H. R. 3285

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

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2017

Mr. HIGGINS of Louisiana (for himself, Mr. JOHNSON of Louisiana, Mr. PALLEONE, Mr. PASCRELL, Mr. SHRES, Mrs. WATSON COLEMAN, Mr. HARPER, Mr. PALAZZO, and Mr. PAYNE) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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

2 SEC. 1. SHORT TITLE.

3 This Act may be cited as the “Sustainable, Affordable, Fair, and Efficient (SAFE) National Flood Insurance Program Reauthorization Act of 2017”.

4 SEC. 2. TABLE OF CONTENTS.

5 The table of contents for this Act is as follows:
Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

Sec. 102. Limitation on increases of premiums, surcharges, and mapping fees.
Sec. 103. Means-tested mitigation and affordability assistance.
Sec. 104. Coverage expansion.
Sec. 105. Additional coverage for business interruption.

TITLE II—MITIGATION AND MAPPING

Sec. 201. ICC expansion.
Sec. 202. Flood mitigation assistance prioritization and authorization.
Sec. 203. Predisaster hazard mitigation program authorization.
Sec. 204. National Flood Mapping Program.
Sec. 205. Reallocation of premium surcharges.
Sec. 206. Multifamily mitigation.
Sec. 207. Sense of Congress regarding flood mitigation activities.
Sec. 208. New zone for levee-impacted areas.
Sec. 209. Appeals regarding existing flood maps.

TITLE III—COST SAVINGS

Sec. 301. Forbearance on NFIP interest payments.
Sec. 302. Cap on Write Your Own company compensation.
Sec. 303. Taxpayer protection.
Sec. 304. Vendor costs; transparency.

TITLE IV—CLAIMS PROCESS REFORM

Sec. 401. Earth movement clarification.
Sec. 402. Treatment of basements.
Sec. 403. Mold damage clarification.
Sec. 404. Appeal of decisions relating to flood insurance coverage.
Sec. 405. Accountability for underpayments by Write Your Own companies.
Sec. 406. Policyholder right to know.
Sec. 407. Increasing statute of limitations for lawsuits.
Sec. 408. Attorney fee shifting.
Sec. 409. DOJ defense against policyholder lawsuits.
Sec. 410. Study on participation rates.
Sec. 411. Federal Flood Insurance Advisory Committee.
Sec. 412. Authority to terminate contractors and vendors.
Sec. 413. Easing proof of loss requirements.
Sec. 414. Elevation certificates.
Sec. 415. Monthly installment payment for premiums.
Sec. 416. Pilot program for pre-existing structural conditions.
Sec. 417. Deadline for claim processing.
Sec. 418. Engineer oversight and certification.
Sec. 419. Engineer reports.
Sec. 420. Improved training of agents and adjusters.
Sec. 421. Agent Advisory Council.
Sec. 422. Efficient use of mitigation dollars.
Sec. 423. Improved disclosure requirements.
Sec. 424. Amendments to Financial Assistance/Subsidy Arrangement.
Sec. 425. Technical and conforming amendments.

1 SEC. 3. DEFINITIONS.

In this Act—

(1) the term “Administrator” means the Administrator of the Federal Emergency Management Agency;

(2) the term “National Flood Insurance Fund” means the fund established under section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017);

(3) 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) the term “National Flood Mitigation Fund” means the fund established under section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d);


(6) the term “Write Your Own company” means a company that participates in the Write Your Own Program; and
(7) the term “Write Your Own Program” means the cooperative undertaking between the insurance industry and the Federal Insurance and Mitigation Administration that allows participating property and casualty insurance companies to write and service standard flood insurance policies.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

SEC. 101. EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) Financing.—Section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is amended, in the first sentence, by striking “September 30, 2017” and inserting “September 30, 2023”.

(b) Program Expiration.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2017” and inserting “September 30, 2023”.

SEC. 102. LIMITATION ON INCREASES OF PREMIUMS, SURCHARGES, AND MAPPING FEES.

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

(1) the amount of an annual premium with respect to any policy for flood insurance under the National Flood Insurance Program;
(2) any surcharge imposed with respect to a policy described in paragraph (1), including a surcharge imposed under—

(A) section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as amended by section 201(b); or

(B) section 1308A(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015a(a)); and

(3) 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)).

(b) LIMITATION ON INCREASES.—During the 6-year period beginning on the date of enactment of this Act, and notwithstanding section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)), the Administrator may not, in any year, increase the amount of any covered cost by an amount that is more than 10 percent, as compared with the amount of the covered cost during the previous year.

(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.”.

SEC. 103. MEANS-TESTED MITIGATION AND AFFORDABILITY ASSISTANCE.

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

“SEC. 1326. AFFORDABILITY ASSISTANCE.

“(a) AFFORDABILITY ASSISTANCE FUND.—

“(1) ESTABLISHMENT.—The Administrator shall establish in the Treasury of the United States an Affordability Assistance Fund (referred to in this section as the ‘Fund’), which shall be—

“(A) an account separate from any other accounts or funds available to the Administrator; and

“(B) available without fiscal year limitation.
“(2) Use of Funds.—Amounts from the Fund shall be available to provide financial assistance under subsection (b).

“(3) Source of Funds.—The Fund shall be credited with any surcharges imposed and collected by the Administrator under section 1308A(a).

“(b) Financial Assistance.—

“(1) Definitions.—In this subsection—

“(A) the term ‘adjusted gross income’ has the meaning given the term in section 62 of the Internal Revenue Code of 1986;

“(B) the term ‘covered project’ means a mitigation project with respect to a household that reduces the total amount of actuarial risk during a 50-year period by an amount that is greater than the total cost of the project, subject to paragraph (4);

“(C) the term ‘eligible household’ means a household for which—

“(i) housing expenses exceed 30 percent of the adjusted gross income of the household in a year; and

“(ii) the total assets owned by the household are not greater than $1,000,000; and
“(D) the term ‘housing expenses’ means, with respect to a household, the total amount that the household spends in a year on—

“(i) mortgage payments;
“(ii) property taxes;
“(iii) homeowners insurance;
“(iv) premiums for flood insurance under the national flood insurance program; and
“(v) principal and interest payments for a loan provided under this section.

“(2) Authority.—

“(A) Loans for covered projects.—

The Administrator shall provide a low- or zero-interest loan to an eligible household to fund a covered project.

