

What has happened as a result of that?

Our troops have borne the burden. We are 2,000 pilots short in the Air Force today. Sixty percent of the F-18s in the Navy and Marine Corps cannot fly today.

As Mr. WILSON said, we have just seen tragic accidents in the Pacific, where 17 soldiers have lost their lives. We have had other accidents where others have lost their lives and other accidents where they have not.

The point I am trying to make is that part of the responsibility for all of that happening rests here with the Congress of the United States not fulfilling adequately, in my view, its job under the Constitution.

I would say one more thing, Mr. Speaker. I agree with virtually all of what the ranking member said about the importance of having a strategy and then resourcing that strategy. It is true.

We have not had—and there is some responsibility with administrations of both parties—a coherent strategy that holds together and resources that flow from that. We should.

The fundamental issue is that it is morally wrong to send men and women out on missions with our military for which they are not fully supported, fully trained, and equipped with the best equipment our country can provide. It is wrong for us to do it, and that is exactly what has been happening.

As I mentioned at the beginning, we are not going to turn this around in a single bill or a single year, but we can make a start. This bill makes a start.

I will absolutely agree with the gentleman from Washington and others that we can't really start to turn this around without an appropriations bill that follows it, that matches it, and that really does repair our ships and planes, increases our end-strength, and provides the training that I believe we deserve to give to the men and women who serve.

Finally, Mr. Speaker, I would just remind everyone that there are really two reasons we do this bill. One is that we owe it to the people who risk their lives to defend us. Secondly, for the national security of the United States.

The challenges to our Nation's security have grown more ominous in recent years, certainly more complex than at any time in our lifetimes. This is, I believe, a real opportunity on a bipartisan basis to show the troops that we support them and to show adversaries and allies alike that the United States is going to stand up and defend ourselves by passing this piece of legislation and by following it up with a budget agreement and an appropriations bill that follows.

That is what I think the Constitution requires of us. I hope my colleagues will agree and support this conference report.

Mr. Speaker, I yield back the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I am outraged that for the third consecutive year, an amendment to create a service medal for our Atomic Veterans has been dropped from the NDAA Conference Report. I find this particularly shocking as this amendment, which I offered with my Republican colleague, Congressman TOM EMMER, was approved by the House unanimously by a vote of 424-0.

It is unclear to me why our colleagues in the Senate are determined to deprive our Atomic Veterans this most basic recognition of their honorable service.

Between 1945 and 1962, about 225,000 members of our Armed Forces participated in hundreds of nuclear weapons tests. These GIs were placed in extremely dangerous areas and were constantly exposed to potentially dangerous levels of radiation in performance of their duties. They were sworn to secrecy, unable to even talk to their doctors about their past exposure to radiation.

Thankfully, Presidents Bill Clinton and George H.W. Bush recognized the Atomic Veterans' valiant service, and acted to provide specialized care and compensation for their harrowing duty.

In 2007, our allies Great Britain, New Zealand and Australia enacted their versions of this amendment by authorizing a medal to honor their Atomic Veterans who served with the United States.

Regrettably, the Pentagon remains silent on honoring the service of our Atomic Veterans, arguing that to do so would diminish the service of other military personnel who are tasked with dangerous missions. Mr. Speaker, this is a pitiful excuse.

Tragically, more than 75 percent of Atomic Veterans have already passed away, never having received this recognition. They served honorably and kept a code of silence that most certainly led to many of these veterans passing away prematurely.

Past Administrations and Congresses have dealt with the thornier issues of legality and compensation. What remains is recognizing these veterans' duty, honor and faithful service to our nation. And time is running out.

I thank my colleagues here in the House for supporting this amendment. With their continued support, I hope we can convince the Senate or the Pentagon to finally do the right thing, before it's too late. We owe it to our veterans to honor them for their selfless service to our nation.

The SPEAKER pro tempore (Mr. DUNCAN of Tennessee). All time for debate has expired.

Pursuant to House Resolution 616, the previous question is ordered on the conference report.

The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THORNBERRY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

21ST CENTURY FLOOD REFORM ACT

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 616, I call up

the bill (H.R. 2874) to achieve reforms to improve the financial stability of the National Flood Insurance Program, to enhance the development of more accurate estimates of flood risk through new technology and better maps, to increase the role of private markets in the management of flood insurance risks, and to provide for alternative methods to insure against flood peril, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 616, in lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services printed in the bill, the amendment printed in part A of House Report 115-408, modified by the amendment printed in part B of the report, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 2874

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “21st Century Flood Reform Act”.

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

Sec. 1. Short title and table of contents.

TITLE I—POLICYHOLDER PROTECTIONS AND INFORMATION

Sec. 101. Extension of National Flood Insurance Program.

Sec. 102. Annual limitation on premium increases.

Sec. 103. Flood insurance affordability program.

Sec. 104. Disclosure of premium methodology.

Sec. 105. Consideration of coastal and inland locations in premium rates.

Sec. 106. Monthly installment payment of premiums.

Sec. 107. Enhanced clear communication of flood risks.

Sec. 108. Availability of flood insurance information upon request.

Sec. 109. Disclosure of flood risk information upon transfer of property.

Sec. 110. Voluntary community-based flood insurance pilot program.

Sec. 111. Use of replacement cost in determining premium rates.

Sec. 112. Cap on premiums.

Sec. 113. Premium rates for certain mitigated properties.

Sec. 114. Study of flood insurance coverage for units in cooperative housing.

Sec. 115. Pilot program for properties with preexisting conditions.

Sec. 116. Federal Flood Insurance Advisory Committee.

Sec. 117. Interagency guidance on compliance.

Sec. 118. GAO study of claims adjustment practices.

Sec. 119. GAO study of flood insurance coverage treatment of earth movement.

Sec. 120. Definitions.

TITLE II—INCREASING CONSUMER CHOICE THROUGH PRIVATE MARKET DEVELOPMENT

Sec. 201. Private flood insurance.

- Sec. 202. Opt-out of mandatory coverage requirement for commercial properties.
- Sec. 203. Elimination of non-compete requirement.
- Sec. 204. Public availability of program information.
- Sec. 205. Refund of premiums upon cancellation of policy because of replacement with private flood insurance.
- Sec. 206. GAO study of flood damage savings accounts.
- Sec. 207. Demonstration program for flood damage savings accounts.

TITLE III—MAPPING FAIRNESS

- Sec. 301. Use of other risk assessment tools in determining premium rates.
- Sec. 302. Appeals regarding existing flood maps.
- Sec. 303. Appeals and publication of projected special flood hazard areas.
- Sec. 304. Communication and outreach regarding map changes.
- Sec. 305. Sharing and use of maps and data.
- Sec. 306. Community flood maps.

TITLE IV—PROTECTING CONSUMERS AND INDIVIDUALS THROUGH IMPROVED MITIGATION

- Sec. 401. Provision of Community Rating System premium credits to maximum number of communities practicable.
- Sec. 402. Community accountability for repetitively flooded areas.
- Sec. 403. Increased cost of compliance coverage.

TITLE V—PROGRAM INTEGRITY

- Sec. 501. Independent actuarial review.
- Sec. 502. Adjustments to homeowner flood insurance affordability surcharge.
- Sec. 503. National Flood Insurance Reserve Fund compliance.
- Sec. 504. Designation and treatment of multiple-loss properties.
- Sec. 505. Elimination of coverage for properties with excessive lifetime claims.
- Sec. 506. Prohibition of new coverage for structures with high-value replacement costs.
- Sec. 507. Pay for performance and streamlining costs and reimbursement.
- Sec. 508. Enforcement of mandatory purchase requirements.
- Sec. 509. Satisfaction of mandatory purchase requirement in States allowing all-perils policies.
- Sec. 510. Flood insurance purchase requirements.
- Sec. 511. Clarifications; deadline for approval of claims.
- Sec. 512. Risk transfer requirement.
- Sec. 513. GAO study of simplification of National Flood Insurance Program.
- Sec. 514. GAO study on enforcement of mandatory purchase requirements.

TITLE VI—ADMINISTRATIVE REFORMS

- Sec. 601. Penalties for fraud and false statements in the National Flood Insurance Program.
- Sec. 602. Enhanced policyholder appeals process rights.
- Sec. 603. Deadline for approval of claims.
- Sec. 604. Litigation process oversight and reform.
- Sec. 605. Prohibition on hiring disbarred attorneys.
- Sec. 606. Technical assistance reports.
- Sec. 607. Improved disclosure requirement for standard flood insurance policies.

- Sec. 608. Reserve Fund amounts.
- Sec. 609. Sufficient staffing for Office of Flood Insurance Advocate.
- Sec. 610. Limited exemption for disaster or catastrophe claims adjusters.

TITLE I—POLICYHOLDER PROTECTIONS AND INFORMATION

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 by striking “September 30, 2017” and inserting “September 30, 2022”.

(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, 2022”.

SEC. 102. ANNUAL LIMITATION ON PREMIUM INCREASES.

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

(1) in paragraph (1), by striking “18 percent” and inserting “15 percent”; and

(2) in paragraph (2)—

(A) by striking “5 percent” and inserting “6.5 percent”; and

(B) by inserting before the semicolon at the end the following: “, except that (A) during the 12-month period on the date of the enactment of the 21st Century Flood Reform Act this paragraph shall be applied by substituting ‘5 percent’ for ‘6.5 percent’, (B) during the 12-month period beginning upon the expiration of the period referred to in clause (A), this paragraph shall be applied by substituting ‘5.5 percent’ for ‘6.5 percent’, and (C) during the 12-month period beginning upon the expiration of the period referred to in clause (B), this paragraph shall be applied by substituting ‘6.0 percent’ for ‘6.5 percent’”.

SEC. 103. FLOOD INSURANCE AFFORDABILITY PROGRAM.

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 new section:

“SEC. 1326. FLOOD INSURANCE AFFORDABILITY PROGRAM.

“(a) AUTHORITY.—The Administrator shall carry out a program under this section to provide financial assistance, through State programs carried out by participating States, for eligible low-income households residing in eligible properties to purchase policies for flood insurance coverage made available under this title.

“(b) PARTICIPATION.—Participation in the program under this section shall be voluntary on the part of a State or consortium of States.

“(c) STATE ADMINISTRATION.—Each participating State shall delegate to a State agency or nonprofit organization the responsibilities for administering the State’s program under this section.

“(d) ELIGIBLE HOUSEHOLDS.—

“(1) IN GENERAL.—During any fiscal year, assistance under the program under this section may be provided only for a household that has an income, as determined for such fiscal year by the participating State in which such household resides, that is less than the income limitation established for such fiscal year for purposes of the State program by the participating State, except that—

“(A) assistance under the program under this section may not be provided for a household having an income that exceeds the greater of—

“(i) the amount equal to 150 percent of the poverty level for such State; or

“(ii) the amount equal to 60 percent of the median income of households residing in such State; and

“(B) a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for the State in which such household resides.

“(2) STATE VERIFICATION OF INCOME ELIGIBILITY.—In verifying income eligibility for purposes of paragraph (1), the participating State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), under title XX of the Social Security Act (42 U.S.C. 1397 et seq.), under subtitle B of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9901 et seq.; relating to community services block grant program), under any other provision of law that carries out programs which were administered under the Economic Opportunity Act of 1964 (42 U.S.C. 2701 et seq.) before August 13, 1981, or under other income assistance or service programs (as determined by the State).

“(3) CERTIFICATION BY STATE OF ELIGIBILITY HOUSEHOLDS.—For each fiscal year, each participating State shall certify to the Administrator compliance of households who are to be provided assistance under the State program during such fiscal year with the income requirements under paragraph (1).

“(e) ELIGIBLE PROPERTIES.—Assistance under the program under this section may be provided only for a residential property—

“(1) that has 4 or fewer residences;

“(2) that is owned and occupied by an eligible household;

“(3) for which a base flood elevation is identified on a flood insurance rate map of the Administrator that is in effect;

“(4) for which such other information is available as the Administrator considers necessary to determine the flood risk associated with such property; and

“(5) that is located in a community that is participating in the national flood insurance program.

“(f) TYPES OF ASSISTANCE.—Under the program under this section, a participating State shall elect to provide financial assistance for eligible households in one of the following forms:

“(1) LIMITATION ON RATE INCREASES.—By establishing a limitation on the rate of increases in the amount of chargeable premiums paid by eligible households for flood insurance coverage made available under this title.

“(2) LIMITATION ON RATES.—By establishing a limitation on the amount of chargeable premiums paid by eligible households for flood insurance coverage made available under this title.

“(g) NOTIFICATION TO FEMA.—Under the program under this section, a participating State shall, on a fiscal year basis and at the time and in the manner provided by the Administrator—

“(1) identify for the Administrator the eligible households residing in the State who are to be provided assistance under the State program during such fiscal year; and

“(2) notify the Administrator of the type and levels of assistance elected under subsection (f) to be provided under the State program with respect to such eligible households residing in the State.

“(h) AMOUNT OF ASSISTANCE.—Under the program under this section, in each fiscal year the Administrator shall, notwithstanding section 1308, make flood insurance coverage available for purchase by households identified as eligible households for such fiscal year by a participating State pursuant to subsection (e) at chargeable premium rates that are discounted by an amount that is based on the type and levels of assistance elected pursuant to subsection

(f) by the participating State for such fiscal year.

“(i) BILLING STATEMENT.—In the case of an eligible household for which assistance under the program under this section is provided with respect to a policy for flood insurance coverage, the annual billing statement for such policy shall include statements of the following amounts:

“(1) The estimated risk premium rate for the property under section 1307(a)(1).

“(2) If applicable, the estimated risk premium rate for the property under section 1307(a)(2).

“(3) The chargeable risk premium rate for the property taking into consideration the discount pursuant to subsection (h).

“(4) The amount of the discount pursuant to subsection (h) for the property.

“(5) The number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made available under the Program and the effect, under this Act, of filing any further claims under a flood insurance policy with respect to that property.

“(j) FUNDING THROUGH STATE AFFORDABILITY SURCHARGES.—

“(1) IMPOSITION AND COLLECTION.—Notwithstanding section 1308, for each fiscal year in which flood insurance coverage under this title is made available for properties in a participating State at chargeable premium rates that are discounted pursuant to subsection (f), the Administrator shall impose and collect a State affordability surcharge on each policy for flood insurance coverage for a property located in such participating State that is (A) not a residential property having 4 or fewer residences, or (B) is such a residential property but is owned by a household that is not an eligible household for purposes of such fiscal year.

“(2) AMOUNT.—The amount of the State affordability surcharge imposed during a fiscal year on each such policy for a property in a participating State shall be—

“(A) sufficient such that the aggregate amount of all such State affordability surcharges imposed on properties in such participating State during such fiscal year is equal to the aggregate amount by which all policies for flood insurance coverage under this title sold during such fiscal year for properties owned by eligible households in the participating State are discounted pursuant to subsection (f); and

“(B) the same amount for each property in the participating State being charged such a surplus.

“(k) TREATMENT OF OTHER SURCHARGES.—The provision of assistance under the program under this section with respect to any property and any limitation on premiums or premium increases pursuant to subsection (f) for the property shall not affect the applicability or amount of any surcharge under section 1308A for the property, of any increase in premiums charged for the property pursuant to section 1310A(c), or of any equivalency fee under section 1308B for the property.

“(l) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) PARTICIPATING STATE.—The term ‘participating State’ means, with respect to a fiscal year, a State that is participating in the program under this section for such fiscal year.

“(2) ELIGIBLE HOUSEHOLD.—The term ‘eligible household’ means, with respect to a fiscal year and a participating State, a household that has an income that is less than the amount of the income limitation for the fiscal year established for purposes of the State program of such participating State pursuant to subsection (g)(1).

“(3) POVERTY LEVEL.—The term ‘poverty level’ means, with respect to a household in

any State, the income poverty line as prescribed and revised at least annually pursuant to section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), as applicable to such State.

“(4) STATE.—The term ‘State’ shall include a consortium of States established for purposes of administering the program under this section with respect to the member States of the consortium.

“(5) STATE PROGRAM.—The term ‘State program’ means a program carried out in compliance with this section by a participating State in conjunction with the program under this section of the Administrator.

“(m) REGULATIONS.—The Administrator shall issue such regulations as may be necessary to carry out the program under this section.”.

SEC. 104. DISCLOSURE OF PREMIUM METHODOLOGY.

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

“(n) DISCLOSURE OF PREMIUM METHODOLOGY.—

“(1) DISCLOSURE.—Six months prior to the effective date of risk premium rates, the Administrator shall cause to be published in the Federal Register an explanation of the bases for, and methodology used to determine, the chargeable premium rates to be effective for flood insurance coverage under this title.

“(2) ALIGNMENT WITH INDUSTRY PRACTICES.—The disclosure required under paragraph (1) shall, to the extent practicable, be aligned with industry patterns and practices and shall include information and data recommended by the State insurance commissioners guidelines on rate filings.

“(3) PUBLIC MEETINGS.—The Administrator shall, on an annual basis, hold at least one public meeting in each of the geographical regions of the United States, as defined by the Administrator for purposes of the National Flood Insurance Program, for the purpose of explaining the methodology described in paragraph (1) and answering questions and receiving comments regarding such methodology. The Administrator shall provide notice of each such public meeting in advance, in such manner, and in using such means as are reasonably designed to notify interested parties and members of the public of the date and time, location, and purpose of such meeting, and of how to submit questions or comments.”.

SEC. 105. CONSIDERATION OF COASTAL AND INLAND LOCATIONS IN PREMIUM RATES.

(a) ESTIMATES OF PREMIUM RATES.—Subparagraph (A) of section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(A)) is amended—

(1) in clause (i), by striking “and” at the end; and

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

“(iii) the differences in flood risk for properties impacted by coastal flood risk and properties impacted by riverine, or inland flood risk; and”.

(b) ESTABLISHMENT OF CHARGEABLE PREMIUM RATES.—Paragraph (1) of section 1308(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(b)(1)) is amended by inserting “due to differences in flood risk resulting from coastal flood hazards and riverine, or inland flood hazards and” after “including differences in risks”.

(c) REVISED RATES.—Not later than the expiration of the two-year period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall revise risk premium rates under the National Flood Insur-

ance Program to implement the amendments made by this section.

SEC. 106. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.

