 (C) by inserting after subparagraph (D)
7 the following new subparagraph:

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

10 (D) by inserting after subparagraph (H)
11 (as so redesignated by subparagraph (B) of this
12 paragraph) the following new subparagraphs:

13 “(I) a representative of local or regional
14 flood and stormwater agencies;

15 “(J) a representative of State geographic
16 information coordinators;”;

17 (E) by inserting after subparagraph (K)
18 (as so redesignated by subparagraph (A) of this
19 paragraph) the following new subparagraph:

20 “(L) a representative of flood insurance
21 servicing companies;”.

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

1 “(3) TERMS OF MEMBERS.—

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

7 “(B) TERMS OF INITIAL APPOINTEES.—As
8 designated by the Director (or the designee of
9 the Director) at the time of appointment, of the
10 members of the Council first appointed pursu-
11 ant to subparagraph (D)—

12 “(i) 4 shall be appointed for a term of
13 1 year;

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

16 “(iii) 5 shall be appointed for a term
17 of 5 years.

18 “(C) VACANCIES.—Any member of the
19 Council appointed to fill a vacancy occurring
20 before the expiration of the term for which the
21 member’s predecessor was appointed shall be
22 appointed only for the remainder of that term.
23 A member may serve after the expiration of
24 that member’s term until a successor has taken
25 office. A vacancy in the Council shall be filled

1 in the manner in which the original appoint-
2 ment was made.

3 “(D) INITIAL APPOINTMENT.—The Direc-
4 tor, or the Director’s designee, shall take action
5 as soon as possible after the date of the enact-
6 ment of the Flood Insurance Reform and Mod-
7 ernization Act of 2007 to appoint the members
8 of the Council pursuant to this subsection.”.

9 (4) DUTIES.—Subsection (c) of section 576 of
10 the National Flood Insurance Reform Act of 1994
11 (42 U.S.C. 4101 note) is amended to read as fol-
12 lows:

13 “(c) DUTIES.—The Council shall—

14 “(1) make recommendations to the Director for
15 improvements to the flood map modernization pro-
16 gram under section 1360(k) of the National Flood
17 Insurance Act of 1968 (42 U.S.C. 41010(k));

18 “(2) make recommendations to the Director for
19 maintaining a modernized inventory of flood hazard
20 maps and information; and

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

24 (5) ELIMINATION OF TERMINATION.—Section
25 576 of the National Flood Insurance Reform Act of

1 1994 (42 U.S.C. 4101 note) is amended by striking
2 subsection (k) and inserting the following new sub-
3 section:

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

8 (c) POST-DISASTER FLOOD ELEVATION DETERMINA-
9 TIONS.—Section 1360 of the National Flood Insurance
10 Act of 1968 (42 U.S.C. 4101), as amended by the pre-
11 ceding provisions of this Act, is further amended by add-
12 ing at the end the following new subsection:

13 “(l) INTERIM POST-DISASTER FLOOD ELE-
14 VATIONS.—

15 “(1) AUTHORITY.—Notwithstanding any other
16 provision of this section or section 1363, the Direc-
17 tor may, after any flood-related disaster, establish by
18 order interim flood elevation requirements for pur-
19 poses of the national flood insurance program for
20 any areas affected by such flood-related disaster.

21 “(2) EFFECTIVENESS.—Such interim elevation
22 requirements for such an area shall take effect im-
23 mediately upon issuance and may remain in effect
24 until the Director establishes new flood elevations

1 for such area in accordance with section 1363 or the
2 Director provides otherwise.”.