“(B) Other financial assistance.—

The Administrator shall provide a voucher, grant, or premium credit to an eligible household for a year in an amount that is equal to the lesser of—

“(i) the difference between—
“(I) the housing expenses of the household for the year; and
“(II) 30 percent of the adjusted
gross income of the household for the
year; and
“(ii) the sum of—
“(I) the cost of premiums for the
household for flood insurance under
the national flood insurance program
for the year; and
“(II) principal and interest pay-
ments for the household for the year
for a loan provided under this section.
“(3) RELATIONSHIPS WITH OTHER AGEN-
cies.—The Administrator may enter into a memo-
randum of understanding with the head of any other
Federal agency to administer the provision of loans
under paragraph (2)(A).
“(4) USE OF DISCOUNT RATE IN CALCULA-
tion.—The Administrator shall calculate the
amounts under paragraph (1)(B) using a discount
rate of 3 percent.”.

SEC. 104. COVERAGE EXPANSION.

(a) IN GENERAL.—Section 1306(b) of the National
Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is
amended—
(1) in paragraph (2), by striking “$250,000” and inserting “$500,000”; and

(2) in paragraph (4), by striking “applicable) of $500,000” and inserting “applicable) of $1,500,000”.

(b) RULE OF CONSTRUCTION.—Notwithstanding section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), nothing in the amendments made by subsection (a) may be construed as requiring a person to obtain flood insurance in an amount that is greater than the amount of flood insurance held by that person on the day before the date of enactment of this Act.

SEC. 105. ADDITIONAL COVERAGE FOR BUSINESS INTERRUPTION.

(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 interruption coverage and adjusting claims;

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

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

(6) analyze any potential impacts on the financial position of the National Flood Insurance Program; and

(7) develop a feasibility implementation plan and projected timelines for offering business interruption 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 temporary 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.

TITLE II—MITIGATION AND MAPPING

SEC. 201. ICC EXPANSION.

(a) INCREASE OF LIMITATION ON LIABILITY.—Not later than 180 days after the date of enactment of this Act, the Administrator shall amend the Standard Flood Insurance Policy to increase the limitation on liability relating to “Coverage D—Increased Cost of Compliance” from $30,000 to $100,000.

(b) EXPANSION OF ELIGIBILITY; CLARIFICATION WITH RESPECT TO COVERAGE LIMITS; NON-FEDERAL MATCH.—

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

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

(B) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and adjusting the margins accordingly;

(C) in the matter preceding subparagraph (A), as so redesignated, by striking “The national” and inserting the following:

“(1) IN GENERAL.—The national”;

(D) in paragraph (1), as so designated—

(i) in subparagraph (A), as so redesignated, by inserting “, without regard to whether the property is in an area having special flood hazards” after “loss structures”;

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

(iii) in subparagraph (D), as so redesignated—

(I) in the matter preceding clause (ii), as so redesignated, by inserting “subject to paragraph (2),” before “properties for which”;
(II) in clause (iii), as so redesignated, by striking “and” at the end;

(III) in clause (iv), as so redesignated, by striking the period at the end and inserting “; and”; and

(IV) by adding at the end the following:

“(v) a property outside an area having special flood hazards if the community, under section 1361, has established land use and control measures for the area in which the property is located.”;

(E) in the flush text following paragraph (1)(D)(v), as added by subparagraph (D) of this paragraph, by striking “The Administrator” and inserting the following:

“(3) SURCHARGES.—The Administrator”; and

(F) by inserting after paragraph (1), as so designated by subparagraph (A) of this paragraph, the following:

“(2) USE OF FUNDS FOR MITIGATION PROJECTS.—The Administrator shall allow a policyholder to use insurance purchased under this subsection for any eligible project costs under a program described in clause (i), (ii), or (iii) of para-
graph (1)(D) of an acquisition, demolition, elevation, relocation, or small structural project funded under that program, including—

“(A) asbestos remediation;

“(B) the demolition of a driveway or sidewalk when a structure is acquired; and

“(C) the addition of a lift, ramp, or other device that is necessary for a homeowner or occupant with a physical limitation or disability to safely access a home that has been elevated.”.

(2) MANDATORY NATURE OF ICC STATUTE.—

(A) F INDING.—Congress finds that, although section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as in effect on the day before the date of enactment of this Act, requires the Administrator to offer increased cost of compliance (commonly known as “ICC”) coverage to each type of property described in paragraphs (1) through (4) of that section, the Administrator has implemented that section by effectively only offering ICC coverage to properties described in paragraph (2) of that section.

(B) RULE OF CONSTRUCTION.—Nothing in section 1304(b) of the National Flood Insur-
ance Act of 1968 (42 U.S.C. 4011(b)), as amended by paragraph (1), shall be construed to permit the Administrator to choose which types of properties described in paragraphs (1) through (5) of such section 1304(b) should be eligible for ICC insurance rather than offering ICC insurance to all such types of properties as required under such section 1304(b).

SEC. 202. FLOOD MITIGATION ASSISTANCE PRIORITIZATION AND AUTHORIZATION.

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

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

(2) 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”;

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

(4) 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 flood insurance premiums are unaffordable, as determined by the Administrator; and

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

(b) ADDITIONAL MITIGATION ASSISTANCE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—

(A) APPROPRIATIONS FROM GENERAL FUND OF TREASURY.—For each of the first 6 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.

(B) 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.

(2) COMMUNITY-WIDE MITIGATION PROJECTS.—Notwithstanding any other provision of
law, including section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) and section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133), in providing mitigation assistance under this subsection, in order to lessen disaster losses and enhance the financial stability and effectiveness of the National Flood Insurance Program, the Administrator shall give priority to utilizing flood mitigation activities that—

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

(B) consider all available and practicable approaches; and

(C) the Administrator determines—

(i) are technically feasible;

(ii) have the highest net benefits; and

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

SEC. 203. PREDISASTER HAZARD MITIGATION PROGRAM AUTHORIZATION.

For each of the first 6 full fiscal years following the date of enactment of this Act, there is authorized to be appropriated $500,000,000 to carry out the predisaster
hazard mitigation program under section 203 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5133).

SEC. 204. NATIONAL FLOOD MAPPING PROGRAM.

Section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking “to—” and all that follows through the end of clause (vi) and inserting “to all areas of the United States;”;

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

(C) in subparagraph (C), by striking “accurate topography” and all that follows through the period at the end and inserting “current and best remote sensing technology; and”; and

(D) by adding at the end the following:

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

(2) by redesignating subsection (f) as subsection (g);

(3) 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 Sustainable, Affordable, Fair, and Efficient (SAFE) National Flood Insurance Program Reauthorization Act of 2017, 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 may not be publically disseminated and 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) the most current elevation certificate applicable to the property;

“(III) any letter of map changes;

“(IV) 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;

“(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 respect to the database described in subparagraph (A), including any data used to create that database, the Administrator may not disseminate the database to—

“(i) the public; or

“(ii) a private company for use by the private company.