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

(1) by striking the subsection designation and all that follows through “With respect” and inserting the following:

“(g) FREQUENCY OF PREMIUM COLLECTION.—“(1) OPTIONS.—With respect”;

(2) by adding at the end the following:

“(2) MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.—

“(A) EXEMPTION FROM RULEMAKING.—Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may adopt policies and procedures, notwithstanding any other provisions of law and in alignment and consistent with existing industry escrow and servicing standards, necessary to implement such paragraph without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or Executive order.

“(B) PILOT PROGRAM.—The Administrator may initially implement paragraph (1) of this subsection as a pilot program that provides for a gradual phase-in of implementation.

“(C) POLICYHOLDER PROTECTION.—The Administrator may—

“(i) during the 12-month period beginning on the date of the enactment of this subparagraph, charge policyholders choosing to pay premiums in monthly installments a fee for the total cost of the monthly collection of premiums not to exceed \$25 annually; and

“(ii) after the expiration of the 12-month period referred to in clause (i), adjust the fee charged annually to cover the total cost of the monthly collection of premiums as determined by the report submitted pursuant to subparagraph (D).

“(D) REPORT.—Not later than six months after the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, that sets forth all of the costs associated with the monthly payment of premiums, including any up-front costs associated with infrastructure development, the impact on all policyholders including those that exercise the option to pay monthly and those that do not, options for minimizing the costs, particularly the costs to policyholders, and the feasibility of adopting practices that serve to minimize costs to policyholders such as automatic payments and electronic payments.

“(E) ANNUAL REPORTS.—On an annual basis, the Administrator shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate the ongoing costs associated with the monthly payment of premiums.”.

(b) IMPLEMENTATION.—Clause (ii) of section 1307(a)(1)(B) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(B)(ii)) is amended by inserting before “any administrative expenses” the following: “the costs associated with the monthly collection of premiums provided for in section 1308(g) (42 U.S.C. 4015(g)), but only if such costs exceed the operating costs and allowances set forth in clause (1) of this subparagraph, and”.

SEC. 107. ENHANCED CLEAR COMMUNICATION OF FLOOD RISKS.

(a) IN GENERAL.—Subsection (1) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(1)) is amended to read as follows:

“(1) CLEAR COMMUNICATIONS.—

“(1) NEWLY ISSUED AND RENEWED POLICIES.—For all policies for flood insurance coverage under the National Flood Insurance Program that are newly issued or renewed, the Administrator shall clearly communicate to policyholders—

“(A) their full flood risk determinations, regardless of whether their premium rates are full actuarial rates; and

“(B) the number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made available under the Program and the effect, under this Act, of filing any further claims under a flood insurance policy with respect to that property.”

(b) EFFECTIVE DATE.—Subsection (1) of section 1308 of the National Flood Insurance Act of 1968, as added by subsection (a) of this section, shall take effect beginning upon the expiration of the 12-month period that begins on the date of the enactment of this Act. Such subsection (1), as in effect immediately before the amendment made by paragraph (1), shall apply during such 12-month period.

SEC. 108. AVAILABILITY OF FLOOD INSURANCE INFORMATION UPON REQUEST.

Section 1313 of the National Flood Insurance Act of 1968 (42 U.S.C. 4020) is amended—

(1) by inserting “(a) PUBLIC INFORMATION AND DATA.—” after “SEC. 1313.”; and

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

“(b) AVAILABILITY OF FLOOD INSURANCE INFORMATION UPON REQUEST.—Not later than 30 days after a request for such information by the current owner of a property, the Administrator shall provide to the owner any information, including historical information, available to the Administrator on flood insurance program coverage, payment of claims, and flood damages for the property at issue, and any information the Administrator has on whether the property owner may be required to purchase coverage under the National Flood Insurance Program due to previous receipt of Federal disaster assistance, including assistance provided by the Small Business Administration, the Department of Housing and Urban Development, or the Federal Emergency Management Agency, or any other type of assistance that subjects the property to the mandatory purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).”

SEC. 109. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY.

(a) IN GENERAL.—Chapter 1 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“**SEC. 1327. DISCLOSURE OF FLOOD RISK INFORMATION UPON TRANSFER OF PROPERTY.**

“(a) REQUIREMENT FOR PARTICIPATION IN PROGRAM.—After September 30, 2022, no new flood insurance coverage may be provided under this title for any real property located in any area (or subdivision thereof) unless an appropriate body has imposed, by statute or regulation, a duty on any seller or lessor of improved real estate located in such area to provide to any purchaser or lessee of such property a property flood hazard disclosure which the Administrator has determined meets the requirements of subsection (b).

“(b) DISCLOSURE REQUIREMENTS.—A property flood hazard disclosure for a property shall meet the requirements of this subsection only if the disclosure—

“(1) is made in writing;

“(2) discloses any actual knowledge of the seller or lessor of—

“(A) prior physical damage caused by flood to any building located on the property;

“(B) prior insurance claims for losses covered under the National Flood Insurance Program or private flood insurance with respect to such property;

“(C) any previous notification regarding the designation of the property as a multiple loss property; and

“(D) any Federal legal obligation to obtain and maintain flood insurance running with the property, such as any obligation due to a previous form of disaster assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act received by any owner of the property; and

“(3) is delivered by or on behalf of the seller or lessor to the purchaser or lessee before such purchaser or lessee becomes obligated under any contract for purchase or lease of the property.”

(b) AVAILABILITY OF FLOOD INSURANCE COVERAGE.—Subsection (c) of section 1305 of the National Flood Insurance Act of 1968 (42 U.S.C. 4012(c)) is amended—

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

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

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

“(3) given satisfactory assurance that by September 30, 2022, property flood hazard disclosure requirements will have been adopted for the area that meet the requirements of section 1326.”

SEC. 110. VOLUNTARY COMMUNITY-BASED FLOOD INSURANCE PILOT PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”) may carry out a community-based flood insurance pilot program to make available, for purchase by participating communities, a single, community-wide flood insurance policy under the National Flood Insurance Program that—

(1) covers all residential and non-residential properties within the community; and

(2) satisfies, for all such properties within the community, the mandatory purchase requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).

(b) PARTICIPATION.—Participation by a community in the pilot program under this section shall be entirely voluntary on the part of the community.

(c) REQUIREMENTS FOR COMMUNITY-WIDE POLICIES.—The Administrator shall ensure that a community-wide flood insurance policy made available under the pilot program under this section incorporates the following requirements:

(1) A mapping requirement for properties covered by the policy.

(2) A cap on premiums.

(3) A deductible.

(4) Certification or accreditation of mitigation infrastructure when available and appropriate.

(5) A community audit.

(6) The Community Rating System under section 1315(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(b)).

(7) A method of preventing redundant claims payments by the National Flood Insurance Program in the case of a claim by an individual property owner who is covered by a community-wide flood insurance policy and an individual policy obtained through the Program.

(8) Coverage for damage arising from flooding that complies with the standards under the National Flood Insurance Program appropriate to the nature and type of property covered.

(d) TIMING.—The Administrator may establish the demonstration program under this section not later than the expiration of the

180-day period beginning on the date of the enactment of this Act and the program shall terminate on September 30, 2022.

(e) DEFINITION OF COMMUNITY.—For purposes of this section, the term “community” means any unit of local government, within the meaning given such term under the laws of the applicable State.

SEC. 111. USE OF REPLACEMENT COST IN DETERMINING PREMIUM RATES.

(a) STUDY OF RISK RATING REDESIGN FLOOD INSURANCE PREMIUM RATING OPTIONS.—

(1) STUDY.—The Administrator of the Federal Emergency Management Agency shall conduct a study to—

(A) evaluate insurance industry best practices for risk rating and classification, including practices related to replacement cost value in premium rate estimations;

(B) assess options, methods, and strategies for including replacement cost value in the Administrator’s estimates under section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1));

(C) provide recommendations for including replacement cost value in the estimate of the risk premium rates for flood insurance under such section 1307(a)(1);

(D) identify an appropriate methodology to incorporate replacement cost value into the Administrator’s estimates under such section 1307(a)(1);

(E) develop a feasible implementation plan and projected timeline for including replacement cost value in the estimates of risk premium rates for flood insurance made available under the National Flood Insurance Program.

(2) REPORT.—

(A) REQUIREMENT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Administrator shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that contains the results and conclusions of the study required under paragraph (1).

(B) CONTENTS.—The report submitted under subparagraph (A) shall include—

(i) an analysis of the recommendations resulting from the study under paragraph (1) and any potential impacts on the National Flood Insurance Program, including cost considerations;

(ii) a description of any actions taken by the Administrator to implement the study recommendations; and

(iii) a description of any study recommendations that have been deferred or not acted upon, together with a statement explaining the reasons for such deferral or inaction.

(b) USE OF REPLACEMENT COST VALUE IN PREMIUM RATES; IMPLEMENTATION.—

(1) ESTIMATED RATES.—Paragraph (1) of section 1307(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) is amended, in the matter preceding subparagraph (A), by inserting after “flood insurance” the following: “, which shall incorporate replacement cost value, and”.

(2) CHARGEABLE RATES.—Subsection (b) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(b)) is amended, in the matter preceding paragraph (1), by inserting after “Such rates” the following: “shall incorporate replacement cost value and”.

(3) EFFECTIVE DATE.—The amendments under paragraphs (1) and (2) of this subsection shall be made upon the expiration of the 12-month period beginning on the date of the enactment of this Act.

(4) APPLICABILITY AND PHASE-IN.—The Administrator of the Federal Emergency Management Agency shall apply the amendments

under paragraphs (1) and (2) to flood insurance coverage made available under the National Flood Insurance Act of 1968 for properties located in various geographic regions in the United States such that—

(A) over the period beginning upon the expiration of the period referred to in paragraph (3) of this subsection and ending on December 31, 2020, the requirement under such amendments shall be gradually phased in geographically throughout the United States as sufficient information for such implementation becomes available; and

(B) after the expiration of such period referred to in subparagraph (A), such amendments shall apply to all flood insurance coverage made available under the National Flood Insurance Act of 1968.

SEC. 112. CAP ON PREMIUMS.

Paragraph (1) of section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)(1)) is amended—

(1) by striking “except —” and inserting “except as provided in paragraph (4); and”;

(2) by striking subparagraphs (A) and (B);

(3) in subparagraph (C)—

(A) in clause (ii), by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively;

(B) by redesignating clauses (i) through (iii) as subclauses (I) through (III), respectively; and

(C) by striking “(C) in the case of a property that—” and inserting the following:

“(B) The limitations under clauses (i) and (ii) of subparagraph (A) shall not apply in the case of—

“(i) a property identified under section 1307(g); or

“(ii) a property that—”;

(4) by striking “under this title for any property” and inserting the following: “under this title—

“(i) for any property”;

(5) by inserting “(A) subject to subparagraph (B),” after the paragraph designation; and

(6) by inserting before subparagraph (B), as so redesignated by the amendment made by paragraph (3)(C) of this section, the following new clause:

“(ii) for any residential property having 4 or fewer residences and for which there is elevation data meeting standards of the Administrator, may not exceed \$10,000 in any single year, except that such amount (as it may have been previously adjusted) shall be adjusted for inflation by the Administrator upon the expiration of the 5-year period beginning upon the date of the enactment of the 21st Century Flood Reform Act and upon the expiration of each successive 5-year period thereafter, in accordance with an inflationary index selected by the Administrator.”

SEC. 113. PREMIUM RATES FOR CERTAIN MITIGATED PROPERTIES.

(a) MITIGATION STRATEGIES.—Paragraph (1) of section 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended—

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

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

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

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

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

(b) MITIGATION CREDIT.—Subsection (k) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(k)) is amended—

(1) by striking “shall take into account” and inserting the following: “shall—

“(1) take into account”;

(2) in paragraph (1), as so designated by the amendment made by paragraph (1) of this subsection, by striking the period at the end and inserting “; and”;

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

“(2) offer a reduction of the risk premium rate charged to a policyholder, as determined by the Administrator, if the policyholder implements any mitigation method described in paragraph (1).”

SEC. 114. STUDY OF FLOOD INSURANCE COVERAGE FOR UNITS IN COOPERATIVE HOUSING.

The Administrator of the Federal Emergency Management Agency shall conduct a study to analyze and determine the feasibility of providing flood insurance coverage under the National Flood Insurance Program under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) for individual dwelling units in cooperative housing projects. Not later than the expiration of the 24-month period beginning on the date of the enactment of this Act, the Administrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the findings and conclusions of the study conducted pursuant to this section, which shall include a plan setting forth specific actions to implement the development of such flood insurance coverage.

SEC. 115. PILOT PROGRAM FOR PROPERTIES WITH PREEXISTING CONDITIONS.

Section 1311 of the National Flood Insurance Act of 1968 (42 U.S.C. 4018) is amended by adding at the end the following new subsection:

“(C) PILOT PROGRAM FOR INVESTIGATION OF PREEXISTING STRUCTURAL CONDITIONS.—

“(1) VOLUNTARY PROGRAM.—The Administrator shall carry out a pilot program under this subsection to provide for companies participating in the Write Your Own program (as such term is defined in section 1370(a) (42 U.S.C. 4121(a))) to investigate preexisting structural conditions of insured properties and potentially insured properties that could result in the denial of a claim under a policy for flood insurance coverage under this title in the event of a flood loss to such property. Participation in the pilot program shall be voluntary on the part of Write Your Own companies.

“(2) INVESTIGATION OF PROPERTIES.—Under the pilot program under this subsection, a Write Your Own company participating in the program shall—

“(A) provide in policies for flood insurance coverage under this title covered by the program that, upon the request of the policyholder, the company shall provide for—

“(i) an investigation of the property covered by such policy, using common methods, to determine whether preexisting structural conditions are present that could result in the denial of a claim under such policy for flood losses; and

“(ii) if such investigation is not determinative, an on-site inspection of the property to determine whether such preexisting structural conditions are present;

“(B) upon completion of an investigation or inspection pursuant to subparagraph (A) that determines that such a preexisting structural condition is present or absent, submit a report to the policyholder and Administrator describing the condition; and

“(C) impose a surcharge on each policy described in subparagraph (A) in such amount that the Administrator determines is appropriate to cover the costs of investigations and inspections performed pursuant to such policies and reimburse Write Your Own com-

panies participating in the program under this subsection for such costs.

“(3) INTERIM REPORT.—Not later than December 31, 2021, the Administrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the operation of the pilot program to that date.

“(4) SUNSET.—The Administrator may not provide any policy for flood insurance described in paragraph (2)(A) after December 31, 2022.

“(5) FINAL REPORT.—Not later than March 31, 2023, the Administrator shall submit a final report regarding the pilot program under this section to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate. The report shall include any findings and recommendations of the Administrator regarding the pilot program.”

SEC. 116. 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 of the Federal Emergency Management Agency (in this section referred to as 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 of the Administrator, who shall be—

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

(ii) one 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) one representative of the financial or insurance sectors who is involved in risk transfers, including reinsurance, resilience bonds, and other insurance-linked securities;

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

(v) two insurance professionals with demonstrated experience with the sale of flood insurance under the National Flood Insurance Program;

(vi) two representatives of catastrophic risk insurance programs;

(vii) one insurance claims specialist;

(viii) one representative of a recognized consumer advocacy organization;

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

(x) one representative from an academic institution who has demonstrated expertise in insurance; and

(xi) such other recognized experts in the field of insurance as the Administrator considers necessary.

(2) QUALIFICATIONS.—In appointing members under paragraph (1)(C), the Administrator shall, to the maximum extent practicable, ensure the membership of the Committee has a balance of members reflecting geographic diversity, including representation 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 request, on matters related to the insurance aspects of the National Flood Insurance Program, including ratemaking, technology to administer insurance, risk assessment, actuarial practices, claims practices, sales and insurance delivery, compensation and allowances, generally and based on the complexities of the program, and best insurance practices.

(d) **CHAIRPERSON.**—The members of the Committee shall elect one member to serve as the chairperson of the Committee (in this section 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 shall meet not less frequently than twice each year at the request of the Chairperson or a majority of its members, and may take action by a vote of the majority of the members in accordance with the Committee’s charter.

(2) **INITIAL MEETING.**—The Administrator, or a person designated by the Administrator, 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 its duties.

(h) **POWERS.**—In carrying out this section, the Committee may hold hearings, receive evidence and assistance, provide information, and conduct research, as it 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 such recommendations to improve the insurance aspects of the national flood insurance program; and

(3) any recommendations made by the Committee that have been deferred or not acted upon, together with an explanatory statement.

SEC. 117. INTERAGENCY GUIDANCE ON COMPLIANCE.

The Federal entities for lending regulation (as such term is defined in section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a))), in consultation with the Administrator of the Federal Emergency Management Agency, shall update and reissue the document entitled “Interagency Questions and Answers Regarding Flood Insurance” not later than the expiration of the 12-month period beginning on the date of the enactment of this Act and not less frequently than biennially thereafter.

SEC. 118. GAO STUDY OF CLAIMS ADJUSTMENT PRACTICES.

The Comptroller General of the United States shall conduct a study of the policies and practices for adjustment of claims for losses under flood insurance coverage made available under the National Flood Insurance Act, which shall include—

(1) a comparison of such policies and practices with the policies and practices for adjustment of claims for losses under other insurance coverage;

(2) an assessment of the quality of the adjustments conducted and the effects of such policies and practices on such quality;

(3) identification of any incentives under such policies and practices that affect the speed with which such adjustments are conducted; and

(4) identification of the affects of such policies and practices on insureds submitting such claims for losses.

SEC. 119. GAO STUDY OF FLOOD INSURANCE COVERAGE TREATMENT OF EARTH MOVEMENT.

The Comptroller General of the United States shall conduct a study of the treatment, under flood insurance coverage made available under the National Flood Insurance Act, of earth movement and subsidence, including earth movement and subsidence caused by flooding, which shall include—

(1) identification and analysis of the effects of such treatment on the National Flood Insurance Program and insureds under the program;

(2) an assessment of the availability and affordability of coverage in the private insurance market for earth movement and subsidence caused by flooding;

(3) an assessment of the effects on the National Flood Insurance Program of covering earth movement and subsidence caused by flooding; and

(4) a projection of the increased premiums that would be required to make coverage for earth movement losses actuarially sound and not fiscally detrimental to the continuation of the National Flood Insurance Program.

SEC. 120. DEFINITIONS.