3 **SEC. 23. NOTIFICATION AND APPEAL OF MAP CHANGES;**
4 **NOTIFICATION OF ESTABLISHMENT OF**
5 **FLOOD ELEVATIONS.**

6 Section 1363 of the National Flood Insurance Act of
7 1968 (42 U.S.C. 4104) is amended by striking the section
8 designation and all that follows through the end of sub-
9 section (a) and inserting the following:

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

14 “(1) by providing the chief executive officer of
15 each community affected by the proposed elevations,
16 by certified mail, with a return receipt requested,
17 notice of the elevations, including a copy of the maps
18 for the elevations for such community and a state-
19 ment explaining the process under this section to ap-
20 peal for changes in such elevations;

21 “(2) by causing notice of such elevations to be
22 published in the Federal Register, which notice shall
23 include information sufficient to identify the ele-
24 vation determinations and the communities affected,
25 information explaining how to obtain copies of the

1 elevations, and a statement explaining the process
2 under this section to appeal for changes in the ele-
3 vations; and

4 “(3) by publishing in a prominent local news-
5 paper the elevations, a description of the appeals
6 process for flood determinations, and the mailing ad-
7 dress and telephone number of a person the owner
8 may contact for more information or to initiate an
9 appeal.”.

10 **SEC. 24. CLARIFICATION OF REPLACEMENT COST PROVI-**
11 **SIONS, FORMS, AND POLICY LANGUAGE.**

12 Not later than the expiration of the 3-month period
13 beginning on the date of the enactment of this Act, the
14 Director of the Federal Emergency Management Agency
15 shall—

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

21 (2) in plain language using easy to understand
22 terms and concepts, revise any regulations, forms,
23 notices, guidance, and publications relating to the
24 full cost of repair or replacement under the replace-
25 ment cost coverage to more clearly describe such

1 coverage to flood insurance policyholders and infor-
2 mation to be provided by such policyholders relating
3 to such coverage, and to avoid providing misleading
4 information to such policyholders;

5 (3) revise the language in standard flood insur-
6 ance policies under such program regarding rating
7 and coverage descriptions in a manner that is con-
8 sistent with language used widely in other home-
9 owners and property and casualty insurance policies,
10 including such language regarding classification of
11 buildings, basements, crawl spaces, detached ga-
12 rages, enclosures below elevated buildings, and re-
13 placement costs; and

14 (4) include in each standard flood insurance
15 policy a one-page description of the policy using
16 plain language and easy to understand terms and
17 concepts.

18 **SEC. 25. AUTHORIZATION OF ADDITIONAL FEMA STAFF.**

19 Notwithstanding any other provision of law, the Di-
20 rector of the Federal Emergency Management Agency
21 may employ such additional staff as may be necessary to
22 carry out all of the responsibilities of the Director pursu-
23 ant to this Act and the amendments made by this Act.
24 There are authorized to be appropriated to Director such

1 sums as may be necessary for costs of employing such ad-
2 ditional staff.

3 **SEC. 26. EXTENSION OF DEADLINE FOR FILING PROOF OF**
4 **LOSS.**

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

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

10 (2) by adding at the end the following new sub-
11 section:

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

13 “(1) IN GENERAL.—In establishing any require-
14 ments regarding notification, proof, or approval of
15 claims for damage to or loss of property which is
16 covered by flood insurance made available under this
17 title, the Director may not require an insured to no-
18 tify the Director of such damage or loss, submit a
19 claim for such damage or loss, or certify to or sub-
20 mit proof of such damage or loss, before the expira-
21 tion of the 180-day period that begins on the date
22 that such damage or loss occurred.

23 “(2) EXCEPTIONS.—Notwithstanding any dead-
24 line established in accordance with paragraph (1),
25 the Director may not deny a claim for damage or

1 loss described in such paragraph solely for failure to
2 meet such deadline if the insured demonstrates any
3 good cause for such failure.”.

4 (b) APPLICABILITY.—Subsection (b) of section 1312
5 of the National Flood Insurance Act of 1968, as added
6 by subsection (a)(2) of this section, shall apply with re-
7 spect to any claim under which the damage to or loss of
8 property occurred on or after the date of the enactment
9 of this Act.

10 **SEC. 27. 5-YEAR EXTENSION OF PROGRAM.**

11 Section 1319 of the National Flood Insurance Act of
12 1968 (42 U.S.C. 4026) is amended by striking “Sep-
13 tember 30, 2008” and inserting “September 30, 2013”.

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