“(3) DATABASE.—

“(A) IN GENERAL.—The Administrator shall—

“(i) develop a spatial, relational database of buildings in the national flood insurance program; and

“(ii) obtain the data necessary to support the digital display created under paragraph (2).

“(B) DATA.—The data obtained under subparagraph (A) shall include, at a minimum—
“(i) footprints and elevations (including 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 certificates;

“(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 certificates.

“(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 Adminis-
trator shall issue guidelines for the adoption and integration into the National Flood Mapping Program 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

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

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

“this section—

“(1) $400,000,000”; and

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

“(2) $800,000,000 for each of fiscal years 2018 through 2023.”.

SEC. 205. REALLOCATION OF PREMIUM SURCHARGES.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended—

(1) in section 1308A (42 U.S.C. 4015a)—
(A) by redesignating subsection (c) as subsection (d);

(B) by inserting after subsection (b) the following:

“(c) USE OF SURCHARGES.—The Administrator shall deposit any surcharge imposed and collected under subsection (a) in the Affordability Assistance Fund established under subsection (a) of section 1326 in order to provide financial assistance under subsection (b) of that section.”; and

(C) in subsection (d), as so redesignated, by striking “Subsections (a) and (b)” and inserting “Subsections (a) through (c)”; and

(2) in section 1310A(c) (42 U.S.C. 4017A(c)), by striking paragraph (4).

SEC. 206. MULTIFAMILY MITIGATION.

(a) In General.—Section 1361(d)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended, in the matter preceding subparagraph (A), by inserting “(including multifamily buildings in urban areas)” after “residential buildings”.

(b) Premium Credit.—Section 1308(k) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(k)) is amended by striking “the Administrator shall” and all
that follows through the period at the end and inserting

the following: “the Administrator shall—

“(1) take into account the implementation of

any mitigation method identified by the Adminis-

trator in the guidance issued under section 1361(d)

(42 U.S.C. 4102(d)); and

“(2) offer a premium credit to a property owner

for the implementation of any alternative mitigation

method with respect to a multifamily building in an

urban area, as described in paragraph (1) of such

section 1361(d).”.

(c) LAND USE CONTROLS.—

(1) IN GENERAL.—Section 1315(a) of the Na-

tional Flood Insurance Act of 1968 (42 U.S.C.

4022(a)) is amended by adding at the end the fol-

lowing:

“(3) LAND USE CONTROLS FOR CERTAIN MUL-

TIFAMILY BUILDINGS IN URBAN AREAS.—

“(A) DEFINITION.—In this paragraph, the

term ‘covered area’ means an area that—

“(i) is an urban area; and

“(ii) has been identified as having

special flood hazards.

“(B) ADOPTION OF LAND USE CON-

TROLS.—Notwithstanding any other provision
of law, the Administrator, under paragraph (1), may require an appropriate public body, with respect to a covered area that is seeking to obtain flood insurance under this title, to adopt land use and control measures for the repair, restoration, or substantial improvement of any mid- or high-rise building that is located in the covered area.

“(C) COMMUNITY STRATEGY.—With respect to a covered area described in subparagraph (B), the Administrator shall encourage the covered area to develop, and assist the covered area in developing, a comprehensive strategy that—

“(i) reduces flood damage to mid- and high-rise multifamily buildings in the covered area that—

“(I) will be repaired, restored, or substantially improved; and

“(II) cannot be elevated;

“(ii) identifies technical mitigation activities that may be applied to the buildings described in clause (i), including considerations for mechanical, electrical, and
utility components, that will protect life
and property;

“(iii) documents that the covered area
has established procedures for—

“(I) the implementation of per-
formance standards;

“(II) requiring evacuation plans;

and

“(III) developing a maintenance
strategy for any mitigation activity
that is applied under clause (ii); and

“(iv) establishes guidelines for per-
formance standards that will—

“(I) allow for a combination of
partial mitigation activities, other
than elevation, for areas (other than
residential areas) in the covered area;

and

“(II) be applied to mid- and
high-rise multifamily buildings in the
areas described in subclause (I).”.

(2) LAND MANAGEMENT INVESTIGATIONS.—

Section 1361(b) of the National Flood Insurance
Act of 1968 (42 U.S.C. 4102(b)) is amended by in-
serting “, including whether a State or local govern-
ment, as applicable, has enacted the requirements
described in section 1327(b)” after “other building
restrictions”.

(d) Calculation of Risk Premium Rates.—Sec-
tion 1308 of the National Flood Insurance Act of 1968
(42 U.S.C. 4015) is amended by adding at the end the
following:

“(n) Consideration of Alternative Mitigation
Methods.—With respect to a chargeable rate prescribed
for a building described in section 1315(a)(3)(B), the Ad-
ministrator shall ensure that the rate properly reflects the
reduction in flood risk after adopting the land use and
control measures described in that section, if applicable.”.

SEC. 207. Sense of Congress Regarding Flood Mitiga-
tion 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 ap-
proaches; 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.

SEC. 208. NEW ZONE FOR LEVEE-IMPACTED AREAS.

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) LEVEE-IMPACTED AREAS.—

“(1) IN GENERAL.—Subject to full implementation of subparagraphs (A)(iii) and (B) of section 100216(b)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)) and notwithstanding any other provision of law, if a community applies to the Administrator for the remapping of a levee-impacted area in which the pertinent levee system fails to meet the minimum design, operation, and maintenance standards of the National Flood Insurance Program required for levee accreditation on a flood insurance rate map in accordance with the Levee Analysis Mapping Procedure initiated by the Administrator to replace the ‘without levees’ approach to a Flood Insurance Study, the Administrator shall—

“(A) establish flood risk zones for those levee-impacted areas on such maps, to be known as ‘AL-E zones’, that have an estab-
lished elevation for community floodplain management; and

“(B) make flood insurance available to properties located within those levee-impacted areas.

“(2) TRANSITION.—During the period beginning on the date of enactment of this subsection and ending on the date on which the Administrator develops rates for the various AL-E zones, a structure located in a portion of a community that is located within a levee-impacted area described in paragraph (1) shall be eligible for rates associated with areas of moderate flood hazards.”.

SEC. 209. APPEALS REGARDING EXISTING FLOOD MAPS.

(a) IN GENERAL.—

(1) RIGHT TO APPEAL.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by section 208, is amended by adding at the end the following:

“(l) 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 through independent, non-binding arbitration.

“(ii) Process.—The Administrator shall establish a process for arbitration under clause (i) under which the arbitrator 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 requirements under section 553 of title 5, United States Code.”.

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

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

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

(C) by adding at the end the following:

“(9) for providing reimbursements of expenses of flood insurance rate map appeals under section 1360(k)(5).”.
(b) **DEADLINE.**—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue the guidance required under subsection (l)(6) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as added by subsection (a) of this section.