(a) **NATIONAL FLOOD INSURANCE ACT OF 1968.**—Subsection (a) of section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

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

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

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

“(16) the term ‘Write Your Own Program’ means the program under which the Federal Emergency Management Agency enters into a standard arrangement with private property insurance companies to sell contracts for flood insurance coverage under this title under their own business lines of insurance, and to adjust and pay claims arising under such contracts; and

“(17) the term ‘Write Your Own company’ means a private property insurance company that participates in the Write Your Own Program.”

(b) **BIGGERT-WATERS FLOOD INSURANCE REFORM ACT OF 2012.**—Subsection (a) of section 100202 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4004(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

“(5) **WRITE YOUR OWN.**—The terms ‘Write Your Own Program’ and ‘Write Your Own company’ have the meanings given such terms in section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)).”

TITLE II—INCREASING CONSUMER CHOICE THROUGH PRIVATE MARKET DEVELOPMENT

SEC. 201. PRIVATE FLOOD INSURANCE.

(a) **MANDATORY PURCHASE REQUIREMENT.**—

(1) **AMOUNT AND TERM OF COVERAGE.**—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by striking “Sec. 102. (a)” and all that follows through the end of subsection (a) and inserting the following:

“SEC. 102. (a) **AMOUNT AND TERM OF COVERAGE.**—After the expiration of sixty days following the date of the enactment of this Act, no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes for use in any

area that has been identified by the Administrator as an area having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property to which such financial assistance relates is covered by flood insurance: *Provided*, That the amount of flood insurance (1) in the case of Federal flood insurance, is at least equal to the development or project cost of the building, mobile home, or personal property (less estimated land cost), the outstanding principal balance of the loan, or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less; or (2) in the case of private flood insurance, is at least equal to the development or project cost of the building, mobile home, or personal property (less estimated land cost), the outstanding principal balance of the loan, or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less: *Provided further*, That if the financial assistance provided is in the form of a loan or an insurance or guaranty of a loan, the amount of flood insurance required need not exceed the outstanding principal balance of the loan and need not be required beyond the term of the loan. The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property.”

(2) **REQUIREMENT FOR MORTGAGE LOANS.**—Subsection (b) of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended—

(A) by striking paragraph (7);

(B) by redesignating paragraph (6) as paragraph (7);

(C) by striking the subsection designation and all that follows through the end of paragraph (5) and inserting the following:

“(b) **REQUIREMENT FOR MORTGAGE LOANS.**—

“(1) **REGULATED LENDING INSTITUTIONS.**—

Each Federal entity for lending regulation (after consultation and coordination with the Financial Institutions Examination Council established under the Federal Financial Institutions Examination Council Act of 1974) shall by regulation direct regulated lending institutions not to make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance: *Provided*, That the amount of flood insurance (A) in the case of Federal flood insurance, is at least equal to the outstanding principal balance of the loan or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less; or (B) in the case of private flood insurance, is at least equal to the outstanding principal balance of the loan or the maximum limit of Federal flood insurance coverage made available with respect to the particular type of property, whichever is less.

“(2) **FEDERAL AGENCY LENDERS AND MORTGAGE INSURANCE AND GUARANTEE AGENCIES.**—

“(A) **FEDERAL AGENCY LENDERS.**—A Federal agency lender may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National

Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in accordance with paragraph (1). Each Federal agency lender may issue any regulations necessary to carry out this paragraph. Such regulations shall be consistent with and substantially identical to the regulations issued under paragraph (1).

“(B) OTHER FEDERAL MORTGAGE ENTITIES.—

“(i) COVERAGE REQUIREMENTS.—Each covered Federal mortgage entity shall implement procedures reasonably designed to ensure that, for any loan that—

“(I) is secured by improved real estate or a mobile home located in an area that has been identified, at the time of the origination of the loan or at any time during the term of the loan, by the Administrator as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968, and

“(II) is made, insured, held, or guaranteed by such entity, or backs or on which is based any trust certificate or other security for which such entity guarantees the timely payment of principal and interest, the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

“(ii) DEFINITION.—For purposes of this subparagraph, the term ‘covered Federal mortgage entity’ means—

“(I) the Secretary of Housing and Urban Development, with respect to mortgages insured under the National Housing Act;

“(II) the Secretary of Agriculture, with respect to loans made, insured, or guaranteed under title V of the Housing Act of 1949; and

“(III) the Government National Mortgage Association.

“(C) REQUIREMENT TO ACCEPT FLOOD INSURANCE.—Each Federal agency lender and each covered Federal mortgage entity shall accept flood insurance as satisfaction of the flood insurance coverage requirement under subparagraph (A) or (B), respectively, if the flood insurance coverage meets the requirements for coverage under such subparagraph and the requirements relating to financial strength issued pursuant to paragraph (4).

“(3) GOVERNMENT-SPONSORED ENTERPRISES FOR HOUSING.—The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall implement procedures reasonably designed to ensure that, for any loan that is—

“(A) secured by improved real estate or a mobile home located in an area that has been identified, at the time of the origination of the loan or at any time during the term of the loan, by the Administrator as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968, and

“(B) purchased or guaranteed by such entity,

the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1). The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall accept flood insurance as satisfaction of the flood insurance coverage requirement under paragraph (1) if the flood insurance coverage provided meets the requirements for coverage under that paragraph and the requirements relating to financial strength issued pursuant to paragraph (4).

“(4) REQUIREMENTS REGARDING FINANCIAL STRENGTH.—The Director of the Federal Housing Finance Agency, in consultation with the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Secretary of Housing and

Urban Development, the Government National Mortgage Association, and the Secretary of Agriculture shall develop and implement requirements relating to the financial strength of private insurance companies from which such entities and agencies will accept private flood insurance, provided that such requirements shall not affect or conflict with any State law, regulation, or procedure concerning the regulation of the business of insurance.

“(5) APPLICABILITY.—

“(A) EXISTING COVERAGE.—Except as provided in subparagraph (B), paragraph (1) shall apply on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994.

“(B) NEW COVERAGE.—Paragraphs (2) and (3) shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994. Paragraph (1) shall apply with respect to any loan made, increased, extended, or renewed by any lender supervised by the Farm Credit Administration only after the expiration of the period under this subparagraph.

“(C) CONTINUED EFFECT OF REGULATIONS.—Notwithstanding any other provision of this subsection, the regulations to carry out paragraph (1), as in effect immediately before the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994, shall continue to apply until the regulations issued to carry out paragraph (1) as amended by section 522(a) of such Act take effect.

“(6) RULE OF CONSTRUCTION.—Except as otherwise specified, any reference to flood insurance in this section shall be considered to include Federal flood insurance and private flood insurance. Nothing in this subsection shall be construed to supersede or limit the authority of a Federal entity for lending regulation, the Federal Housing Finance Agency, a Federal agency lender, a covered Federal mortgage entity (as such term is defined in paragraph (2)(B)(ii)), the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation to establish requirements relating to the financial strength of private insurance companies from which the entity or agency will accept private flood insurance, provided that such requirements shall not affect or conflict with any State law, regulation, or procedure concerning the regulation of the business of insurance.”; and

(D) by adding at the end the following new paragraphs:

“(8) DEFINITIONS.—In this section:

“(A) FLOOD INSURANCE.—The term ‘flood insurance’ means—

“(i) Federal flood insurance; and

“(ii) private flood insurance.

“(B) FEDERAL FLOOD INSURANCE.—The term ‘Federal flood insurance’ means an insurance policy made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

“(C) MUTUAL AID SOCIETY.—The term ‘mutual aid society’ means an organization—

“(i) the members of which—

“(I) share a common set of ethical or religious beliefs; and

“(II) in accordance with the beliefs described in subclause (I), agree to cover expenses arising from damage to property of the members of the organization, including damage caused by flooding; and

“(ii) that has a demonstrated history of fulfilling the terms of agreements to cover expenses arising from damage to property of the members of the organization caused by flooding.

“(D) PRIVATE FLOOD INSURANCE.—The term ‘private flood insurance’ means—

“(i) an insurance policy that—

“(I) is issued by an insurance company that is—

“(aa) licensed, admitted, or otherwise approved to engage in the business of insurance in the State in which the insured building is located, by the insurance regulator of that State; or

“(bb) eligible as a nonadmitted insurer to provide insurance in the home State of the insured, in accordance with sections 521 through 527 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 8201 through 8206);

“(II) is issued by an insurance company that is not otherwise disapproved as a surplus lines insurer by the insurance regulator of the State in which the property to be insured is located; and

“(III) provides flood insurance coverage that complies with the laws and regulations of that State; or

“(ii) an agreement with a mutual aid society for such society to cover expenses arising from damage to property of the members of such society caused by flooding, unless the State in which the property to be insured is located has—

“(I) determined that the specific mutual aid society may not provide such coverage or provide such coverage in such manner; or

“(II) specifically provided through law or regulation that mutual aid societies may not provide such coverage or provide such coverage in such manner.

“(E) STATE.—The term ‘State’ means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.”.

(b) EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“(o) EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—For purposes of applying any statutory, regulatory, or administrative continuous coverage requirement, including under section 1307(g)(1), the Administrator shall consider any period during which a property was continuously covered by private flood insurance (as defined in section 102(b)(8) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(8))) to be a period of continuous coverage.”.

SEC. 202. OPT-OUT OF MANDATORY COVERAGE REQUIREMENT FOR COMMERCIAL PROPERTIES.

(a) AMENDMENTS TO FLOOD DISASTER PROTECTION ACT OF 1973.—Effective on January 1, 2019, the Flood Disaster Protection Act of 1973, as amended by the preceding provisions of this Act, is further amended—

(1) in section 3(a) (42 U.S.C. 4003(a))—

(A) in paragraph (10), by striking “and” at the end;

(B) in paragraph (11), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new paragraph:

“(12) ‘residential improved real estate’ means improved real estate that—

“(A) is primarily used for residential purposes, as defined by the Federal entities for lending regulation; and

“(B) secures financing or financial assistance provided through a federally related single family loan program, as defined by the Federal entities for lending regulation.”; and

(2) in section 102 (42 U.S.C. 4012a)—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) by inserting “residential” before “improved real estate”; and

(II) by inserting “residential” before “building or mobile home”;

(i) in paragraph (2)—

(I) by inserting “residential” before “improved real estate” each place such term appears; and

(II) by inserting “residential” before “building or mobile home” each place such term appears; and

(iii) in paragraph (3)—

(I) in subparagraph (A), by inserting “residential” before “improved real estate”; and

(II) in the matter after and below subparagraph (B), by inserting “residential” before “building or mobile home”;

(B) in subsection (c)(3), by striking “, in the case of any residential property, for any structure that is a part of such property” and inserting “for any structure that is a part of a residential property”;

(C) in subsection (e)—

(i) in paragraph (1)—

(I) by inserting “residential” before “improved real estate”; and

(II) by inserting “residential” before “building or mobile home” each place such term appears; and

(ii) in paragraph (5)—

(I) in subparagraph (A)—

(aa) by inserting “residential” before “improved real estate” each place such term appears; and

(bb) by inserting “residential” before “building or mobile home” each place such term appears;

(II) in subparagraph (B), by inserting “residential” before “building or mobile home” each place such term appears; and

(III) in subparagraph (C), by inserting “residential” before “building or mobile home”; and

(D) in subsection (h)—

(i) by inserting “residential” before “improved real estate” each place such term appears; and

(ii) in the matter preceding paragraph (1), by inserting “residential” before “building or mobile home”.

(b) AMENDMENTS TO NATIONAL FLOOD INSURANCE ACT OF 1968.—Effective on January 1, 2019, the National Flood Insurance Act of 1968, as amended by the preceding provisions of this Act, is further amended—

(1) in section 1364(a) (42 U.S.C. 4104a(a))—

(A) in paragraph (1), by inserting “residential” before “improved real estate”;

(B) in paragraph (2), by inserting “residential” before “improved real estate”; and

(C) in paragraph (3)(A), by inserting “residential” before “building”;

(2) in section 1365 (42 U.S.C. 4104b)—

(A) in subsection (a)—

(i) by inserting “residential” before “improved real estate”; and

(ii) by inserting “residential” before “building”;

(B) in subsection (b)(2)—

(i) by inserting “residential” before “building” each place such term appears; and

(ii) by inserting “residential” before “improved real estate” each place such term appears;

(C) in subsection (d), by inserting “residential” before “improved real estate” each place such term appears; and

(D) in subsection (e)—

(i) by inserting “residential” before “improved real estate”; and

(ii) by inserting “residential” before “building” each place such term appears; and

(3) in section 1370 (42 U.S.C. 4121)—

(A) in paragraph (8), by inserting “residential” before “improved real estate”;

(B) by redesignating paragraphs (14) through (17) as paragraphs (15) through (18), respectively; and

(C) by inserting after paragraph (13) the following new paragraph:

“(14) the term ‘residential improved real estate’ means improved real estate that—

“(A) is primarily used for residential purposes, as defined by the Federal entities for lending regulation; and

“(B) secures financing or financial assistance provided through a federally related single family loan program, as defined by the Federal entities for lending regulation.”

(c) RULE OF CONSTRUCTION.—This section and the amendments made by this section may not be construed to prohibit the Administrator of the Federal Emergency Management Agency from offering flood insurance coverage under the National Flood Insurance Program for eligible non-residential properties, other residential multifamily properties, or structures financed with commercial loans, or to prohibit the purchase of such coverage for such eligible properties.

SEC. 203. ELIMINATION OF NON-COMPETE REQUIREMENT.

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

“(f) AUTHORITY TO PROVIDE OTHER FLOOD COVERAGE.—

“(1) IN GENERAL.—The Administrator may not, as a condition of participating in the Write Your Own Program (as such term is defined in section 1370(a)) or in otherwise participating in the utilization by the Administrator of the facilities and services of insurance companies, insurers, insurance agents and brokers, and insurance adjustment organizations pursuant to the authority in this section, nor as a condition of eligibility to engage in any other activities under the National Flood Insurance Program under this title, restrict any such company, insurer, agent, broker, or organization from offering and selling private flood insurance (as such term is defined in section 102(b)(9) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)(9))).

“(2) FINANCIAL ASSISTANCE/SUBSIDY ARRANGEMENT.—After the date of the enactment of this subsection—

“(A) the Administrator may not include in any agreement entered into with any insurer for participation in the Write Your Own Program any provision establishing a condition prohibited by paragraph (1), including the provisions of Article XIII of the Federal Emergency Management Agency, Federal Insurance Administration, Financial Assistance/Subsidy Arrangement, as adopted pursuant to section 62.23(a) of title 44 of the Code of Federal Regulations; and

“(B) any such provision in any such agreement entered into before such date of enactment shall not have any force or effect, and the Administrator may not take any action to enforce such provision.”

SEC. 204. PUBLIC AVAILABILITY OF PROGRAM INFORMATION.

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

“SEC. 1349. PUBLIC AVAILABILITY OF PROGRAM INFORMATION.

“(a) FLOOD RISK INFORMATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), to facilitate the National Flood Insurance Program becoming a source of information and data for research and development of technology that better understands flooding, the risk of flooding, and the predictability of perils of flooding, the Administrator shall make publicly available all

data, models, assessments, analytical tools, and other information in the possession of the Administrator relating to the National Flood Insurance Program under this title that is used in assessing flood risk or identifying and establishing flood elevations and premiums, including—

“(A) data relating to risk on individual properties and loss ratio information and other information identifying losses under the program;

“(B) current and historical policy information, limited to the amount and term only, for properties currently covered by flood insurance and for properties that are no longer covered by flood insurance;

“(C) current and historical claims information, limited to the date and amount paid only, for properties currently covered by flood insurance and for properties that are no longer covered by flood insurance;

“(D) identification of whether a property was constructed before or after the effective date of the first flood insurance rate map for a community;

“(E) identification of properties that have been mitigated through elevation, a buyout, or any other mitigation action; and

“(F) identification of unmitigated multiple-loss properties.

“(2) OPEN SOURCE DATA SYSTEM.—In carrying out paragraph (1), the Administrator shall establish an open source data system by which all information required to be made publicly available by such subsection may be accessed by the public on an immediate basis by electronic means.

“(b) COMMUNITY INFORMATION.—Not later than the expiration of the 12-month period beginning upon the date of the enactment of this section, the Administrator shall establish and maintain a publicly searchable database that provides information about each community participating in the National Flood Insurance Program, which shall include the following information:

“(1) The status of the community’s compliance with the National Flood Insurance Program, including any findings of noncompliance, the status of any enforcement actions initiated by a State or by the Administrator, and the number of days of any such continuing noncompliance.

“(2) The number of properties located in the community’s special flood hazard areas that were built before the effective date of the first flood insurance rate map for the community.

“(3) The number of properties located in the community’s special flood hazard areas that were built after the effective date of the first flood insurance rate map for the community.

“(4) The total number of current and historical claims located outside the community’s special flood hazard areas.

“(5) The total number of multiple-loss properties in the community.

“(6) The portion of the community, stated as a percentage and in terms of square miles, that is located within special flood hazard areas.

“(c) IDENTIFICATION OF PROPERTIES.—The information provided pursuant to subsections (a) and (b) shall be based on data that identifies properties at the zip code or census block level, and shall include the name of the community and State in which a property is located.

“(d) PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION.—The information provided pursuant to subsections (a) and (b) shall be disclosed in a format that does not reveal individually identifiable information about property owners in accordance with the section 552a of title 5, United States Code.

“(e) DEFINITION OF LOSS RATIO.—For purposes of this section, the term ‘loss ratio’ means, with respect to the National Flood Insurance Program, the ratio of the amount of claims paid under the Program to the amount of premiums paid under the Program.”.

SEC. 205. REFUND OF PREMIUMS UPON CANCELLATION OF POLICY BECAUSE OF REPLACEMENT WITH PRIVATE FLOOD INSURANCE.

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

“(e) REFUND OF UNEARNED PREMIUMS FOR POLICIES CANCELED BECAUSE OF REPLACEMENT WITH PRIVATE FLOOD INSURANCE.—

“(1) REQUIRED REFUND.—Subject to subsection (c), if at any time an insured under a policy for flood insurance coverage for a property that is made available under this title cancels such policy because other duplicate flood insurance coverage for the same property has been obtained from a source other than the National Flood Insurance Program under this title, the Administrator shall refund to the former insured a portion of the premiums paid for the coverage made available under this title, as determined consistent with industry practice according to the portion of the term of the policy that such coverage was in effect, but only if a copy of declarations page of the new policy obtained from a source other than the program under this title is provided to the Administrator.

“(2) EFFECTIVE DATE OF CANCELLATION.—For purposes of this subsection, a cancellation of a policy for coverage made available under the national flood insurance program under this title, for the reason specified in paragraph (1), shall be effective—

“(A) on the effective date of the new policy obtained from a source other than the program under this title, if the request for such cancellation was received by the Administrator before the expiration of the 6-month period beginning on the effective date of the new policy; or

“(B) on the date of the receipt by the Administrator of the request for cancellation, if the request for such cancellation was received by the Administrator after the expiration of the 6-month period beginning on the effective date of the new policy.

“(3) PROHIBITION OF REFUNDS FOR PROPERTIES RECEIVING INCREASED COST OF COMPLIANCE CLAIMS.—No premium amounts paid for coverage made available under this title may be refunded pursuant to this subsection—

“(A) with respect to coverage for any property for which measures have been implemented using amounts received pursuant to a claim under increased cost of compliance coverage made available pursuant to section 1304(b); or

“(B) if a claim has been paid or is pending under the policy term for which the refund is sought.”.

SEC. 206. GAO STUDY OF FLOOD DAMAGE SAVINGS ACCOUNTS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to analyze the feasibility and effectiveness, and problems involved, in reducing flood insurance premiums and eliminating the need for purchase of flood insurance coverage by authorizing owners of residential properties to establish flood damage savings accounts described in subsection (b) in lieu of complying with the mandatory requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to purchase flood insurance for such properties.

(b) FLOOD DAMAGE SAVINGS ACCOUNT.—A flood damage savings account described in this subsection is a savings account—

(1) that would be established by an owner of residential property with respect to such property in accordance with requirements established by the Administrator of the Federal Emergency Management Agency; and

(2) the proceeds of which would be available for use only to cover losses to such properties resulting from flooding, pursuant to adjustment of a claim for such losses in the same manner and according to the same procedures as apply to claims for losses under flood insurance coverage made available under the National Flood Insurance Act of 1968.

(c) ISSUES.—Such study shall include an analysis of, and recommendation regarding, each of the following issues:

(1) Whether authorizing the establishment of such flood damage savings accounts would be effective and efficient in reducing flood insurance premiums, eliminating the need for purchase of flood insurance coverage made available under the National Flood Insurance Program, and reducing risks to the financial safety and soundness of the National Flood Insurance Fund.

(2) Possible options for structuring such flood damage savings accounts, including—

(A) what types of institutions could hold such accounts and the benefits and problems with each such type of institution;

(B) considerations affecting the amounts required to be held in such accounts; and

(C) options regarding considerations the conditions under which such an account may be terminated.

(3) The feasibility and effectiveness, and problems involved in, authorizing the Administrator of the Federal Emergency Management Agency to make secondary flood insurance coverage available under the National Flood Insurance Program to cover the portion of flood losses or damages to properties for which such flood damage savings accounts have been established that exceed the amounts held in such accounts.

(4) The benefits and problems involved in authorizing the establishment of such accounts for non-residential properties.

(d) REPORT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a 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 Administrator that sets forth the analysis, conclusions, and recommendations resulting from the study under this section. Such report shall identify elements that should be taken into consideration by the Administrator in designing and carrying out the demonstration program under section 207.

SEC. 207. DEMONSTRATION PROGRAM FOR FLOOD DAMAGE SAVINGS ACCOUNTS.

(a) PLAN.—If the Comptroller General of the United States concludes in the report required under section 206 that a demonstration program under this section is feasible and should be considered, then the Administrator of the Federal Emergency Management Agency shall, not later than the expiration of the 12-month period beginning upon the submission of the report under section 206(d), submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a plan and guidelines for a demonstration program, to be carried out by the Administrator, to demonstrate the feasibility and effectiveness of authorizing the establishment of flood damage savings accounts, taking into consideration the analysis, conclusions, and recommendations included in such report.

(b) AUTHORITY.—The Administrator of the Federal Emergency Management Agency

shall carry out a program to demonstrate the feasibility and effectiveness of authorizing the establishment of flood damage savings accounts in the manner provided in plan and guidelines for the demonstration program submitted pursuant to subsection (a).

(c) SCOPE.—The demonstration program under this section shall provide for the establishment of flood damage savings accounts with respect to not more than 5 percent of the residential properties that have 4 or fewer residences and that are covered by flood insurance coverage made available under the National Flood Insurance Program.

(d) TIMING.—The Administrator shall commence the demonstration program under this section not later than the expiration of the 12-month period beginning upon the submission of the plan and guidelines for the demonstration pursuant to subsection (a).

(e) GEOGRAPHICAL DIVERSITY.—The Administrator shall ensure that properties for which flood damage savings accounts are established under the demonstration are located in diverse geographical areas throughout the United States.

(f) REPORT.—Upon the expiration of the 2-year period beginning upon the date of the commencement of the demonstration program under this section, the Administrator shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing and assessing the demonstration, and setting forth conclusions and recommendations regarding continuing and expanding the demonstration.

(g) FEASIBILITY.—The Administrator shall implement this section only after determining that implementation is supported by the Comptroller's conclusions and recommendations contained in the report required under section 206.

TITLE III—MAPPING FAIRNESS

SEC. 301. USE OF OTHER RISK ASSESSMENT TOOLS IN DETERMINING PREMIUM RATES.

(a) ESTIMATES OF PREMIUM RATES.—Subparagraph (A) of section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(A)), as amended by the preceding provisions of this Act, is further amended—

(1) in clause (ii), by striking “and” at the end; and

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

“(iv) both the risk identified by the applicable flood insurance rate maps and by other risk assessment data and tools, including risk assessment models and scores from appropriate sources; and”.

(b) ESTABLISHMENT OF CHARGEABLE PREMIUM RATES.—Paragraph (1) of section 1308(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(b)(1)) is amended by inserting before the semicolon at the end the following: “, taking into account both the risk identified by the applicable flood insurance rate maps and by other risk assessment data and tools, including risk assessment models and scores from appropriate sources”.

(c) EFFECTIVE DATE AND REGULATIONS.—

(1) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be made, and shall take effect, upon the expiration of the 36-month period beginning on the date of the enactment of this Act.

(2) REGULATIONS.—The Administrator of the Federal Emergency Management Agency shall issue regulations necessary to implement the amendments made by subsections (a) and (b), which shall identify risk assessment data and tools to be used in identifying flood risk and appropriate sources for risk assessment models and scores to be so used.

Such regulations shall be issued not later than the expiration of the 36-month period beginning on the date of the enactment of this Act and shall take effect upon the expiration of such period.

SEC. 302. APPEALS REGARDING EXISTING FLOOD MAPS.

(a) IN GENERAL.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsection:

“(k) APPEALS OF EXISTING MAPS.—

“(1) RIGHT TO APPEAL.—Subject to paragraph (6), a State or local government, or the owner or lessee of real property, who has made a formal request to the Administrator to update a flood map that the Administrator has denied may at any time appeal such a denial as provided in this subsection.

“(2) BASIS FOR APPEAL.—The basis for 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 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.—An appeal under this subsection shall be determined by a final adjudication on the record, and after opportunity for an administrative hearing.

“(B) RIGHTS UPON ADVERSE DECISION.—If an appeal pursuant to subparagraph (A) does not result in a decision in favor of the State, local government, owner, or lessee, such party may appeal the adverse decision to the Scientific Resolution Panel provided for in section 1363A, which shall recommend a non-binding decision to the Administrator.

“(4) RELIEF.—

“(A) WHOLLY SUCCESSFUL APPEALS.—In the case of a successful appeal resulting in a policyholder's property being removed from a special flood hazard area, such policyholder may cancel the policy at any time within the current policy year, and the Administrator shall provide such policyholder a refund in the amount of any premiums paid for such policy year, plus any premiums paid for flood insurance coverage that the policyholder was required to purchase or maintain during the 2-year period preceding such policy year.

“(B) PARTIALLY SUCCESSFUL APPEALS.—In the case of any appeal in which mitigating factors were determined to have reduced, but not eliminated, the risk of flooding, the Administrator shall reduce the amount of flood insurance coverage required to be maintained for the property concerned by the ratio of the successful portion of the appeal as compared to the entire appeal. The Administrator shall refund to the policyholder any payments made in excess of the amount necessary for such new coverage amount, effective from the time when the mitigating factor was created or the beginning of the second policy year preceding the determination of the appeal, whichever occurred later.

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

“(5) RECOVERY OF COSTS.—When, incident to any appeal which is successful in whole or part regarding the designation of the base flood elevation or any aspect of the flood map, including elevation or designation of a special flood hazard area, the community, or the owner or lessee of real property, as the case may be, incurs expense in connection with the appeal, including services provided

by surveyors, engineers, and scientific experts, the Administrator shall reimburse such individual or community for reasonable expenses to an extent measured by the ratio of the successful portion of the appeal as compared to the entire appeal, but not including legal services, in the effecting of an appeal based on a scientific or technical error on the part of the Federal Emergency Management Agency. No reimbursement shall be made by the Administrator in respect to any fee or expense payment, the payment of which was agreed to be contingent upon the result of the appeal. The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this paragraph.

“(6) INAPPLICABILITY TO COMMUNITY FLOOD MAPS.—This subsection shall not apply with respect to any flood map that is in effect pursuant to certification under the standards, guidelines, and procedures established pursuant to section 100215(m)(1)(B) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)(1)(B)).

“(7) 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.”.

(b) DEADLINE.—The Administrator of the Federal Emergency Management Agency shall issue the guidance referred to section 1360(k)(7) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(k)(7)), as added by the amendment made by subsection (a) of this section, not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

SEC. 303. APPEALS AND PUBLICATION OF PROJECTED SPECIAL FLOOD HAZARD AREAS.

(a) APPEALS.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended—

(1) in subsection (b), by striking the second sentence and inserting the following: “Any owner or lessee of real property within the community who believes the owner's or lessee's rights to be adversely affected by the Administrator's proposed determination may appeal such determination to the local government no later than 90 days after the date of the second publication.”;

(2) in subsection (d), by striking “subsection (e)” and inserting “subsection (f)”;

(3) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(4) by inserting after subsection (d) the following new subsection:

“(e) DETERMINATION BY ADMINISTRATOR IN THE ABSENCE OF APPEALS.—If the Administrator has not received any appeals, upon expiration of the 90-day appeal period established under subsection (b) of this section the Administrator's proposed determination shall become final. The community shall be given a reasonable time after the Administrator's final determination in which to adopt local land use and control measures consistent with the Administrator's determination.”.

(b) PUBLICATION.—Subsection (a) of section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(a)) is amended by striking “in the Federal Register”.

(c) INAPPLICABILITY TO PRIVATE AND COMMUNITY FLOOD MAPS.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104), as amended by the preceding provisions of this section, is further amended by adding at the end the following new subsection:

“(i) INAPPLICABILITY TO COMMUNITY FLOOD MAPS.—This section shall not apply with respect to any flood map that is in effect pursuant to certification under the standards,

guidelines, and procedures established pursuant to section 100215(m)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)(1)), which shall include procedures for providing notification and appeal rights to individuals within the communities of the proposed flood elevation determinations.”.

SEC. 304. COMMUNICATION AND OUTREACH REGARDING MAP CHANGES.

Paragraph (1) of section 100216(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(d)(1)) is amended—

(1) in subparagraph (B), by inserting “maximum” before “30-day period”; and

(2) in subparagraph (C), by inserting “maximum” before “30-day period”.

SEC. 305. SHARING AND USE OF MAPS AND DATA.

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

(1) in paragraph (1)—

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

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

(C) by adding at the end the following new subparagraph:

“(D) consult and coordinate with the Department of Defense, the United States Geological Survey, and the National Oceanic and Atmospheric Administration for the purpose of obtaining the most-up-to-date maps and other information of such agencies, including information on topography, water flow, and any other issues, relevant to mapping for flood insurance purposes.”; and

(2) in paragraph (3)—

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

(B) by redesignating subparagraph (E) as subparagraph (F); and

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

“(E) any other information relevant to mapping for flood insurance purposes obtained pursuant to paragraph (1)(D); and”.

SEC. 306. COMMUNITY FLOOD MAPS.

(a) TECHNICAL MAPPING ADVISORY COUNCIL.—Section 100215 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a) is amended—

(1) in subsection (c)—

(A) in paragraph (5)(B), by striking “and” at the end;

(B) by redesignating paragraph (6) as paragraph (9); and

(C) by inserting after paragraph (5) the following new paragraphs:

“(6) recommend to the Administrator methods or actions to make the flood mapping processes more efficient;

“(7) recommend to the Administrator methods or actions to minimize any cost, data, and paperwork requirements of the flood mapping processes;

“(8) assist communities, and in particular smaller communities, in locating the resources required to participate in the development of flood elevations and flood hazard area designations; and”;

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

“(m) COMMUNITY FLOOD MAPS.—

“(1) STANDARDS AND PROCEDURES.—In addition to the other duties of the Council under this section, not later than the expiration of the 12-month period beginning on the date of the enactment of this subsection, the Council shall recommend to the Administrator standards and requirements for chief executive officers, or entities designated by chief executive officers, of States and communities participating in the National Flood Insurance Program to use in mapping flood hazards located in States and communities that choose to develop alternative maps to

the flood insurance rate maps developed by the Agency. The recommended standards and requirements shall include procedures for providing notification and appeal rights to individuals within the communities of the proposed flood elevation determinations.

“(2) EXEMPTION FROM RULEMAKING.—Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may, notwithstanding any other provision of law, adopt policies and procedures necessary to implement such paragraphs without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or executive order.”

(b) FEMA IDENTIFICATION OF FLOOD-PRONE AREAS.—Subsection (a) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(a)) is amended—

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

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A), and (B), respectively, and realigning such subparagraphs so as to be indented 4 ems from the left margin;

(3) by striking “is authorized to consult” and inserting the following: “is authorized—“(1) to consult”;

(4) by adding at the end the following new paragraph:

“(2) to receive proposed alternative maps from communities developed pursuant to standards and requirements recommended by the Technical Mapping Advisory Council, as required by section 100215(m) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(m)) and adopted by the Administrator as required by section 100216(c)(3) of such Act (42 U.S.C. 4101b(c)(3)), so that the Administrator may—

“(A) publish information with respect to all flood plain areas, including coastal areas located in the United States, which have special flood hazards, and

“(B) establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each of these areas until the date specified in section 1319.”

(c) 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 (a), by inserting “prepared by the Administrator, or by a community pursuant to section 1360(a)(2) of the National Flood Insurance Act of 1968,” after “Program rate maps”; and

(2) in subsection (c)—

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

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

(C) by adding at the end the following new paragraphs:

“(3) establish and adopt standards and requirements for development by States and communities of alternative flood insurance rate maps to be submitted to the Administrator pursuant to section 1360(a)(2) of the National Flood Insurance Act of 1968, taking into consideration the recommendations of the Technical Mapping Advisory Council made pursuant to section 100215(m) of this Act (42 U.S.C. 4101a(m)); and

“(4) in the case of proposed alternative maps received by the Administrator pursuant to such section 1360(a)(2), not later than the expiration of the 6-month period beginning upon receipt of such proposed alternative maps—

“(A) determine whether such maps were developed in accordance with the standards

and requirements adopted pursuant to paragraph (3) of this subsection; and

“(B) approve or disapprove such proposed maps for use under National Flood Insurance Program.”

TITLE IV—PROTECTING CONSUMERS AND INDIVIDUALS THROUGH IMPROVED MITIGATION

SEC. 401. PROVISION OF COMMUNITY RATING SYSTEM PREMIUM CREDITS TO MAXIMUM NUMBER OF COMMUNITIES PRACTICABLE.

Subsection (b) of section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended—

(1) in paragraph (2), by striking “may” and inserting “shall”; and

(2) in paragraph (3), by inserting “, and the Administrator shall provide credits to the maximum number of communities practicable” after “under this program”.

SEC. 402. COMMUNITY ACCOUNTABILITY FOR REPETITIVELY FLOODED AREAS.

(a) IN GENERAL.—Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

“(e) COMMUNITY ACCOUNTABILITY FOR REPETITIVELY DAMAGED AREAS.—

“(1) IN GENERAL.—The Administrator shall, by regulation, require any covered community (as such term is defined in paragraph (5))—

“(A) to identify the areas within the community where properties described in paragraph (5)(B) or flood-damaged facilities are located to determine areas repeatedly damaged by floods and to assess, with assistance from the Administrator, the continuing risks to such areas;

“(B) to develop a community-specific plan for mitigating continuing flood risks to such repetitively flooded areas and to submit such plan and plan updates to the Administrator at appropriate intervals;

“(C) to implement such plans;

“(D) to make such plan, plan updates, and reports on progress in reducing flood risk available to the public, subject to section 552a of title 5, United States Code.

“(2) INCORPORATION INTO EXISTING PLANS.—Plans developed pursuant to paragraph (1) may be incorporated into mitigation plans developed under section 1366 of this Act (42 U.S.C. 4104c) and hazard mitigation plans developed under section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165).

“(3) ASSISTANCE TO COMMUNITIES.—

“(A) DATA.—To assist communities in preparation of plans required under paragraph (1), the Administrator shall, upon request, provide covered communities with appropriate data regarding the property addresses and dates of claims associated with insured properties within the community.

“(B) MITIGATION GRANTS.—In making determinations regarding financial assistance under the authorities of this Act, the Administrator may consider the extent to which a community has complied with this subsection and is working to remedy problems with addressing repeatedly flooded areas.

“(4) SANCTIONS.—

“(A) IN GENERAL.—The Administrator shall, by regulations issued in accordance with the procedures established under section 553 of title 5, United States Code, regarding substantive rules, provide appropriate sanctions for covered communities that fail to comply with the requirements under this subsection or to make sufficient progress in reducing the flood risks to areas in the community that are repeatedly damaged by floods.

“(B) NOTICE.—Before imposing any sanction pursuant to this paragraph, the Admin-

istrator shall provide the covered community involved with notice of the non-compliance that could result in the imposition of sanctions, which shall include recommendations for actions to bring the covered community into compliance.

“(C) CONSIDERATIONS.—In determining appropriate sanctions to impose under this paragraph, the Administrator shall consider the resources available to the covered community involved, including Federal funding, the portion of the covered community that lies within an area having special flood hazards, and other factors that make it difficult for the covered community to conduct mitigation activities for existing flood-prone structures.