**TITLE III—COST SAVINGS**

**SEC. 301. FORBEARANCE ON NFIP INTEREST PAYMENTS.**

(a) **IN GENERAL.**—During the 6-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 that date of enactment.

(b) **NO RETROACTIVE ACCRUAL.**—After the 6-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 6-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 (c), by striking “For purposes of subsection (a)” and inserting “DEFINITIONS.—For purposes of this section”.

SEC. 303. TAXPAYER PROTECTION.

Section 1360(g) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(g)) is amended—

(1) in the first sentence, by inserting “, subject to the following sentence,” after “at a reasonable cost”; and

(2) by inserting after the first sentence the following: “The Administrator shall develop a fee schedule based on recovering the actual costs of providing flood insurance rate maps to such other persons, and shall charge a fee based on the schedule to any private entity for the use of such a map.”.

SEC. 304. VENDOR 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 Adminis-
trator” and inserting the following:

“(A) IN GENERAL.—The Administrator”;

and

(2) by adding at the end the following:

“(B) VENDOR COSTS; TRANSPARENCY.—In
issuing the rule under subparagraph (A), the
Administrator shall—

“(i) develop a schedule to determine
the actual costs of Write Your Own ven-
dors, including claims adjusters and engi-
neering companies;

“(ii) provide that if a Write Your Own
company requests reimbursement for the
costs of a service or product provided to
the company by a vendor, the Adminis-
trator only reimburses the company for the
actual costs of the service or products; and

“(iii) require that all reimbursements
to Write Your Own companies be made
public, including a description of the prod-
duct or service provided to which the reim-
bursement 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).

**TITLE IV—CLAIMS PROCESS REFORM**

**SEC. 401. EARTH MOVEMENT CLARIFICATION.**

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

“(e) **Earth Movement.**—A flood insurance claim filed under this title for damage to or loss of property may not be denied based on the earth movement exclusion in the standard flood insurance policy under the national flood insurance program if the claim is filed as the result of a flood, including a claim for damage to or loss or property caused by earth movement that was caused by a flood.”.

**SEC. 402. TREATMENT OF BASEMENTS.**

(a) **Basement Clarification.**—

(1) **Definition.**—In this subsection, the term “pre-FIRM condominium building” means a condo-
minimum building that was not constructed or substantially improved after the later of—

(A) December 31, 1974; or

(B) the effective date of the initial flood insurance rate map published by the Administrator under section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) for the area in which the building is located.

(2) Amendment to regulations.—The Administrator shall amend section 59.1 of title 44, Code of Federal Regulations, to exclude from the definition of the term “basement” any pre-FIRM condominium building, the lowest floor of which is not more than 4 feet below the lowest adjacent grade.

(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 paragraph (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 Administrator 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. MOLD DAMAGE CLARIFICATION.

The Administrator shall amend the Standard Flood Insurance Policy to provide that—

(1) as a general rule, loss caused by water, moisture, mildew, or mold caused by a flood is covered by flood insurance under the National Flood Insurance Program;

(2) the exemption from coverage for water, moisture, mildew, or mold damage caused by a policyholder who is truly derelict in inspecting or maintaining a property after a flood recedes is a limited exemption;

(3) in the case of water, moisture, mildew, or mold damage described in paragraph (2), only the amount of water, moisture, mildew, or mold that
built up because of the dereliction of duty, and only
during the time when the water, moisture, mildew,
or mold build-up reasonably could have been miti-
gated, shall not be covered;

(4) the determination that a policyholder was
truly derelict as described in paragraph (2) is a high
bar to meet; and

(5) the evaluation of whether a policyholder was
truly derelict as described in paragraph (2) shall be
made in light of the behavior that could reasonably
be expected from a survivor in the aftermath of a
particular flood event, which may include a natural
disaster, given the challenges facing a policyholder in
that situation, including—

(A) difficulty in inspecting or maintaining
the property;

(B) the need to address other, more imme-
diate priorities, including the health and well-
being of the policyholder and his or her family,
preservation of basic items, displacement,
shock, and other issues that make inspection
and mitigation a near-term challenge; and

(C) difficulty in finding qualified experts
during the surge of demand following a flood.
SEC. 404. APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

(a) Extension of Deadline To File Appeal; Enforcing Deadline for FEMA To Resolve Appeal; Optional Arbitration for Appeals.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended by adding at the end the following:

“(d) APPEAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.—

“(1) IN GENERAL.—The Administrator shall, by regulation, establish an appeals process through which holders of a flood insurance policy may appeal the decisions, with respect to claims, proofs of loss, and loss estimates relating to such flood insurance policy, of any—

“(A) insurance agent or adjuster, or insurance company; or

“(B) employee or contractor of the Federal Emergency Management Agency.

“(2) DEADLINE TO FILE APPEAL.—The Administrator shall establish a deadline for filing an appeal under this subsection that is not less than 1 year after the date on which the decision being appealed was made.

“(3) NOTIFICATION UPON INITIAL DENIAL OF CLAIM.—The Administrator shall ensure that a
claimant is provided with the rules, forms, and deadlines for an appeal under this subsection at the time a claim is first denied in full or in part, including—

“(A) the effective date of the denial;

“(B) a justification for the denial, including supporting documentation;

“(C) the date on which the period of limitation for instituting an action against the Administrator on the claim under section 1333 or 1341, as applicable, will end; and

“(D) a point of contact through which the claimant can directly discuss an appeal with a representative of the Federal Emergency Management Agency.

“(4) DEADLINE TO RESOLVE APPEAL.—

“(A) IN GENERAL.—Not later than 90 days after the date as of which a policyholder has submitted all necessary information relating to an appeal under this subsection, the Administrator shall provide an appeal decision in writing to the policyholder and insurer, including specific information for the resolution of the appeal.
“(B) ENFORCEMENT.—If the Administrator does not comply with the deadline under subparagraph (A)—

“(i) the appeal shall be deemed granted; and

“(ii) the Administrator shall award the policyholder the full amount of the claim.

“(C) NOTIFICATION UPON DENIAL OF APPEAL.—If the Administrator denies an appeal filed by a policyholder under this subsection, the Administrator shall include with the notice of denial—

“(i) an explanation of the legal options of the policyholder for further challenging the denial; and

“(ii) the date on which the period of limitation for instituting an action against the Administrator on the claim under section 1333 or 1341, as applicable, will end.

“(e) OPTIONAL ARBITRATION.—Not later than 180 days after the date of enactment of this subsection, the Administrator shall by regulation establish a process through which a flood insurance policyholder, instead of submitting an appeal under subsection (d) to the Adminis-
tractor, may request that the appeal be heard through independent, binding arbitration.”.