“(5) COVERED COMMUNITY.—For purposes of this subsection, the term ‘covered community’ means a community—

“(A) that is participating, pursuant to section 1315, in the national flood insurance program; and

“(B) within which are located—

“(i) 50 or more repetitive loss structures for each of which, during any 10-year period, two or more claims for payments under flood insurance coverage have been made with a cumulative amount exceeding \$1,000;

“(ii) 5 or more severe repetitive loss structures (as such term is defined in section 1366(h)) for which mitigation activities meeting the standards for approval under section 1366(c)(2)(A) have not been conducted; or

“(iii) a public facility or a private non-profit facility (as such terms are as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), that has received assistance for repair, restoration, reconstruction, or replacement under section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5172) in connection with more than one flooding event in the most recent 10-year period.

“(6) REPETITIVE-LOSS STRUCTURE.—For purposes of this subsection, the term ‘repetitive loss structure’ has the meaning given such term in section 1370 (42 U.S.C. 4121).

“(7) REPORTS TO CONGRESS.—Not later than the expiration of the 6-year period beginning upon the date of the enactment of this subsection, and not less than every 2 years thereafter, the Administrator shall submit a report to the Congress regarding the progress in implementing plans developed pursuant to paragraph (1)(B).”

(b) REGULATIONS.—The Administrator of the Federal Emergency Management Agency shall issue regulations necessary to carry out subsection (e) of section 1361 of the National Flood Insurance Act of 1968, as added by the amendment made by subsection (a) of this section, not later than the expiration of the 12-month period that begins on the date of the enactment of this Act.

SEC. 403. INCREASED COST OF COMPLIANCE COVERAGE.

(a) COVERAGE OF PROPERTIES AT HIGH RISK OF FUTURE FLOOD DAMAGE.—Subsection (b) of section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is amended—

(1) in paragraph (4), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and realigning such clauses, as so redesignated, so as to be indented 6 ems from the left margin;

(2) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and realigning such subparagraphs, as so redesignated, so as to be indented 4 ems from the left margin;

(3) by striking the subsection designation and all that follows through “The national” and inserting the following:

“(b) ADDITIONAL COVERAGE FOR COMPLIANCE WITH LAND USE AND CONTROL MEASURES.—

“(1) AUTHORITY; ELIGIBLE PROPERTIES.—The national”;

(4) in subparagraph (C) (as so redesignated by paragraph (2) of this subsection), by striking “Fund” and all that follows and inserting “Fund to require the implementation of such measures;”;

(5) in subparagraph (D)(iv) (as so redesignated by paragraphs (1) and (2) of this subsection), by striking the period at the end and inserting a semicolon; and

(6) by adding at the end the following new subparagraphs:

“(E) properties that have been identified by the Administrator, or by a community in accordance with such requirements as the Administrator shall establish, as at a high risk of future flood damage; and

“(F) properties that are located within an area identified pursuant to section 1361(e)(1)(A) (42 U.S.C. 4102(e)(1)(A)) by a covered community (as such term is defined in paragraph (3) of such section 1361(e)).”

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

(1) in paragraph (1) (as so designated by subsection (a)(3) of this section), by striking the last sentence (relating to a surcharge); and

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

“(2) COVERAGE AMOUNT.—

“(A) PRIMARY COVERAGE.—Each policy for flood insurance coverage made available under this title shall provide coverage under this subsection having an aggregate liability for any single property of \$30,000.

“(B) ENHANCED COVERAGE.—The Administrator shall make additional coverage available under this subsection, in excess of the limit specified in subparagraph (A), having an aggregate liability for any single property of up to \$60,000.”

(c) AMOUNT OF SURCHARGE.—Subsection (b) of section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as amended by the preceding provisions of this section, is further amended by adding at the end the following new paragraph:

“(3) SURCHARGE FOR COVERAGE.—

“(A) PRIMARY COVERAGE.—The Administrator shall impose a surcharge on each insured of such amount per policy as the Administrator determines is appropriate to provide cost of compliance coverage in accordance with paragraph (2)(A).

“(B) ENHANCED COVERAGE.—For each flood policy for flood insurance coverage under this title under which additional cost of compliance coverage is provided pursuant to paragraph (2)(B), the Administrator shall impose a surcharge, in addition to the surcharge under subparagraph (A) of this paragraph, in such amount as the Administrator determines is appropriate for the amount of such coverage provided.”

(d) USE OF CERTAIN MATERIALS.—Subsection (b) of section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as amended by the preceding provisions of this section, is further amended by adding at the end the following new paragraph:

“(4) USE OF CERTAIN MATERIALS.—The Administrator shall require that any measures implemented using amounts made available from coverage provided pursuant to this subsection be carried out using materials, identified by the Administrator, that minimize the impact of flooding on the usability of the covered property and reduce the duration that flooding renders the property unusable or uninhabitable.”

(e) CONTINUED FLOOD INSURANCE REQUIREMENT.—Subsection (b) of section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as amended by the preceding

provisions of this section, is further amended by adding at the end the following new paragraph:

“(5) CONTINUED FLOOD INSURANCE REQUIREMENT.—The Administrator may require, as a condition of providing cost of compliance coverage under this subsection for a property, that the owner of the property enter into such binding agreements as the Administrator considers necessary to ensure that the owner of the property (and any subsequent owners) will maintain flood insurance coverage under this title for the property in such amount, and at all times during a period having such duration, as the Administrator considers appropriate to carry out the purposes of this subsection.”

TITLE V—PROGRAM INTEGRITY

SEC. 501. INDEPENDENT ACTUARIAL REVIEW.

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

“(e) INDEPENDENT ACTUARIAL REVIEW.—

“(1) FIDUCIARY RESPONSIBILITY.—The Administrator has a responsibility to ensure that the National Flood Insurance Program remains financially sound. Pursuant to this responsibility, the Administrator shall from time to time review and eliminate non-essential costs and positions within the Program, unless otherwise authorized or required by law, as the Administrator determines to be necessary.

“(2) ANNUAL INDEPENDENT ACTUARIAL STUDY.—The Administrator shall provide for an independent actuarial study of the National Flood Insurance Program to be conducted annually, which shall analyze the financial position of the program based on the long-term estimated losses of the program. The Administrator shall submit a report (together with the independent actuarial study) annually to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the results of such study, including a determination of whether the Program has collected revenue sufficient to cover the administrative expenses of carrying out the flood insurance program, which are reflected in the risk premium rates, cost of capital, all other costs associated with the transfer of risks, and expected claims payments during the reporting period, and an overall assessment of the financial status of the Program.

“(3) DETERMINATION OF ACTUARIAL BUDGET DEFICIT.—

“(A) REQUIREMENT.—Within the report submitted under paragraph (2), the Administrator shall issue a determination of whether there exists an actuarial budget deficit for the Program for the year covered in the report. The report shall recommend any changes to the Program, if necessary, to ensure that the program remains financially sound.

“(B) BASIS OF DETERMINATION.—The determination required by subparagraph (A) shall be based solely upon whether the portion of premiums estimated and collected by the Program during the reporting period is sufficient to cover the administrative expenses of carrying out the flood insurance program, which are reflected in the risk premium rates, cost of capital, all other costs associated with the transfer of risk, and expected claims payments for the reporting period.

“(4) QUARTERLY REPORTS.—During each fiscal year, on a calendar quarterly basis, the Secretary shall cause to be published in the Federal Register or comparable method, with notice to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, information which shall specify—

“(A) the cumulative volume of policies that have been underwritten under the National Flood Insurance Program during such fiscal year through the end of the quarter for which the report is submitted;

“(B) the types of policies insured, categorized by risk;

“(C) any significant changes between actual and projected claim activity;

“(D) projected versus actual loss rates;

“(E) the cumulative number of currently insured repetitive-loss properties, severe repetitive-loss properties, and extreme repetitive-loss properties that have been identified during such fiscal year through the end of the quarter for which the report is submitted;

“(F) the cumulative number of properties that have undergone mitigation assistance, through the National Flood Insurance Program, during such fiscal year through the end of the quarter for which the report is submitted; and

“(G) the number and location, by State or territory, of each policyholder that has been identified for such fiscal year as an eligible household for purposes of the flood insurance affordability program under section 1326.

The first quarterly report under this paragraph shall be submitted on the last day of the first quarter of fiscal year 2018, or on the last day of the first full calendar quarter following the enactment of the 21st Century Flood Reform Act, whichever occurs later.”

SEC. 502. ADJUSTMENTS TO HOMEOWNER FLOOD INSURANCE AFFORDABILITY SURCHARGE.

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

(1) in subsection (a), by striking the first sentence and inserting the following: “The Administrator shall impose and collect a non-refundable annual surcharge, in the amount provided in subsection (b), on all policies for flood insurance coverage under the National Flood Insurance Program that are newly issued or renewed after the date of the enactment of this section.”; and

(2) by striking subsection (b) and inserting the following new subsection:

“(b) AMOUNT.—The amount of the surcharge under subsection (a) shall be \$40, except as follows:

“(1) NON-PRIMARY RESIDENCES ELIGIBLE FOR PRP.—The amount of the surcharge under subsection (a) shall be \$125 in the case of in the case of a policy for any property that is—

“(A) a residential property that is not the primary residence of an individual, and

“(B) eligible for preferred risk rate method premiums.

“(2) NON-RESIDENTIAL PROPERTIES AND NON-PRIMARY RESIDENCES NOT ELIGIBLE FOR PRP.—The amount of the surcharge under subsection (a) shall be \$275 in case of in the case of a policy for any property that is—

“(A) a non-residential property; or

“(B) a residential property that is—

“(i) not the primary residence of an individual; and

“(ii) not eligible for preferred risk rate method premiums.”

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to policies for flood insurance coverage under the National Flood Insurance Act of 1968 that are newly issued or renewed after the expiration of the 12-month period beginning on the date of the enactment of this Act.

SEC. 503. NATIONAL FLOOD INSURANCE RESERVE FUND COMPLIANCE.

Section 1310A of the National Flood Insurance Act of 1968 (42 U.S.C. 4017A) is amended—

(1) in subsection (c)(2)(D), by inserting before the period at the end the following: “,

including any provisions relating to chargeable premium rates or annual increases of such rates”;

(2) in subsection (c)(3), by striking subparagraph (A) and inserting the following new subparagraph:

“(A) PARITY.—In exercising the authority granted under paragraph (1) to increase premiums, the Administrator shall institute a single annual, uniform rate of assessment for all individual policyholders.”; and

(3) in subsection (d)—

(A) by striking paragraph (1) and inserting the following new paragraph:

“(1) IN GENERAL.—Beginning in fiscal year 2018 and not ending until the fiscal year in which the ratio required under subsection (b) is achieved—

“(A) in each fiscal year the Administrator shall place in the Reserve Fund an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b); and

“(B) if in any given fiscal year the Administrator fails to comply with subparagraph (A), for the following fiscal year the Administrator shall increase the rate of the annual assessment pursuant to subsection (c)(3)(A) by at least one percentage point over the rate of the annual assessment pursuant to subsection (c)(3)(A) in effect on the first day of such given fiscal year.”;

(B) in paragraph (2), by inserting before the period at the end the following: “nor to increase assessments pursuant to paragraph (1)(B)”;

(C) in paragraph (3), by inserting before the period at the end the following: “and paragraph (1)(B) shall apply until the fiscal year in which the ratio required under subsection (b) is achieved”.

SEC. 504. DESIGNATION AND TREATMENT OF MULTIPLE-LOSS PROPERTIES.

(a) DEFINITION.—Section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (a)—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (18) as paragraphs (7) through (17), respectively; and

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

“(d) MULTIPLE-LOSS PROPERTIES.—

“(1) DEFINITIONS.—As used in this title:

“(A) MULTIPLE-LOSS PROPERTY.—The term ‘multiple-loss property’ means any property that is a repetitive-loss property, a severe repetitive-loss property, or an extreme repetitive-loss property.

“(B) QUALIFIED CLAIMS PAYMENT.—The term ‘qualified claims payment’ means a claims payment of any amount made under flood insurance coverage under this title in connection with loss resulting from a flood event that occurred after the date of the enactment of the 21st Century Flood Reform Act, but not including any claim that occurred before a structure was made compliant with State and local floodplain management requirements.

“(C) REPETITIVE-LOSS PROPERTY.—The term ‘repetitive-loss property’ means a structure that has incurred flood damage for which two or more separate claims payments of any amount have been made under flood insurance coverage under this title.

“(D) SEVERE REPETITIVE-LOSS PROPERTY.—The term ‘severe repetitive-loss property’ means a structure that has incurred flood damage for which—

“(i) 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or

“(ii) at least 2 separate claims payments have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding the value of the structure.

“(E) EXTREME REPETITIVE-LOSS PROPERTY.—The term ‘extreme repetitive-loss property’ means a structure that has incurred flood damage for which at least 2 separate claims have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding 150 percent of the maximum coverage amount available for the structure.

“(2) TREATMENT OF CLAIMS BEFORE COMPLIANCE WITH STATE AND LOCAL REQUIREMENTS.—The Administrator shall not consider claims that occurred before a structure was made compliant with State and local floodplain management requirements for purposes of determining a structure’s status as a multiple-loss property.”.

(b) PREMIUM ADJUSTMENT TO REFLECT CURRENT FLOOD RISK.—

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

“(p) PREMIUM ADJUSTMENT TO REFLECT CURRENT FLOOD RISK.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Administrator shall rate a property for which two or more qualified claims payments have been made and that is charged a risk premium rate estimated under section 1307(a)(1) (42 U.S.C. 4014(a)(1)) based on the current risk of flood reflected in the flood insurance rate map in effect at the time of rating.

“(2) ADJUSTMENT FOR EXISTING POLICIES.—Notwithstanding subsection (e) of this section, for policies for flood insurance under this title in force on the date of the enactment of this Act for properties described in paragraph (1)—

“(A) for any property for which two qualified claims payments have been made, the Administrator shall increase risk premium rates by 10 percent each year until such rates comply with paragraph (1) of this subsection; and

“(B) for any property for which three or more qualified claims payments have been made, the Administrator shall increase risk premium rates by 15 percent each year until such rates comply with paragraph (1) of this subsection.”.

(2) CONFORMING AMENDMENT.—Section 1307(g)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(g)(2)) is amended by striking subparagraph (B) and inserting the following new subparagraph:

“(B) in connection with a multiple-loss property.”.

(c) PRE-FIRM MULTIPLE-LOSS PROPERTY.—

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

(A) in subsection (a)(2)—

(i) by striking subparagraph (C) and inserting the following new subparagraph:

“(C) any extreme repetitive-loss property”;

(ii) in subparagraph (D), by striking “or”;

(iii) in subparagraph (E)—

(I) in clause (i), by striking “fair”; and

(II) in clause (ii)—

(aa) by striking “fair”; and

(bb) by striking “and” and inserting “or”;

(iv) by adding at the end the following new subparagraph:

“(F) any property for which two or more qualified claims payments have been made; and”;

(B) by striking subsection (h).

(2) ANNUAL LIMITATION ON PREMIUM INCREASES.—Subsection (e) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4)—

(i) by striking “the chargeable risk” and inserting “notwithstanding paragraph (5), the chargeable risk”;

(ii) by striking “described under paragraph (3).” and inserting “estimated under section 1307(a)(1); and”;

(C) by adding at the end the following new paragraph:

“(5) the chargeable risk premium rates for flood insurance under this title for any properties described in subparagraph (F) of section 1307(a)(2) shall be increased—

“(A) for any property for which two qualified claims payments have been made, by 10 percent each year, until the average risk premium rate for such property is equal to the average of the risk premium rates for properties estimated under section 1307(a)(1); and

“(B) for any property for which three or more qualified claims payments have been made, by 15 percent each year, until the average risk premium rate for such property is equal to the average of the risk premium rates for properties estimated under section 1307(a)(1).”.

(d) MINIMUM DEDUCTIBLES FOR CERTAIN MULTIPLE-LOSS PROPERTIES.—

(1) CLERICAL AMENDMENT.—The National Flood Insurance Act of 1968, as amended by the preceding provisions of this Act, is further amended—

(A) by transferring subsection (b) of section 1312 (42 U.S.C. 4019(b)) to section 1306 (42 U.S.C. 4013), inserting such subsection at the end of such section, and redesignating such subsection as subsection (f); and

(B) in section 1312 (42 U.S.C. 4019), by redesignating subsection (c) as subsection (b).

(2) CERTAIN MULTIPLE-LOSS PROPERTIES.—Subsection (f) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(e)), as so transferred and redesignated by paragraph (1) of this subsection, is amended adding at the end the following new paragraph:

“(3) CERTAIN MULTIPLE-LOSS PROPERTIES.—Notwithstanding paragraph (1) or (2), the minimum annual deductible for damage to any severe repetitive-loss property or extreme repetitive-loss property shall be not less than \$5,000.”.

(e) CLAIM HISTORY VALIDATION.—Beginning not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, the Administrator of the Federal Emergency Management Agency shall undertake efforts to validate the reasonable accuracy of claim history data maintained pursuant to the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

(f) INCREASED COST OF COMPLIANCE COVERAGE.—Subparagraph (A) of section 1304(b)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)(1)(A)), as amended by the preceding provisions of this Act, is further amended by striking “repetitive loss structures” and inserting “multiple-loss properties”.

(g) AVAILABILITY OF INSURANCE FOR MULTIPLE-LOSS PROPERTIES.—

(1) IN GENERAL.—The National Flood Insurance Act of 1968 is amended by inserting after section 1304 (42 U.S.C. 4011) the following new section:

“SEC. 1304A. AVAILABILITY OF INSURANCE FOR MULTIPLE-LOSS PROPERTIES.

“(a) DATE AND INFORMATION IDENTIFYING CURRENT FLOOD RISK.—The Administrator may provide flood insurance coverage under this title for a multiple-loss property only if

the owner of the property submits to the Administrator such data and information necessary to determine such property's current risk of flood, as determined by the Administrator, at the time of application for or renewal of such coverage.

“(b) REFUSAL TO MITIGATE.—

“(1) IN GENERAL.—Except as provided pursuant to paragraph (2), the Administrator may not make flood insurance coverage available under this title for any extreme repetitive-loss property for which a claim payment for flood loss was made under coverage made available under this title that occurred after the date of enactment of the 21st Century Flood Reform Act if the property owner refuses an offer of mitigation for the property under section 1366(a)(2) (42 U.S.C. 4104c(a)(2)).

“(2) EXCEPTIONS; APPEALS.—The Director shall develop guidance to provide appropriate exceptions to the prohibition under paragraph (1) and to allow for appeals to such prohibition.”

(2) EFFECTIVE DATE.—Section 1304A of the National Flood Insurance Act of 1968, as added by paragraph (1) of this subsection, shall apply beginning upon the expiration of the 12-month period beginning on the date of the enactment of this Act.

(h) RATES FOR PROPERTIES NEWLY MAPPED INTO AREAS WITH SPECIAL FLOOD HAZARDS.—Subsection (i) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(i)) is amended—

(1) by striking the subsection designation and all that follows through “Notwithstanding” and inserting the following:

“(i) RATES FOR PROPERTIES NEWLY MAPPED INTO AREAS WITH SPECIAL FLOOD HAZARDS.—

“(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding”;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving the left margins of such subparagraphs, as so redesignated, and the matter following subparagraph (B), 2 ems to the right; and

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

“(2) INAPPLICABILITY TO MULTIPLE-LOSS PROPERTIES.—Paragraph (1) shall not apply to multiple-loss properties.”

(i) CLEAR COMMUNICATION OF MULTIPLE-LOSS PROPERTY STATUS.—

(1) IN GENERAL.—Subsection (1) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(1)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

“(2) MULTIPLE-LOSS PROPERTIES.—Pursuant to paragraph (1), the Administrator shall clearly communicate to all policyholders for multiple-loss properties before the effectiveness of any such new or renewed coverage and after each qualified claims payment for the property—

“(A) the availability of flood mitigation assistance under section 1366; and

“(B) the effect on the premium rates charged for such a property of filing any further claims under a flood insurance policy with respect to that property.”

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

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting after the period at the end of the first sentence the following: “Priority under the program shall be given to providing assistance with respect to multiple-loss properties.”;

(B) in paragraph (1), by inserting “and” after the semicolon at the end; and

(C) by striking paragraphs (2) and (3) and inserting the following:

“(2) to property owners, in coordination with the State and community, in the form of direct grants under this section for carrying out mitigation activities that reduce flood damage to extreme repetitive-loss properties.

The Administrator shall take such actions as may be necessary to ensure that grants under this subsection are provided in a manner that is consistent with the delivery of coverage for increased cost of compliance provided under section 1304(b).”;

(2) in subsection (c)(2)(A)(ii), by striking “severe repetitive loss structures” and inserting “multiple-loss properties”;

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking “SEVERE REPETITIVE LOSS STRUCTURES” and inserting “EXTREME REPETITIVE-LOSS PROPERTIES”;

(ii) by striking “severe repetitive loss structures” and inserting “extreme repetitive-loss properties”;

(B) in paragraph (2)—

(i) by striking “REPETITIVE LOSS STRUCTURES” and inserting “SEVERE REPETITIVE-LOSS PROPERTIES”;

(ii) by striking “repetitive loss structures” and inserting “severe repetitive-loss properties”; and

(iii) by striking “90 percent” and inserting “100 percent”;

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following new paragraph:

“(3) REPETITIVE-LOSS PROPERTY.—In the case of mitigation activities to repetitive-loss properties, in an amount up to 100 percent of all eligible costs.”;

(4) in subsection (h)—

(A) by striking paragraphs (2) and (3);

(B) by striking the subsection designation and all that follows through “shall apply.”; and

(C) in paragraph (1)—

(i) by striking “COMMUNITY” and inserting “DEFINITION OF COMMUNITY”;

(ii) by striking “The” and inserting “For purposes of this section, the”;

(iii) by redesignating such paragraph as subsection (j);

(iv) in subparagraph (B), by striking “subparagraph (A)” and inserting “paragraph (1)”;

(v) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively;

(vi) in paragraph (1), as so redesignated by clause (v) of this subparagraph, by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively (and moving the margins two ems to the left); and

(vii) by moving the left margins of subsection (j) (as so redesignated) and paragraphs (1) and (2), all as so redesignated, two ems to the left; and

(5) by inserting after subsection (g) the following new subsections:

“(h) ALIGNMENT WITH INCREASED COST OF COMPLIANCE.—Notwithstanding any provision of law, any funds appropriated for assistance under this title may be transferred to the National Flood Insurance Fund established under section 1310 (42 U.S.C. 4017) for the payment of claims to enable the Administrator to deliver grants under subsection (a)(2) of this section to align with the delivery of coverage for increased cost of compliance for extreme repetitive-loss properties.

“(i) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Notwithstanding any other provision of law, assistance provided under this section shall be funded by—

“(A) \$225,000,000 in each fiscal year, subject to offsetting collections, through risk premium rates for flood insurance coverage

under this title, and shall be available subject to section 1310(f);

“(B) any penalties collected under section 102(f) the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)); and

“(C) any amounts recaptured under subsection (e) of this section.

The Administrator may not use more than 5 percent of amounts made available under this subsection to cover salaries, expenses, and other administrative costs incurred by the Administrator to make grants and provide assistance under this section.

“(2) AVAILABILITY.—Amounts appropriated pursuant to this subsection for any fiscal year may remain available for obligation until expended.”

(k) REPEAL.—Section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d) is repealed.

SEC. 505. ELIMINATION OF COVERAGE FOR PROPERTIES WITH EXCESSIVE LIFETIME CLAIMS.

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

“(e) PROHIBITION OF COVERAGE FOR PROPERTIES WITH EXCESSIVE LIFETIME CLAIMS.—The Administrator may not make available any new or renewed coverage for flood insurance under this title for any multiple-loss property for which the aggregate amount in claims payments that have been made after the expiration of the 18-month period beginning on the date of the enactment of this subsection under flood insurance coverage under this title exceeds three times the amount of the replacement value of the structure.”

SEC. 507. PAY FOR PERFORMANCE AND STREAMLINING COSTS AND REIMBURSEMENT.

Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081), as amended by the preceding provisions of this Act, is further amended by adding at the end the following subsection:

“(g) WRITE YOUR OWN ALLOWANCE AND PROGRAM SAVINGS.—

“(1) ALLOWANCE RATE.—

“(A) LIMITATION.—The allowance paid to companies participating in the Write Your Own Program (as such term is defined in section 1370 (42 U.S.C. 4004)) with respect to a policy for flood insurance coverage made available under this title shall not be greater than 27.9 percent of the chargeable premium for such coverage.

“(B) INAPPLICABILITY.—Subparagraph (A) shall not apply to actual and necessary costs related to section 1312(a) (42 U.S.C. 4019(a)), or to payments deemed necessary by the Administrator.

“(C) IMPLEMENTATION.—The limitation in subparagraph (A) shall be imposed by equal reductions over the 3-year period beginning on the date of the enactment of this subsection.

“(2) PROGRAM SAVINGS.—

“(A) IMPLEMENTATION.—The Administrator, within three years of the date of the enactment of this Act, shall reduce the costs and unnecessary burdens for the companies participating in the Write Your Own program by at least half of the amount by which the limitation under paragraph (1)(A) reduced costs compared to the costs as of the date of the enactment of this subsection.

“(B) CONSIDERATION OF SAVINGS.—In meeting the requirement of subparagraph (A), the Administrator shall consider savings including—

“(i) indirect payments by the Administrator of premium;

“(ii) eliminating unnecessary communications requirements;

“(iii) reducing the frequency of National Flood Insurance Program changes;

“(iv) simplifying the flood rating system; and

“(v) other ways of streamlining the Program to reduce costs while maintaining customer service and distribution.”.

SEC. 508. ENFORCEMENT OF MANDATORY PURCHASE REQUIREMENTS.

(a) **PENALTIES.**—Paragraph (5) of section 102(f) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(5)) is amended by striking “\$2,000” and inserting “\$5,000”.

(b) **INSURED DEPOSITORY INSTITUTIONS.**—Subparagraph (A) of section 10(i)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1820(i)(2)(A)) is amended by striking “date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 and biennially thereafter for the next 4 years” and inserting “date of enactment of the 21st Century Flood Reform Act and biennially thereafter”.

(c) **CREDIT UNIONS.**—Subparagraph (A) of section 204(e)(2) of the Federal Credit Union Act (12 U.S.C. 1784(e)(2)(A)) is amended by striking “date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 and biennially thereafter for the next 4 years” and inserting “date of enactment of the 21st Century Flood Reform Act and annually thereafter”.

(d) **GOVERNMENT-SPONSORED ENTERPRISES.**—Paragraph (4) of section 1319B(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4521(a)(4)) is amended, in the matter after and below subparagraph (B), by striking “first, third, and fifth annual reports under this subsection required to be submitted after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994” and inserting “first annual report under this subsection required to be submitted after the expiration of the 1-year period beginning on the date of enactment of the 21st Century Flood Reform Act and every such second annual report thereafter”.

(e) **GUIDELINES.**—The Federal entities for lending regulation (as such term is defined in section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a))), in consultation with the Administrator of the Federal Emergency Management Agency, shall jointly update and reissue the rescinded document of the Administrator entitled “Mandatory Purchase of Flood Insurance Guidelines” (lasted updated on October 29, 2014). The updated document shall incorporate recommendations made by the Comptroller General pursuant to the study conducted under section 514 of this Act.

SEC. 509. SATISFACTION OF MANDATORY PURCHASE REQUIREMENT IN STATES ALLOWING ALL-PERILS POLICIES.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (a), by striking “After” and inserting “Subject to subsection (i) of this section, after”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “Each” and inserting “Subject to subsection (i) of this section, each”;

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “A” the first place such term appears and inserting “Subject to subsection (i) of this section, a”;

(ii) in subparagraph (B), by striking “Each” and inserting “Subject to subsection (i) of this section, each”;

(C) in paragraph (3), by striking “The” the first place such term appears and inserting “Subject to subsection (i) of this section, the”;

(3) in subsection (e)(1), by striking “If” and inserting “Subject to subsection (i) of this section, if”;

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

“(1) **SATISFACTION OF MANDATORY PURCHASE REQUIREMENT IN STATES ALLOWING ALL-PERILS POLICIES.**—

“(1) **WAIVERS.**—Subsections (a) and (b) of this section shall not apply with respect to residential properties in any State that allows any property insurance coverage that covers ‘all-perils’ except specifically excluded perils and that includes coverage for flood perils in an amount at least equal to the outstanding principal balance of the loan or the maximum limit of flood insurance coverage made available under this title with respect to such type of residential property, whichever is less.

“(2) **DEFINITIONS, PROCEDURES, STANDARDS.**—The Administrator may establish such definitions, procedures, and standards as the Administrator considers necessary for making determinations under paragraph (1).”.

SEC. 510. FLOOD INSURANCE PURCHASE REQUIREMENTS.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended—

(1) in subsection (c)(2)(A), by striking “\$5,000 or less” and inserting the following: “\$25,000 or less, except that such amount (as it may have been previously adjusted) shall be adjusted for inflation by the Administrator upon the expiration of the 5-year period beginning upon the enactment of the 21st Century Flood Reform Act and upon the expiration of each successive 5-year period thereafter, in accordance with an inflationary index selected by the Administrator”;

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

“(j) **FLOOD INSURANCE PURCHASE REQUIREMENTS.**—Notwithstanding any other provision of law, a State or local government or private lender may require the purchase of flood insurance coverage for a structure that is located outside of an area having special flood hazards.”.

SEC. 511. CLARIFICATIONS; DEADLINE FOR APPROVAL OF CLAIMS.

(a) **RULE OF CONSTRUCTION.**—Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“SEC. 1350. RULE OF CONSTRUCTION.

“A policyholder of a policy for flood insurance coverage made available under this title must exhaust all administrative remedies, including submission of disputed claims to appeal under any appeal process made available by the Administrator, prior to commencing legal action on any disputed claim under such a policy.”.

(b) **DEADLINE FOR APPROVAL OF CLAIMS.**—

(1) **IN GENERAL.**—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by the preceding provisions of this Act, is further amended—

(A) in subsection (a), by striking “The Administrator” and inserting “Subject to the other provisions of this section, the Administrator”;

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

“(c) **DEADLINE FOR APPROVAL OF CLAIMS.**—

“(1) **IN GENERAL.**—The Administrator shall provide that, in the case of any claim for damage to or loss of property under flood insurance coverage made available under this title, an initial determination regarding ap-

proval of a claim for payment or disapproval of the claim be made, and notification of such determination be provided to the insured making such claim, not later than the expiration of the 120-day period (as such period may be extended pursuant to paragraph (2)) beginning upon the day on which the policyholder submits a signed proof of loss detailing the damage and amount of the loss. Payment of approved claims shall be made as soon as possible after such approval.

“(2) **EXTENSION OF DEADLINE.**—The Administrator shall provide that the period referred to in paragraph (1) may be extended by a single additional period of 15 days in cases where extraordinary circumstances are demonstrated. The Administrator shall, by regulation, establish criteria for demonstrating such extraordinary circumstances and for determining to which claims such extraordinary circumstances apply.”.

(2) **APPLICABILITY.**—The amendments made by paragraph (1) shall apply to any claim under flood insurance coverage made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) pending on the date of the enactment of this Act and any claims made after such date of enactment.

SEC. 512. RISK TRANSFER REQUIREMENT.

Subsection (e) of section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(e)) is amended—

(1) by striking “(e) RISK TRANSFER.—The Administrator” and inserting the following:

“(e) **RISK TRANSFER.**—

“(1) **AUTHORITY.**—The Administrator”;

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

“(2) **REQUIRED RISK TRANSFER COVERAGE.**—

“(A) **REQUIREMENT.**—Not later than the expiration of the 18-month period beginning upon the date of the enactment of this paragraph and at all times thereafter, the Administrator shall annually cede a portion of the risk of the flood insurance program under this title to the private reinsurance or capital markets, or any combination thereof, and at rates and terms that the Administrator determines to be reasonable and appropriate, in an amount that—

“(i) is sufficient to maintain the ability of the program to pay claims; and

“(ii) manages and limits the annual exposure of the flood insurance program to flood losses in accordance with the probable maximum loss target established for such year under subparagraph (B).

“(B) **PROBABLE MAXIMUM LOSS TARGET.**—The Administrator shall for each fiscal year, establish a probable maximum loss target for the national flood insurance program that shall be the maximum probable loss under the national flood insurance program that is expected to occur in such fiscal year.

“(C) **CONSIDERATIONS.**—In establishing the probable maximum loss target under subparagraph (B) for each fiscal year and carrying out subparagraph (A), the Administrator shall consider—

“(i) the probable maximum loss targets for other United States public natural catastrophe insurance programs, including as State wind pools and earthquake programs;

“(ii) the probable maximum loss targets of other risk management organizations, including the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

“(iii) catastrophic, actuarial, and other appropriate data modeling results of the national flood insurance program portfolio;

“(iv) the availability of funds in the National Flood Insurance Fund established under section 1310 (42 U.S.C. 4017);

“(v) the availability of funds in the National Flood Insurance Reserve Fund established under section 1310A (42 U.S.C. 4017a);

“(vi) the availability of borrowing authority under section 1309 (42 U.S.C. 4016);

“(vii) the ability of the Administrator to repay outstanding debt;

“(viii) amounts appropriated to the Administrator to carry out the national flood insurance program;

“(ix) reinsurance, capital markets, catastrophe bonds, collateralized reinsurance, resilience bonds, and other insurance-linked securities, and other risk transfer opportunities; and

“(x) any other factor the Administrator determines appropriate.

“(D) MULTI-YEAR CONTRACTS.—Nothing in this paragraph may be construed to prevent or prohibit the Administrator from complying with the requirement under subparagraph (A) regarding ceding risk through contracts having a duration longer than one year.”

SEC. 513. GAO STUDY OF SIMPLIFICATION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of options for simplifying flood insurance coverage made available under the National Flood Insurance Act, which shall include the following:

(1) An analysis of how the administration of the National Flood Insurance Program can be simplified—statutorily, regulatorily, and administratively—for private flood insurance policyholders, companies, agents, mortgage lenders, and flood insurance vendors.

(2) An assessment of ways in which flood insurance coverage made available under the National Flood Insurance Act and the program for providing and administering such coverage may be harmonized with private insurance industry standards.

(3) Identification and analysis of ways in which the structure of the National Flood Insurance Program may be simplified, including analysis of the efficacy and effects each of the following actions:

(A) Eliminating the use of two deductibles under the Program.

(B) Including in claims for flood-damages full replacement cost for property not damaged, but rendered unusable, by the flooding.

(C) Using umbrella policies that allow multiple structures on a property to be insured under the same policy.

(b) REPORT.—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the findings and conclusions of the study conducted pursuant to this section.

SEC. 514. GAO STUDY ON ENFORCEMENT OF MANDATORY PURCHASE REQUIREMENTS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the implementation and efficacy of the requirements of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a). Such study shall at minimum consider the following questions:

(1) How effectively do Federal agencies, regulated lending institutions, and Federal entities for lending regulation implement the requirements of section 102 of the Flood Disaster Protection Act of 1973?

(2) Does the current implementation of Flood Disaster Protection Act of 1973 align with the congressional findings and purposes described in section 2(b) of such Act (42 U.S.C. 4002)?

(3) What is the current level of compliance with section 102?

(4) What are the estimated historical impacts on revenue to the National Flood Insurance Program based on the current level of compliance of section 102?

(5) Is the current monitoring and tracking framework in place sufficient to ensure compliance with section 102?

(6) What is the best way to establish a consolidated, comprehensive, and accurate repository of data on compliance with section 102?

(7) What, if any, unintended consequences have resulted from the requirements and implementation of section 102?

(8) How can Federal agencies and regulated lending institutions improve compliance with section 102?

(b) REPORT.—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the findings and conclusions of the study conducted pursuant to this section.

TITLE VI—ADMINISTRATIVE REFORMS

SEC. 601. PENALTIES FOR FRAUD AND FALSE STATEMENTS IN THE NATIONAL FLOOD INSURANCE PROGRAM.

Part C of chapter 2 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“SEC. 1351. PENALTIES FOR FRAUD AND FALSE STATEMENTS IN THE NATIONAL FLOOD INSURANCE PROGRAM.

“(a) PROHIBITED ACTS.—A person shall not knowingly make a false or misleading statement, production, or submission in connection with the proving or adjusting of a claim for flood insurance coverage made available under this Act. Such prohibited acts include—

“(1) knowingly forging an engineering report, claims adjustment report or technical assistance report used to support a claim determination;

“(2) knowingly making any materially false, fictitious, or fraudulent statement or representation in an engineering report, claims adjustment report, or technical assistance report to support a claim determination;

“(3) knowingly submitting a materially false, fictitious, or fraudulent claim.