(b) Relation to Regulations and Other Law.—Nothing in the amendment made by subsection (a) shall be construed to require the Administrator to repeal the regulations promulgated under section 205 of the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note), or to promulgate new regulations, except as necessary to implement that amendment.

SEC. 405. ACCOUNTABILITY FOR UNDERPAYMENTS 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) Accountability for Underpayments.—The Administrator shall require that, if the Administrator determines through an audit that the pool or an insurance company or other private organization described in subsection (a) has underpaid a claim of a policyholder—

“(1) the pool, insurance company, or other private organization, as applicable, shall pay the amount of the difference to the Administrator; and
“(2) the Administrator shall deposit the amount paid under paragraph (1) in the National Flood Insurance Fund.”.

SEC. 406. POLICYHOLDER RIGHT TO KNOW.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 404, is amended by adding at the end the following:

“(f) AVAILABILITY OF CLAIM-RELATED DOCUMENTS.—

“(1) DEFINITION.—In this subsection, the term ‘claim-related document’ means any document that is prepared for the purposes of assessing a claim for losses covered by flood insurance made available under this title.

“(2) AVAILABILITY OF DOCUMENTS.—Any entity servicing a claim under the national flood insurance program—

“(A) shall retain each claim-related document prepared by or for the entity;

“(B) not later than 7 days after receiving a request from a claimant or an authorized representative of a claimant for a copy of a claim-related document described in subparagraph (A) that pertains to the claimant, shall provide the copy to the claimant or representative; and
“(C) not later than 30 days after receiving notice of a claim, shall 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 subparagraph (A) that pertains to the claimant.”.

**SEC. 407. INCREASING STATUTE OF LIMITATIONS FOR LAW-SUITS.**

(a) **GOVERNMENT PROGRAM WITH INDUSTRY ASSISTANCE.**—Section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072) is amended to read as follows:

“**SEC. 1341. ADJUSTMENT AND PAYMENT OF CLAIMS AND JUDICIAL REVIEW.**

“(a) **ADJUSTMENT AND PAYMENT OF CLAIMS.**—If the program is carried out as provided in section 1340, the Administrator may adjust and make payment of any claims for proved and approved losses covered by flood insurance.

“(b) **JUDICIAL REVIEW.**—

“(1) **RIGHT OF ACTION.**—Upon the disallowance or partial disallowance by the Administrator of a claim described in subsection (a), or upon the refusal of the claimant to accept the amount allowed upon a claim described in that subsection, the claim-
ant may institute an action against the Administrator on the claim in the United States district court for the district in which the insured property or the major part thereof shall have been situated not later than 2 years after the later of—

“(A) the date on which the claimant receives notice of disallowance or partial disallowance of the claim; or

“(B) in the case of a denial of a claim for losses that is appealed to the Administrator, the date on which the claimant receives notice of a final determination upon appeal denying the claim in whole or in part.

“(2) JURISDICTION.—A court described in paragraph (1) shall have original exclusive jurisdiction to hear and determine an action under that paragraph without regard to the amount in controversy.”.

(b) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL ASSISTANCE.—Section 1333 of the National Flood Insurance Act of 1968 (42 U.S.C. 4053) is amended to read as follows:
“SEC. 1333. ADJUSTMENT AND PAYMENT OF CLAIMS AND JUDICIAL REVIEW.

“(a) ADJUSTMENT AND PAYMENT OF CLAIMS.—The insurance companies and other insurers that form, associate, or otherwise join together in the pool under this part may adjust and pay all claims for proved and approved losses covered by flood insurance in accordance with the provisions of this title.

“(b) JUDICIAL REVIEW.—

“(1) RIGHT OF ACTION.—Upon the disallowance or partial disallowance by any company or other insurer described in subsection (a) of a claim described in that subsection, or upon the refusal of the claimant to accept the amount allowed upon a claim described in that subsection, the claimant may institute an action on the claim against the company or other insurer in the United States district court for the district in which the insured property or the major part thereof shall have been situated not later than 2 years after the later of—

“(A) the date on which the claimant receives notice of disallowance or partial disallowance of the claim; or

“(B) in the case of a denial of a claim for losses that is appealed to the Administrator, the date on which the claimant receives notice of a
final determination upon appeal denying the claim in whole or in part.

“(2) JURISDICTION.—A court described in paragraph (1) shall have original exclusive jurisdiction to hear and determine an action under that paragraph without regard to the amount in controversy.”.

SEC. 408. ATTORNEY FEE SHIFTING.

(a) ADMINISTRATIVE APPEALS.—Subsection (d) of section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 404, is amended by adding at the end the following:

“(5) AWARDS FOR COSTS IN ADMINISTRATIVE PROCEEDINGS.—

“(A) IN GENERAL.—If the claimant prevails in any appeal to the Administrator of the disallowance or partial disallowance of a claim for losses covered by flood insurance made available under this title, the Administrator shall award costs of the appeal, including attorney fees, any proceeding expenses, and engineering and other expert expenses, to the claimant.

“(B) DEFINITION.—For purposes of this paragraph, the term ‘prevail’ means to be
awarded a greater amount by the Administrator than the amount of the last, best offer from the Administrator with respect to the claim of the claimant.”.

(b) JUDICIAL REVIEW.—

(1) GOVERNMENT PROGRAM WITH INDUSTRY ASSISTANCE.—Subsection (b) of section 1341 of the National Flood Insurance Act of 1968 (42 U.S.C. 4072), as added by section 407, is amended by adding at the end the following:

“(3) ATTORNEY FEES AND OTHER LITIGATION COSTS.—

“(A) IN GENERAL.—If the claimant prevails in an action under this subsection, the court shall award reasonable costs of litigation, including attorney fees, litigation expenses, and engineering and other expert expenses, to the claimant.

“(B) SUBROGATION.—Any award under subparagraph (A) shall be paid by the Administrator and, upon such payment, the Administrator shall be subrogated to the rights of the claimant to recover such costs for which the Administrator has compensated the claimant from any insurance company or other insurer or
insurance adjustment organization that may be responsible for the disallowance or partial disallowance of the claim.

“(C) DEFINITION.—For purposes of this paragraph, the term ‘prevail’ means to be awarded a greater amount by the court than the amount of the last, best offer from the Administrator with respect to the claim of the claimant.”.

(2) INDUSTRY PROGRAM WITH FEDERAL FINANCIAL ASSISTANCE.—Subsection (b) of section 1333 of the National Flood Insurance Act of 1968 (42 U.S.C. 4053), as amended by section 407, is amended by adding at the end the following:

“(3) ATTORNEY FEES AND OTHER LITIGATION COSTS.—

“(A) IN GENERAL.—If the claimant prevails in an action under this subsection, the court shall award reasonable costs of litigation, including attorney fees, litigation expenses, and engineering and other expert expenses, to the claimant.