“(b) CIVIL ENFORCEMENT.—The Attorney General may bring a civil action for such relief as may be appropriate whenever it appears that any person has violated or is about to violate any provision of this section. Such action may be brought in an appropriate United States district court.

“(c) REFERRAL TO ATTORNEY GENERAL.—The Administrator shall expeditiously refer to the Attorney General for appropriate action any evidence developed in the performance of functions under this Act that may warrant consideration for criminal or civil prosecution.

“(d) PENALTIES.—

“(1) CIVIL MONETARY PENALTY.—Any person who violates subsection (a) shall be subject to a civil penalty of not more than \$10,000 for each violation, which shall be deposited into the National Flood Insurance Fund established under section 1310 (42 U.S.C. 4017).

“(2) SUSPENSION AND DEBARMENT.—Any person who violates subsection (a) shall not be eligible, for a period of not less than 2 years and not to exceed 5 years, to—

“(A) receive flood insurance coverage pursuant to this title; or

“(B) provide services in connection with the selling, servicing, or handling of claims

for flood insurance policies provided pursuant to this title.

“(3) OTHER PENALTIES.—The penalties provided for in this subsection shall be in addition to any other civil or criminal penalty available under law.”

SEC. 602. ENHANCED POLICYHOLDER APPEALS PROCESS RIGHTS.

(a) ESTABLISHMENT.—Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“SEC. 1352. APPROVAL OF DECISIONS RELATING TO FLOOD INSURANCE COVERAGE.

“(a) IN GENERAL.—The Administrator shall establish an appeals process to enable holders of a flood insurance policy provided under this title to appeal the decisions of their insurer, with respect to the disallowance, in whole or in part, of any claims for proved and approved losses covered by flood insurance. Such appeals shall be limited to the claim or portion of the claim disallowed by the insurer.

“(b) APPEAL DECISION.—Upon a decision in an appeal under subsection (a), the Administrator shall provide the policyholder with a written appeal decision. The appeal decision shall explain the Administrator’s determination to uphold or overturn the decision of the flood insurer. The Administrator may direct the flood insurer to take action necessary to resolve the appeal, to include re-inspection, re-adjustment, or payment, as appropriate.

“(c) RULES OF CONSTRUCTION.—This section shall not be construed as—

“(1) making the Federal Emergency Management Agency or the Administrator a party to the flood insurance contract; or

“(2) creating any action or remedy not otherwise provided by this title.”

(b) REPEAL.—Section 205 of the Bunning-Blumenauer-Bereuter Flood Insurance Reform Act of 2004 (42 U.S.C. 4011 note) is hereby repealed.

SEC. 603. DEADLINE FOR APPROVAL OF CLAIMS.

(a) IN GENERAL.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(d) DEADLINE FOR APPROVAL OF CLAIMS.—

“(1) IN GENERAL.—The Administrator shall provide that, in the case of any claim for damage to or loss of property under flood insurance coverage made available under this title, a final determination regarding approval of a claim for payment or disapproval of the claim be made, and notification of such determination be provided to the insured making such claim, not later than the expiration of the 90-day period (as such period may be extended pursuant to paragraph (2)) beginning upon the day on which such claim was made. Payment of approved claims shall be made as soon as possible after such approval.

“(2) EXTENSION OF DEADLINE.—The Administrator shall provide that the period referred to in paragraph (1) may be extended by a single additional period of 15 days in cases where extraordinary circumstances are demonstrated. The Administrator shall, by regulation, establish criteria for demonstrating such extraordinary circumstances and for determining to which claims such extraordinary circumstances apply.”

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to any claim under flood insurance coverage made available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) pending on the date of the enactment of this Act and any claims made after such date of enactment.

SEC. 604. LITIGATION PROCESS OVERSIGHT AND REFORM.

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

“SEC. 1353. OVERSIGHT OF LITIGATION.

“(a) OVERSIGHT.—The Administrator shall monitor and oversee litigation conducted by Write Your Own companies arising under contracts for flood insurance sold pursuant to this title, to ensure that—

“(1) litigation expenses are reasonable, appropriate, and cost-effective; and

“(2) Write Your Own companies comply with guidance and procedures established by the Administrator regarding the conduct of litigation.

“(b) DENIAL OF REIMBURSEMENT FOR EXPENSES.—The Administrator may deny reimbursement for litigation expenses that are determined to be unreasonable, excessive, contrary to guidance issued by the Administrator, or outside the scope of any arrangement entered into with a Write Your Own company.

“(c) LITIGATION STRATEGY.—The Administrator may direct litigation strategy for claims arising under a contract for flood insurance sold by a Write Your Own company.”.

SEC. 605. PROHIBITION ON HIRING DISBARRED ATTORNEYS.

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

“SEC. 1354. PROHIBITION ON HIRING DISBARRED ATTORNEYS.

“The Administrator may not at any time newly employ in connection with the flood insurance program under this title any attorney who has been suspended or disbarred by any court, bar, or Federal or State agency to which the individual was previously admitted to practice.”.

SEC. 606. TECHNICAL ASSISTANCE REPORTS.

(a) USE.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

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

(b) DISCLOSURE.—The National Flood Insurance Act of 1968 is amended by inserting after section 1312 (42 U.S.C. 4019) the following new section:

“SEC. 1312A. DISCLOSURE OF TECHNICAL ASSISTANCE REPORTS.

“(a) IN GENERAL.—Notwithstanding section 552a of title 5, United States Code, upon request by a policyholder, the Administrator shall provide a true, complete, and unredacted copy of any technical assistance report that the Administrator relied upon in adjusting and paying for any damage to or loss of property insured by the policyholder and covered by flood insurance made available under this title. Such disclosures shall be in addition to any other right of disclosure otherwise made available pursuant to section 552a or any other provision of law.

“(b) DIRECT DISCLOSURE BY WRITE YOUR OWN COMPANIES AND DIRECT SERVICING AGENTS.—A Write Your Own company or direct servicing agent in possession of a tech-

nical assistance report subject to disclosure under subsection (a) may disclose such technical assistance report without further review or approval by the Administrator.

“(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) POLICYHOLDER.—The term ‘policyholder’ means a person or persons shown as an insured on the declarations page of a policy for flood insurance coverage sold pursuant to this title.

“(2) TECHNICAL ASSISTANCE REPORT.—The term ‘technical assistance report’ means a report created for the purpose of furnishing technical assistance to an insurance claims adjuster assigned by the National Flood Insurance Program, including by engineers, surveyors, salvors, architects, and certified public accountants.”.

SEC. 607. IMPROVED DISCLOSURE REQUIREMENT FOR STANDARD FLOOD INSURANCE POLICIES.

Section 100234 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4013a) is amended by adding at the end the following new subsection:

“(c) DISCLOSURE OF COVERAGE.—

“(1) DISCLOSURE SHEET.—Each policy under the National Flood Insurance Program shall include a disclosure sheet that sets forth, in plain language—

“(A) the definition of the term ‘flood’ for purposes of coverage under the policy;

“(B) a description of what type of flood forces are necessary so that losses from an event are covered under the policy, including overflow of inland or tidal waves, unusual and rapid accumulation or runoff of a surface any source, and mudflow;

“(C) a statement of the types and characteristics of losses that are not covered under the policy;

“(D) a summary of total cost and amount of insurance coverage, and any other information relating to such coverage required to be disclosed under section 1308(l) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(l));

“(E) a statement that the disclosure sheet provides general information about the policyholder’s standard flood insurance policy;

“(F) a statement that the standard flood insurance policy, together with the endorsements and declarations page, make up the official contract and are controlling in the event that there is any difference between the information on the disclosure sheet and the information in the policy; and

“(G) a statement that if the policyholder has any questions regarding information in the disclosure sheet or policy he or she should contact the entity selling the policy on behalf of the Program, together with contact information sufficient to allow the policyholder to contact such entity.

“(2) ACKNOWLEDGMENT SHEET.—Each policy under the National Flood Insurance Program shall include an acknowledgment sheet that sets forth, in plain language—

“(A) a statement of whether or not there is a basement in the property to be covered by the policy;

“(B) a statement of whether or not the policy provides coverage for the contents of the property covered by the policy;

“(C) a statement that the standard flood insurance policy, together with the endorsements and declarations page, make up the official contract and are controlling in the event that there is any difference between the information on the acknowledgment sheet and the information in the policy; and

“(D) a statement that if the policyholder has any questions regarding information in the acknowledgment sheet or policy he or she should contact the entity selling the policy on behalf of the Program, together with

contact information sufficient to allow the policyholder to contact such entity.

“(3) REQUIRED SIGNATURES.—Notwithstanding section 1306(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)), a policy for flood insurance coverage under the National Flood Insurance Program may not take effect unless the disclosure sheet required under paragraph (1) and the acknowledgment sheet required under paragraph (2), with respect to the policy, are signed and dated by the policyholder and the seller of the policy who is acting on behalf of the Program.”.

SEC. 608. RESERVE FUND AMOUNTS.

Section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017) is amended by adding at the end the following new subsection:

“(g) CREDITING OF RESERVE FUND AMOUNTS.—Funds collected pursuant to section 1310A may be credited to the Fund under this section to be available for the purpose described in subsection (d)(1).”.

SEC. 609. SUFFICIENT STAFFING FOR OFFICE OF FLOOD INSURANCE ADVOCATE.

(a) IN GENERAL.—Section 24 of the Homeowner Flood Insurance Affordability Act of 2014 (42 U.S.C. 4033) is amended by adding at the end the following new subsection:

“(c) STAFF.—The Administrator shall ensure that the Flood Insurance Advocate has sufficient staff to carry out all of the duties and responsibilities of the Advocate under this section.”.

(b) TIMING.—The Administrator of the Federal Emergency Management Agency shall take such actions as may be necessary to provide for full compliance with section 24(c) of the Homeowner Flood Insurance Affordability Act of 2014, as added by the amendment made by subsection (a) of this section, not later than the expiration of the 180-day period beginning on the date of the enactment of this Act.

SEC. 610. LIMITED EXEMPTION FOR DISASTER OR CATASTROPHE CLAIMS ADJUSTERS.

Section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) is amended by adding at the end the following:

“(s)(1) The provisions of this section shall not apply for a period of 2 years after the occurrence of a major disaster to any employee—

“(A) employed to adjust or evaluate claims resulting from or relating to such major disaster, by an employer not engaged, directly or through an affiliate, in underwriting, selling, or marketing property, casualty, or liability insurance policies or contracts;

“(B) who receives from such employer on average weekly compensation of not less than \$591.00 per week or any minimum weekly amount established by the Secretary, whichever is greater, for the number of weeks such employee is engaged in any of the activities described in subparagraph (C); and

“(C) whose duties include any of the following:

“(i) interviewing insured individuals, individuals who suffered injuries or other damages or losses arising from or relating to a disaster, witnesses, or physicians;

“(ii) inspecting property damage or reviewing factual information to prepare damage estimates;

“(iii) evaluating and making recommendations regarding coverage or compensability of claims or determining liability or value aspects of claims;

“(iv) negotiating settlements; or

“(v) making recommendations regarding litigation.

“(2) Notwithstanding any other provision of section 18, in the event of a major disaster, this Act exclusively shall govern all

such employers in lieu of any State or other Federal law or regulation or local law or regulation, with respect to the employees described in paragraph (1).

“(3) The exemption in this subsection shall not affect the exemption provided by section 13(a)(1).

“(4) For purposes of this subsection—

“(A) the term ‘major disaster’ means any natural catastrophe, including any hurricane, tornado, storm, high water, wind driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought, or, regardless of cause, any other catastrophe, including fire, flood, explosion, land collapse, avalanche, or pollutant or chemical release;

“(B) the term ‘employee employed to adjust or evaluate claims resulting from or relating to such major disaster’ means an individual who timely secured or secures a license required by applicable law to engage in and perform the activities described in clauses (i) through (v) of paragraph (1)(C) relating to a major disaster, and is employed by an employer that maintains worker compensation insurance coverage or protection for its employees, if required by applicable law, and withholds applicable Federal, State, and local income and payroll taxes from the wages, salaries and any benefits of such employees; and

“(C) the term ‘affiliate’ means a company that, by reason of ownership or control of twenty-five percent (25%) or more of the outstanding shares of any class of voting securities of one or more companies, directly or indirectly, controls, is controlled by, or is under common control with, another company.”

The SPEAKER pro tempore. The bill shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield myself such time as I may consume.

Hurricanes Harvey, Irma, Maria: the images of the human misery and the economic devastation are still clearly imprinted on our minds.

Unfortunately, we know that part of this is a result of a failed National Flood Insurance Program, which, Mr. Speaker, faced three important challenges.

First, it is a bankrupt program. It is unsustainable. Taxpayers are on the hook for \$1.2 trillion, running an annual actuarial deficit of \$1.5 billion. It has already received two different bailouts, for a combined total of about \$25 billion.

Also, it incents and subsidizes people to actually live in harm's way.

Finally, Mr. Speaker, it is a government monopoly that, notwithstanding subsidized rates, still, unfortunately, has unaffordable premiums for many.

Today is a good day, Mr. Speaker, because today the House gets to vote on the 21st Century Flood Reform Act.

I thank the gentleman from Missouri (Mr. LUETKEMEYER) for his leadership on the mapping reforms and reinsurance. I want to thank the gentleman from Florida (Mr. ROSS) for his reforms on opening up the market. I certainly want to thank the gentleman from Wisconsin (Mr. DUFFY) for his tireless effort and leadership in bringing this bill to the floor.

There are a lot of good reforms in this bill, Mr. Speaker, for both taxpayers and ratepayers. Let me just briefly touch upon two.

It is an absolutely revolutionary reform, Mr. Speaker, that we can break open the government monopoly and bring in market competition, innovation competition, and more affordable rates for so many.

Milliman, one of the actuarial experts within the marketplace, released a study a couple of months ago talking about the market competition, saying: “Based on our estimates, this would hold for 77 percent of all single families in Florida, 69 percent in Louisiana, and 92 percent in Texas,” who all would see cheaper premiums.

We know that is not theory. It is actually happening in the market today. In the nascent part of the market that is open, people are getting hundreds, if not thousands, of dollars of savings.

One of the great tragedies that I saw in my native State of Texas, in Houston, was how few people actually took up flood insurance. Think, Mr. Speaker, if we had competition, if we had advertising, if people could roll that into their homeowner rates, how many more people would have been protected by the ravages of these hurricanes.

One more reform, briefly. We have these repetitive loss properties where people live in areas that flood over and over and over. I met a couple of families in Houston. They had three floods in 8 years. We have got to help them.

This bill provides more money for relocation, for flood-proofing, and for mitigation, than any other flood reform bill, all by 25 percent. We would prioritize these areas.

We also have to realize that if we are going to make this program sustainable, we cannot have 1 percent of the properties causing 25 percent of the losses.

□ 1515

Ultimately, if all we do is rebuild the same properties in the same fashion in the same location, that is neither wise nor compassionate. We have an opportunity to enact historic reforms. We should do it today.

Mr. Speaker, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in opposition to H.R. 2874, legislation that will make flood insurance more expensive, less available, and less fair for consumers.

At the outset, let me just say that I appreciate the time and effort that Chairman HENSARLING and Mr. DUFFY spent in responding to my calls for bipartisanship. We sat down multiple times to discuss areas where we could find compromise and a path forward.

Although our discussions were ultimately not successful and I strongly oppose this bill, I continue to believe that flood insurance really can be a bipartisan issue. In fact, I have a long history of working across the aisle on the National Flood Insurance Program.

In 2012, I coauthored the Biggert-Waters Act with former Representative Judy Biggert, and in 2014, when FEMA's botched implementation of the premium increases called for in that law led to unintended consequences, lawmakers from across the aisle joined me once again to pass the Homeowner Flood Insurance Affordability Act.

Unfortunately, despite the best efforts of Members from both sides of the aisle, I cannot support H.R. 2874 because it contains many provisions that will harm American families and businesses.

First and most importantly, the bill makes flood insurance more expensive. This bill will punish low and middle class Americans with increased premiums, surcharges, and reserve fund assessments. In the wake of a historic hurricane season that devastated so many communities, it is unconscionable that we are considering a bill that would make flood insurance less affordable. We should be focussing on providing additional disaster relief and recovery after these devastating storms, not punishing these communities with higher premiums and surcharges.

It is clear that there are those who choose to live near the coast as a luxury, but there are also those who live in floodplains who are low- and middle-income families with modest homes, including some neighborhoods that are predominantly minority. This is because of the sad history of government-endorsed racism in access to credit and in neighborhood planning that pushed minorities into the bad parts of town, which, in some cases, were bad because they were prone to flooding.

These communities also often lack the resources to make upgrades to their homes and infrastructure to guard against future flood risk and are the least able to recover after a flood. The Lower Ninth Ward in New Orleans is a prime example.

Another example is Greenspoint, a business district in Houston that was one of the hardest hit by Harvey. One in three residents in Greenspoint lives below the poverty line. Families in Greenspoint were still living in water-damaged and moldy units from flooding last year when they were hit again by Harvey.

There is no simple answer to our Nation's flooding problems, but I do know that raising the premiums and racking these up on policyholders will only hurt families as well as our economy.

Second, the bill makes flood insurance less available by allowing businesses to opt out of the requirement to purchase flood insurance, even if they are a high-risk property in a flood zone.

What is more, the bill kicks out certain low-value homes from the NFIP by prohibiting coverage for any home with claims that, over the entire history of the property, following enactment, even if it changes hands, exceed three times the replacement value of the structure.

This provision is so ill-conceived that the American Bankers Association wrote: "Cutting off such properties from NFIP coverage will likely lead to significant hardship for homeowners, lenders, and communities. As borrowers lose NFIP coverage, and especially if alternative private coverage is not available or affordable, these properties will lose value, and the risk of abandonment and/or foreclosure increases dramatically. In some flood-prone communities, this could lead to a local or regional foreclosure crisis."

Third, the bill makes flood insurance less fair for policyholders. In the wake of this historic hurricane season, it is astounding to me that the bill does nothing to fund flood maps so that we can better protect families. Oftentimes, communities are unaware of their true flood risk; and by not providing any funding for flood maps, building in areas with no information about flood risk will only continue.