“(B) SUBROGATION.—Any award under subparagraph (A) shall be paid by the Administrator and, upon such payment, the Adminis-
trator shall be subrogated to the rights of the
claimant to recover such costs for which the
Administrator has compensated the claimant
from any company or other insurer responsible
for the disallowance or partial disallowance of
the claim.

“(C) DEFINITION.—For purposes of this
paragraph, the term ‘prevail’ means to be
awarded a greater amount by the court than
the amount of the last, best offer from the in-
surer or Administrator with respect to the claim
of the claimant.”.

SEC. 409. DOJ DEFENSE AGAINST POLICYHOLDER LAW-
suits.

Subsection (b) of section 1341 of the National Flood
Insurance Act of 1968 (42 U.S.C. 4072), as amended by
section 408, is amended by adding at the end the fol-
lowing:

“(4) REPRESENTATION BY DEPARTMENT OF
JUSTICE.—If a claimant institutes an action under
this subsection—

“(A) the Administrator shall refer the mat-
ter to the Attorney General; and

“(B) the Attorney General—
“(i) shall represent the Administrator or the Write Your Own company, as applicable, in the action; and

“(ii) may not seek to have the court dismiss an action with potential meritorious claims based on good faith errors or omissions by the claimant in the claimant’s proof of loss.”.

SEC. 410. 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.—Not later than 1 year after the date of
enactment of this Act, the Administrator shall study and
submit to Congress a report that describes—

(1) 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

(2) the percentage of properties with federally
backed mortgages located in the 500-year floodplain
that are covered by flood insurance that would sat-
isfy the requirement described in paragraph (1) if
that requirement applied to such properties.

SEC. 411. FEDERAL FLOOD INSURANCE ADVISORY COM-
MITTEE.

Part C of chapter II of the National Flood Insurance
Act of 1968 (42 U.S.C. 4081 et seq.) is amended by add-
ing at the end the following:
“SEC. 1349. FEDERAL FLOOD INSURANCE ADVISORY COMMITTEE.

“(a) Establishment.—There is established an advisory committee to be known as the Federal Flood Insurance Advisory Committee (in this section referred to as the ‘Committee’).

“(b) Membership.—

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

“(A) the Administrator, or the designee thereof;

“(B) the Secretary of the Treasury, or the designee thereof; and

“(C) additional members appointed by the Administrator or the designee thereof, who shall be—

“(i) 2 representatives of the property and casualty insurance sector;

“(ii) 1 individual who served in the past, or is currently serving, as an insurance regulator of a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, or any federally-recognized Indian tribe;
“(iii) 1 representative of the financial sector or insurance sector who is involved in risk transfers, including reinsurance, resilience bonds, and other insurance-linked securities;

“(iv) 1 actuary with demonstrated high-level knowledge of catastrophic risk insurance;

“(v) 2 insurance professionals with demonstrated experience with the sale of flood insurance under the national flood insurance program;

“(vi) 2 representatives of catastrophic risk insurance programs;

“(vii) 1 insurance claims specialist;

“(viii) 1 representative of a recognized consumer advocacy organization;

“(ix) 1 individual having demonstrated expertise in the challenges in insuring low-income communities;

“(x) 1 representative from an academic institution who has demonstrated expertise in insurance; and
“(xi) any other recognized experts in
the field of insurance that the Adminis-
trator considers necessary.

“(2) QUALIFICATIONS.—In appointing members
under paragraph (1)(C), the Administrator shall, to
the maximum extent practicable, ensure the mem-
brership of the Committee has a balance of members
reflecting geographic diversity, including representa-
tion from areas inland or with coastline identified by
the Administrator as at high risk for flooding or as
areas having special flood hazards.

“(c) DUTIES.—The Committee shall review, and
make recommendations to the Administrator, upon re-
quest, on matters related to the insurance aspects of the
national flood insurance program, including ratemaking,
technology to administer insurance, risk assessment, actu-
arial practices, claims practices, sales and insurance deliv-
ery, compensation and allowances, generally and based on
the complexities of the program, and best insurance prac-
tices.

“(d) CHAIRPERSON.—The members of the Com-
mittee shall elect 1 member to serve as the chairperson
of the Committee (in this subsection referred to as the
‘Chairperson’).
“(e) COMPENSATION.—Members of the Committee shall receive no additional compensation by reason of their service on the Committee.

“(f) MEETINGS AND ACTIONS.—

“(1) IN GENERAL.—The Committee—

“(A) shall meet not less frequently than twice each year at the request of the Chairperson or a majority of the members of the Committee; and

“(B) may take action by a vote of the majority of the members in accordance with the charter of the Committee.

“(2) INITIAL MEETING.—The Administrator, or a designee thereof, shall request and coordinate the initial meeting of the Committee.

“(g) STAFF OF FEMA.—Upon the request of the Chairperson, the Administrator may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Committee in carrying out the duties of the Committee.

“(h) POWERS.—In carrying out this section, the Committee may hold hearings, receive evidence and assistance, provide information, and conduct research, as the Committee considers appropriate.
“(i) Reports to Congress.—The Administrator, on an annual basis, shall report to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Office of Management and Budget on—

“(1) the recommendations made by the Committee;

“(2) actions taken by the Federal Emergency Management Agency to address the recommendations described in paragraph (1) to improve the insurance aspects of the National Flood Insurance Program; and

“(3) any recommendations described in paragraph (1) that have been deferred or not acted upon, together with an explanatory statement with respect to those recommendations.

“(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 Committee.”.

SEC. 412. AUTHORITY TO TERMINATE CONTRACTORS AND VENDORS.

(a) In General.—Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et
seq.), as amended by section 411, is amended by adding
at the end the following:

“SEC. 1350. TERMINATION OF CONTRACTS.

“(a) DEFINITION.—In this section, the term ‘covered
entity’ means any attorney, law firm, consultant, or third-
party company that provides services to a Write Your Own
company.

“(b) TERMINATION.—

“(1) IN GENERAL.—Notwithstanding any other
provision of law, the Administrator may terminate a
contract or other agreement between a covered enti-
ty and a Write Your Own company if the Adminis-
trator—

“(A) determines that the covered entity
has engaged in conduct that is detrimental to
the national flood insurance program; and

“(B) not later than 14 days before termi-
nating the contract or other agreement, pro-
vided notice to the covered entity of the termi-
nation.

“(2) APPEAL.—The Administrator shall estab-
lish a process for a covered entity to appeal the ter-
mination of a contract or other agreement under
paragraph (1).
“(3) Early termination payouts.—The Administrator or a Write Your Own company is not required to make any early termination payout to a covered entity with respect to a contract or agreement with the Write Your Own company that the Administrator terminates under paragraph (1).”.

(b) Effective date; applicability.—The amendment made by subsection (a) shall apply to any contract or other agreement between a covered entity, as defined in section 1350(a) of the National Flood Insurance Act of 1968, as added by subsection (a), and a Write Your Own company that is entered into on or after the date of enactment of this Act.

SEC. 413. EASING PROOF OF LOSS REQUIREMENTS.

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

“(g) Proof of loss.—

“(1) Required notice.—Not later than 1 year after the date on which damage to or loss of a property that is covered by flood insurance made available under this title occurs, the policyholder with respect to the covered property may submit a proof of loss notice that contains only such informa-
tion as is necessary to document the damage or loss, including—

“(A) the amount claimed for the damage to or loss of the property; and

“(B) the signature of the policyholder attesting to the accuracy of the amount claimed and the information supplied to document the damage or loss.

“(2) SUPPLEMENTAL PROOF.—Not later than 1 year after the date on which a policyholder submits a proof of loss notice under paragraph (1) with respect to a property that is covered by flood insurance made available under this title, the policyholder may submit supplemental information to support an increase in the amount claimed in the proof of loss notice if the policyholder discovers further damage to the property or otherwise determines that the amount claimed was insufficient.

“(3) ERRORS OR OMISSIONS.—An error or honest omission in a proof of loss notice or in supplemental information submitted by a policyholder under paragraph (1) or (2), respectively, with respect to a property that is covered by flood insurance made available under this title may not be used to deny the right of the policyholder—
“(A) to receive a payment for the damage to or loss of the property; or

“(B) to appeal or otherwise challenge the amount received for the damage to or loss of the property.”.

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

SEC. 414. ELEVATION CERTIFICATES.

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:

“SEC. 1327. ELEVATION CERTIFICATES.

“(a) NO EXPIRATION DATE.—Surveyed elevation data and other information relating to a building that is recorded on a National Flood Insurance Program Elevation Certificate by an individual licensed to record that information shall continue to be in effect, and the Elevation Certificate shall not expire, until the date on which there is an alteration in the building or to the topography surrounding the perimeter of the building.

“(b) ELEVATION DATUM.—With respect to a National Flood Insurance Program Elevation Certificate for
a building, if the elevation datum used to determine the
base flood elevation at the building is different than the
elevation datum used to calculate the building elevation,
a datum conversion shall be performed to ensure that the
same elevation datum is used to calculate the base flood
elevation and the building elevation.”.

SEC. 415. MONTHLY INSTALLMENT PAYMENT FOR PRE-
MIUMS.

Not later than 180 days after the date of enactment
of this Act, the Administrator shall—

(1) implement the requirement for monthly in-
stallment payments of premiums provided under sec-
tion 1308(g) of the National Flood Insurance Act of
1968 (42 U.S.C. 4015(g)); or

(2) submit to Congress an explanation of the
reasons why the Administrator cannot implement
the requirement described in paragraph (1) during
that 180-day period.

SEC. 416. PILOT PROGRAM FOR PRE-EXISTING STRUC-
TURAL CONDITIONS.

(a) DEFINITIONS.—In this section—

(1) the term “covered property” means a prop-
erty that is or may be covered by flood insurance
under the National Flood Insurance Program; and
(2) the term “covered policyholder” means a policyholder or potential policyholder of flood insurance under the National Flood Insurance Program for a covered property.

(b) PILOT PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Administrator shall establish a pilot program under which Write Your Own companies and National Flood Insurance Program direct servicers shall, at the request of a covered policyholder and before providing or renewing insurance coverage with respect to a covered property under the National Flood Insurance Program, investigate the pre-existing structural condition of the covered property for any issues that could result in the denial of a claim under the National Flood Insurance Program for damage to or loss of the covered property.

SEC. 417. DEADLINE FOR CLAIM PROCESSING.

(a) IN GENERAL.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 413, is amended by adding at the end the following:

“(h) 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 flood insurance made available under this title—

“(A) except as provided in paragraph (2), not later than 30 days after the date on which the claim is made—

“(i) a final determination regarding approval of the claim for payment or disapproval of the claim shall be made; and

“(ii) notification of the determination shall be provided to the insured 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 a single additional period of 15 days under extraordinary circumstances; and

“(B) by regulation, 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.”.

(b) APPLICABILITY.—The amendment made by sub-
section (a) shall apply to any claim for damage to or loss
of property that is covered by flood insurance made avail-
able under the National Flood Insurance Program that
is pending on, or made after, the date of enactment of
this Act.

SEC. 418. ENGINEER OVERSIGHT AND CERTIFICATION.

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 412, is amended by adding at the end the following:

“SEC. 1351. OVERSIGHT AND CERTIFICATION OF ENGI-
NEERS.

“(a) DEFINITION.—In this section, the term ‘covered
engineering services’ means engineering services provided
in connection with insurance coverage provided under this
title.

“(b) QUALIFICATIONS.—The Administrator shall re-
quire that any individual who provides covered engineering
services, including services in connection with assessing
any claim for losses covered by a policy for that coverage,
shall—
“(1) have registered with and certified to the
Administrator that the engineer is professionally li-
censed to practice as an engineer in the State in
which the engineer is providing the covered engineer-
ing services;

“(2) have expertise in a particular discipline of
engineer or act within the area of the competency of
the engineer, as the Administrator shall require; and

“(3) be certified by the Administrator pursuant
to subsection (c).

“(e) Certification by FEMA.—

“(1) Requirement.—The Administrator shall
carry out a program to certify engineers as qualified
to provide covered engineering services.

“(2) Contents.—The program carried out
under paragraph (1) shall—

“(A) include an initial training seminar;

“(B) provide such standards and testing
requirements as the Administrator shall estab-
lish; and

“(C) require an annual renewal of certifi-
cation through continuing education.

“(d) Fees.—

“(1) Standardized Schedule.—The Admin-
istrator shall establish a standardized fee schedule
for all covered engineering services, which shall be
similar to the fee schedule of the Administrator used
for companies adjusting claims under insurance cov-
erage provided under this title.

“(2) Reimbursement.—Any reimbursement or
other allowance, payment, or compensation provided
by the Administrator to a Write Your Own company
with respect to covered engineered services may not
exceed the applicable standardized fees for those
services established under paragraph (1).

“(e) Identification Numbers.—The Adminis-
trator shall establish a system to provide a unique numer-
ical identifier for each engineer who provides covered engi-
neering services to assist in tracking past performance in
the provision of those services.

“(f) Submission of Documentation.—With re-
spect to a Write Your Own company, the Administrator
shall—

“(1) require the Write Your Own company to
obtain from each provider of covered engineering
services for the Write Your Own company, including
any subcontractor—

“(A) documentation sufficient to itemize
and disaggregate the costs and fees for those
services, including the costs and fees for any subcontractor; and

“(B) all photos, notes, draft reports, and other documentation relating to providing those services in connection with a claim under insurance coverage provided under this title;

“(2) make available to the Write Your Own company—

“(A) the fee schedule established under subsection (d)(1); and

“(B) such other information as may be necessary to enable the Write Your Own company to determine whether the costs and fees charged by providers of covered engineering services are reasonable in relation to the services provided; and

“(3) require the Write Your Own company to make available to the Administrator, before any reimbursement or other allowance, payment, or compensation is provided to the Write Your Own company in connection with covered engineering services provided, all supporting documentation relating to those services.”.
SEC. 419. ENGINEER REPORTS.

Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by section 417, is amended by adding at the end the following:

“(i) **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 provided 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 the 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 responsible in charge 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 responsible in charge for the final engineering report, that the final engineering report does not contain any alterations described in subparagraph (A).

“(3) Transmission of report without approval.—A Write Your Own company or a national flood insurance program direct servicer may, without obtaining further review or approval by the Administrator, transmit to a policyholder a final engineering report in the possession of the Write Your Own company or the direct servicer in connection with a covered claim submitted by the policyholder.”.

SEC. 420. IMPROVED TRAINING OF AGENTS AND ADJUSTERS.

(a) Agent Training.—
(1) IN GENERAL.—The Administrator shall require each insurance agent that issues standard flood insurance policies on behalf of the National Flood Insurance Program (under the Write Your Own Program) or directly from the National Flood Insurance Program to take—

(A) an introductory course that instructs insurance agents on how to fill out an application for a flood insurance policy; and

(B) annual continuing education courses on—

(i) any changes in the flood insurance manual or the National Flood Insurance Program Elevation Certificate—

(ii) any increased costs of compliance;

(iii) flood insurance mapping; and

(iv) any other modifications to the National Flood Insurance Program that influence the rating of a flood insurance policy.

(2) RECORD OF TRAINING.—The Administrator shall maintain a record of each insurance agent that takes a course described in subparagraph (A) or (B) of paragraph (1).

(b) CERTIFICATION OF ADJUSTERS.—
(1) IN GENERAL.—Each insurance claims adjuster acting as an insurance agent for a Write Your Own company shall—

(A) by certified by the Administrator to act as an insurance agent; or

(B) act under the direct supervision of an insurance claims adjuster certified under the National Flood Insurance Program.

(2) ONLINE COURSE.—

(A) IN GENERAL.—Each insurance claims adjuster responding to a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) shall, if determined appropriate by the Federal coordinating officer operating in the affected area, take an online refresher course provided by the Administrator to prepare the insurance claims adjuster for the unique circumstances of the major disaster.

(B) RECORD OF TRAINING.—The Administrator shall maintain a record of each insurance claims adjuster that takes an online refresher course described in subparagraph (A).
(c) LOCAL FLOODPLAIN MANAGERS.—Each regional office of the Federal Emergency Management Agency shall—

(1) provide training to local floodplain managers in the region on the responsibilities and procedures of local floodplain managers with respect to conducting substantial damage and substantial improvement determinations; and

(2) work with applicable State agencies to provide the training described in paragraph (1) and verify that local floodplain managers are completing the training.

SEC. 421. 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 418, is amended by adding at the end the following:

"SEC. 1352. 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) 13 additional members appointed by
the Administrator or the designee of the Ad-
министрator, of whom—

“(i) 1 shall be a member of the Na-
tional Association of Insurance Commiss-ioners;

“(ii) 1 shall be a member of the Inde-pendent Insurance Agents and Brokers of
America;

“(iii) 1 shall be a member of the Na-
tional Association of Professional Insur-
ance Agents;

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

“(v) 1 shall be a representative of the
Emergency Management Institute of the
Federal Emergency Management Agency;

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

“(vii) 1 shall be a representative of a
national flood insurance program direct
servicer;
“(viii) I shall be a representative of a recognized professional association or organization representing homebuilders or land developers;

“(ix) I shall be a representative of a recognized professional association or organization representing the real estate industry;

“(x) 2 shall be representatives of Write Your Own companies that are in good standing with the Administrator; and

“(xi) 2 shall be at-large members.

“(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 Administrator or the designee of the Administrator, as applicable, shall consult with the entity.
“(4) **Chairperson.**—The members of the Council shall elect 1 member to serve as the chairperson of the Council (in this section referred to as the ‘Chairperson’).

“(c) **Duties.**—The Council shall—

“(1) provide recommendations to the Administrator on—

“(A) improving the customer experience for policyholders under the national flood insurance program;

“(B) training insurance agents that issue flood insurance policies; and

“(C) improving the processing and handling of claims for damage to or loss of property that is covered by flood insurance; and

“(2) submit an annual report to the Administrator 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, on an annual basis, 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 a 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 explanatory statement with respect to those recommendations.

“(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. 422. EFFICIENT USE OF MITIGATION DOLLARS.

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. 423. IMPROVED DISCLOSURE REQUIREMENTS.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by section 414, is amended by adding at the end the following:

“SEC. 1328. DISCLOSURE IN LEASE OF PROPERTY.

“(a) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Administrator,
in consultation with relevant Federal agencies, shall pro-
mulgate regulations requiring the disclosure of informa-
tion relating to the flood risk and flood insurance coverage
of any property that is offered for lease in accordance with
subsection (b).

“(b) INFORMATION DISCLOSED.—The regulations
promulgated under subsection (a) shall require that, be-
fore the lessee is obligated under any contract to lease
property, the lessor shall provide a written disclosure to
the lessee that describes—

“(1) the flood zone classification of the prop-
erty;

“(2) whether the property is covered by flood
insurance; and

“(3) the availability of contents coverage under
the national flood insurance program.”.

SEC. 424. AMENDMENTS TO FINANCIAL ASSISTANCE/SUB-
SIDY ARRANGEMENT.

The Administrator shall amend the Write Your Own
company Financial Assistance/Subsidy Arrangement to
implement the requirements of sections 405, 406, 409,
412, 413, 415, 416, 417, 418, 419, and 420 of this Act,
and any amendments made by those sections.
Section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121) is amended—

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

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

(3) by adding at the end the following:

“(16) the term ‘Write Your Own company’ means a company that participates in the Write Your Own Program; and

“(17) the term ‘Write Your Own Program’ means the cooperative undertaking between the insurance industry and the Federal Insurance and Mitigation Administration that allows participating property and casualty insurance companies to write and service standard flood insurance policies.”.