Climate change will only make these storms more frequent, stronger, and more devastating than ever before, and we must make sure that the NFIP remains available and affordable to all Americans, not make it worse.

For all of these reasons, I urge my colleagues to oppose H.R. 2874, and I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE), the chairman of the Foreign Affairs Committee and respected member of the Financial Services Committee.

Mr. ROYCE of California. Mr. Speaker, I rise in strong support of the 21st Century Flood Reform Act.

I think what Chairman JEB HENSARLING was able to do here, and Chairman DUFFY, is put forward a bill that has really brought together the Montagues and the Capulets, I mean, when you think about the fact that, on one hand, you have got the environmental community supporting this and you have got taxpayers' advocates; you have got conservative think tanks and you have got affordable housing groups; you have the reinsurers and you have the insurers.

We talked about two priorities that at least I was pushing to reauthorize in the National Flood Insurance Program.

One of those was to provide better disclosure to consumers about flood risk. We wanted them to know. And the second was to decrease the number of repeatedly flooded properties. This bill accomplishes both of those things.

Section 108 of the bill includes language that I authored, which will provide information to home buyers about past flood events, about the damage, about insurance claims, about any obligation they might have to carry flood insurance; and the National Association of Realtors supports this common-sense approach.

Section 402 of the bill includes the bipartisan Repeatedly Flooded Communities Preparation Act, sponsored by Representative EARL BLUMENAUER and me. This means that repeatedly flooded properties, which comprise less than 2 percent of NFIP policies but account for one-third of all claims, are dealt with.

Responsible, community-driven mitigation is a win-win proposal, one which will help our neighborhoods become stronger in the face of floods and address the fiscal footing of the overall program by decreasing the cost as this is addressed to community level.

Finally, Mr. Speaker, I would particularly like to thank the Pew Charitable Trusts, their flood-prepared communities initiative, for their support of our reform efforts.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. CLEAVER), the ranking member of the Housing and Insurance Subcommittee on the Financial Services Committee.

Mr. CLEAVER. Mr. Speaker, I rise in opposition to H.R. 2874, the 21st Century Flood Reform Act.

When the Financial Services Committee began the process to reauthorize the National Flood Insurance Program, I was very hopeful that we could work across the aisle in a bipartisan manner. Unfortunately, the bill we see here today is not reflective of that approach.

Though a number of changes have, in fact, been made to H.R. 2874 since leaving committee, the new provisions still fail to incorporate many of our priorities for reauthorization or address our concerns with the NFIP.

Most significantly, Mr. Speaker, in H.R. 2874 is the fact that it will increase cost for policyholders. The bill raises costs on pre-FIRM structures from 5 percent to 6.5 percent.

Additionally, the bill will require a \$40 surcharge on primary residences and seeks to increase the reserve fund by charging policyholders an additional 1 percent every year.

The bill also changes the fee to policyholders who opt to pay their policy monthly. Many of our constituents who live in flood-prone areas are not wealthy. These are hardworking Americans who rely on the NFIP to help offset costs and protect their homes from disastrous flooding.

Instead of working to find ways to truly address affordability within the

NFIP, the bill proposes to set up a voluntary State affordability program. This proposal then fails to provide States with the administrative costs to set up a program, a cost that may be far too burdensome for many already-struggling States.

Even worse, the program would offset discounts for eligible policyholders by charging policyholders who are not able to take advantage of the affordability program—yet again increasing costs for homeowners.

Importantly, H.R. 2874 makes no effort to address the debt. Though the NFIP had been self-sustaining for many years, extreme unexpected damage following Hurricane Katrina and Superstorm Sandy left the NFIP with over \$20 billion in debt. Though some of the debt was, in fact, recently forgiven, the NFIP needed to borrow more from the Treasury following Hurricanes Harvey, Irma, and Maria.

The NFIP pays over \$400 million a year in interest, money that could go towards making improvements in the program or helping enhance affordability. We need to wipe the slate clean and give the NFIP a fresh start.

H.R. 2874 fails to provide additional funding for flood maps, maps that, in many jurisdictions, are desperately needed if we are going to have updated maps. This bill also lacks funding for new mapping technology that could help improve the accuracy of the flood maps.

In conclusion, the short-term reauthorization of the NFIP expires early next month. I urge my colleagues to vote against this bill and support a long-term NFIP strategy that promotes affordability, stability for stakeholders, and necessary funding for mapping and mitigation.

Mr. HENSARLING. Mr. Speaker, I yield 3½ minutes to the gentleman from Missouri (Mr. LUETKEMEYER), chairman of the Financial Institutions and Consumer Credit Subcommittee and one of the coauthors of H.R. 2874.

Mr. LUETKEMEYER. Mr. Speaker, I rise today in support of the 21st Century Flood Reform Act.

Chairman HENSARLING and Chairman DUFFY have crafted a great substitute amendment that will bring about meaningful reform of NFIP and protect taxpayers and policyholders alike.

The amendment includes H.R. 2246, my Taxpayer Exposure Mitigation Act of 2017. Included in that bill is a requirement that the FEMA Administrator purchase reinsurance or a capital market alternative in an effort to guard taxpayers against losses.

I know of no major insurance company in the private sector that does not purchase coverage to protect itself against loss of this kind. These products function well. There is no reason that FEMA should not be following this best practice as well.

The amendment also grants States and local governments and our constituents the ability to play a more proactive role in the FEMA floodplain mapping process.

I represent the Lake of the Ozarks with its 27,000 pieces of property along its shoreline, which has dealt with tremendous mapping issues over the past several years. Hundreds of letters of map amendments were granted to my constituents, and there were multiple attempts by the community to engage with FEMA to fix their mapping process, but my constituents never felt their concerns were taken seriously.

The Lake of the Ozarks is not unique. FEMA processes 25,000 LOMA letters each year at a cost of \$13 million. This should tell all of us something about the mapping process. Under this bill, areas like the Lake of the Ozarks would be able to improve the accuracy of the maps themselves, no longer beholden to Washington, D.C.

This amendment would also create an opt-out from the mandatory coverage required for commercial properties, allowing banks and businesses more flexibility to secure flood insurance coverage that meets an entity's unique risks and needs.

□ 1530

It is important to note that this legislation does not preclude any business from securing NFIP policy. Policies will remain available to all businesses.

Also, this provision should not be misconstrued as a caveat to avoid the purchase of flood insurance. Businesses operating in flood plains should have flood insurance, and I am confident that lenders will insist upon reasonable coverage. I believe this should be a business decision between the lender and the business customer.

Lastly, this amendment would require FEMA to use actual replacement cost in determining premium rates for NFIP policies—language originally included in my H.R. 2565.

Pricing for private policies frequently takes into account the actual replacement cost of a structure. It makes sense. Any insurance policy should factor in the amount of money that would be needed to replace a structure.

FEMA doesn't adhere to this fundamental of insurance. Rather, the agency effectively uses a fixed national average for insured value and replacement costs when determining customer premiums.

The result of FEMA's current practice is that lower-income policyholders subsidize wealthier homeowners.

The substitute amendment we consider today gives FEMA the flexibility it needs to stop this practice and move toward a replacement cost pricing structure.

I also want to thank my colleague from Wisconsin for including this provision in his substitute amendment. I am confident this package will allow the private sector to flourish and take risk off the backs of taxpayers while protecting NFIP policyholders.

Mr. Speaker, I urge my colleagues to support the measure.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the

gentlewoman from New York (Mrs. CAROLYN B. MALONEY), the ranking member of the Subcommittee on Capital Markets of the Financial Services Committee.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I thank the gentlewoman for yielding and for her leadership.

Mr. Speaker, I rise today in opposition to H.R. 2874.

There are some good things in this bill, including the Zeldin-Maloney bill, that would allow policyholders to receive mitigation credit for elevating boilers and other mechanical systems to higher floors instead of in easily flooded basements, which is a huge deal for the city of New York and other big cities.

But there are too many provisions that would make flood insurance in my district either unavailable or unaffordable. For this reason, the city of New York opposes this bill.

The bill would raise premiums on homeowners by increasing the floor on premium increases that Congress just set 3 years ago. Currently, FEMA has to increase premiums by a minimum of 5 percent per year. Under this bill, FEMA would have to increase premiums by a minimum of 6.5 percent per year.

When you add up the mandatory increases in premiums required to fund FEMA's reserve fund and all of the other surcharges in the bill, the effect would be to significantly increase flood insurance premiums for homeowners.

Finally, I am concerned about eliminating the noncompete clause for so-called write-your-own private insurers. This would allow the private insurers that administer the National Flood Insurance Program to exploit their access to FEMA's database in order to cherry-pick the safest properties. This would leave FEMA with only the riskiest properties, and would undermine the solvency of the National Flood Insurance Program.

So, while there are many thoughtful good provisions in this bill, there are too many provisions that would dramatically increase premiums for my constituents.

Mr. Speaker, I urge a "no" vote on this bill.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. ROSS), the vice chairman of the Housing and Insurance Subcommittee and the author of the pro-consumer competition title of the bill.

Mr. ROSS. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise in support of the 21st Century Flood Reform Act, which would give communities in the Tampa Bay area and all of our constituents a National Flood Insurance Program that serves as a lifeboat when disaster strikes.

Right now, the NFIP is more like an anchor tied around our neck, dragging this country deeper and deeper into debt as the waters rise.

With a \$1.4 billion annual deficit and debt that continues to grow, this program desperately needs reform, and H.R. 2874 is our opportunity.

We should all recognize that the NFIP is not a relief program. It is an insurance program. It is supposed to insure against losses, which entails far more than simply paying for damages.

Insurance is not about relief. It is about responsibly managing risk. Insurance means mitigating risks before disaster strikes, making investments in resiliency measures, telling people when the risk they face is simply too great, and providing service that makes people thankful for choosing your product.

No one knows this better than the professionals in the insurance industry who work day in and day out to help Americans protect their lives, their loved ones, and their belongings against all types of threats—car crashes, earthquakes, and wildfires.

Regrettably, Federal policy has made it extremely difficult for private insurers to write policies that cover flood risk. We have created a virtual monopoly for the NFIP at the expense of policyholders and taxpayers alike, yet we are still \$30 billion in debt.

H.R. 2874, which includes my bipartisan Private Flood Insurance Market Development Act, will allow the private sector to compete to help homeowners manage their exposure to floods.

Competition can lower costs, provide more affordable options for consumers, and reduce the unacceptable number of uninsured homes by helping people understand their risk.

As it stands now, the NFIP is the worst of all worlds: It is too big to fail. It is also bound to fail.

With this legislation, we can make substantial progress in turning around a program that has found itself on the GAO's high-risk list for the last decade.

Under this bill, consumers will finally have an opportunity to select among a menu of options a plan that would fit their needs. As a result, they will be more likely to buy insurance than ever before.

That is not the case today with the NFIP. Our constituents are severely limited. \$250,000 maximum coverage on an NFIP policy. If you own a business, you are not going to get business interruption coverage.

What good is the insurance, then?

Thankfully, the private sector is capable of offering more robust policies that also provide more incentives for property owners to invest in mitigation and resiliency. Ultimately, this increased emphasis on mitigation will benefit homeowners and taxpayers alike.

This legislation will help us end the absurd practice of paying to rebuild a home that has been destroyed by flooding on more than three occasions.

Further, it strengthens the NFIP by directing FEMA to spread the NFIP's risk onto the global marketplace.

This bill also contains more funding for mitigation and recovery than has ever been authorized by Congress. Over \$1 billion will be made available by this bill to help manage our constituents' exposure to floods and improve the safety of a home after a catastrophe.

Mr. Speaker, let's support the freedom to insure against obvious danger that imperils people's homes and their wallets. Let's support informed decisionmaking.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. VELÁZQUEZ), the ranking member of the Small Business Committee and a senior member of the Financial Services Committee.

Ms. VELÁZQUEZ. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I rise in opposition to H.R. 2874.

This bill makes flood insurance more expensive, less available, and less fair for millions of working families.

This bill all but abandons Hurricane Sandy victims.

Hurricane Sandy made landfall in New York and New Jersey 5 years ago, causing approximately \$60 billion in damage. More than 50 people lost their lives.

Today—half a decade later—more than 1,000 homeowners still have not obtained proper resolution of their flood insurance claim.

That is why I have worked for almost 1½ years on legislation to improve FEMA's claims processing system and to bring proper oversight and management to the write-your-own program. While some of my recommended changes were included in this bill, language was also included that blows a direct hole in these reforms. This bill requires policyholders to exhaust all administrative remedies on any disputed claim before having their day in court.

However, we have already seen that FEMA's administrative system is broken—and this bill will enable dishonest insurance providers to continue hiding behind an unreachable threshold—meaning policyholders will never be made whole.

After more than 5 years, with more than 1,000 families still awaiting resolution of their Hurricane Sandy claim, we must seek to meaningfully reform the claims process, not make it harder for families to return to their home.

A vote for this bill is a vote to abandon Hurricane Sandy victims. Vote "no."

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), the vice chairman of our Financial Institutions and Consumer Credit Subcommittee.

Mr. ROTHFUS. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I rise today to express my support for the 21st Century Flood Reform Act.

I commend my colleagues on the Financial Services Committee for their

hard work on this important bill, and I urge all Members to support its passage.

As we all know, this hurricane season brought flooding and devastation to many parts of the country. Hurricanes Harvey, Irma, and Maria added even more debt to the National Flood Insurance Program, leading to a taxpayer bailout of \$16 billion. That is \$16 billion taken from the pockets of hardworking Americans. Unless Congress passes the 21st Century Flood Reform Act, we will, once again, have to bail out this program.

The NFIP, as it currently operates, is structurally unsound. This bill will help to prevent future bailouts by authorizing the NFIP to build up its reserves. It will also prioritize mitigation efforts and encourage the NFIP to engage in actuarially sound practices.

Of course, this effort is not solely focused on taxpayer protection. Homeowners, too, will benefit from the 21st Century Flood Reform Act.

This bill crucially fosters the development of a private market for flood insurance. This will provide consumers with better options and more competitive prices.

My own State's former insurance commissioner testified in front of our committee last year in support of this idea after seeing benefits of private sector involvement. Commissioner Miller said:

"In Pennsylvania, competition is proving to be good for consumers. . . ."

"We are finding in many cases that private carriers are willing to offer comparable coverage at substantially lower cost than the NFIP."

Mr. Speaker, this is good for the people of western Pennsylvania and it is the right policy for homeowners across the country.

I also want to thank Chairman DUFFY for incorporating my amendment concerning Amish communities into the final bill. The Amish and similar religious communities have a tradition, informed by their religious obligations, of paying for community losses through mutual aid societies. My amendment to this bill accommodates those communities.

Mr. Speaker, I urge my colleagues to support this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. DAVID SCOTT), a senior member of the Financial Services Committee.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I thank Ranking Member WATERS for yielding.

First, it is very important for us to understand that flooding, Mr. Speaker, is no longer just a coastal lawmaker's problem. Flooding is now running rampant in every part of our country.

So I think that every Member on the floor today and every Member of Congress needs to ask themselves a question, and that is: Are you really willing to put your name on this bill? Are you really willing to vote for this bill that

will drastically raise premiums on your constituents without putting the necessary guardrails in place so those who can't afford the high costs can still buy flood insurance?

Now, one example I am talking about is this, Mr. Speaker—and I want to make this clear. I hope that there are listeners on C-SPAN who will tune in. Call your neighbors, call somebody. So you listen to this: This bill, H.R. 2874, will require policyholders to pay for any assistance they get when their States create affordability programs.

Here is an example: Mr. DUFFY's bill allows for the creation of a voluntary State-run affordability program. But here is the catch, Mr. Speaker: there isn't one dime of funding provided in this bill to set up and implement this program.

Instead, Mr. DUFFY's bill says the cost of any discount given to policyholders will have to be offset by fee increases on other policyholders within the same State.

Now, Mr. Speaker, this is the Achilles' heel in this flood insurance business. I can guarantee you that this would have a gravely negative impact on all of us who are low to middle income.

Mr. Speaker, I made it clear to Mr. JEB HENSARLING, our distinguished chairman; and to Mr. DUFFY that we are willing to walk across party lines.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 30 seconds to the gentleman.

Mr. DAVID SCOTT of Georgia. But we offered this, as the ranking member said, as an excellent opportunity. This summer, we spent week after week on this bill so that we could move this bill forward in a way that would address affordability, which was a major concern of mine, of the ranking member's, and those of us on our side of the aisle.

□ 1545

There is no affordability in here. It is very important for us to point out that this plan will put an overburden on the States, and then they have to pass it on in fees to the others.

Unfortunately, it is a terrible bill. I urge my colleagues to vote "no."

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from Arkansas (Mr. HILL), a member of the Financial Services Committee.

Mr. HILL. Mr. Speaker, I thank my chairman.

Mr. Speaker, I rise in strong support of this bill sponsored by my friend, Representative SEAN DUFFY.

He has worked tirelessly in crafting a solution here, along with Representative LUETKEMEYER, Representative ROSS, and our full committee chairman, Mr. HENSARLING.

While the National Flood Insurance Program provides needed insurance coverage, it has numerous problems as currently constructed, and the 21st Century Flood Reform Act seeks to implement much-needed reforms in this program.

In addition to reauthorizing the flood program for 5 years, this bill provides increased transparency to the public, provides more information to people living in harm's way about past damages and the risk of flooding, ensures mapping is timely and accurate, ties rates to risk, gives consumers greater choice in flood insurance options, and incentivizes mitigation and risk reduction.

Currently, in Arkansas, we have one private insurer that offers flood insurance. A second underwriter is near approval by our Insurance Commissioner Allen Kerr.

The benefits to the consumer through private insurance are significant, as noted by the Milliman study.

For example, one private insurer in Arkansas covers up to \$2 million in coverage per occurrence, Mr. Speaker, as opposed to the NFIP, which limits coverage to \$250,000, across all rating categories at premiums substantially below the NFIP.

Further, this private insurer can offer replacement value, reimbursement for living expenses if an individual or family is displaced by a flood. The NFIP does not.

For almost 50 years, the experiment in government-provided flood insurance has proven to be ineffective, inefficient, and indisputably costly to hardworking taxpayers. The time for action is now.

Mr. Speaker, I include in the RECORD USA Today, Washington Post, Washington Times, and Chicago Tribune articles.

[From the USA Today, Sept. 7, 2017]

MAKE FLOOD INSURANCE REFLECT ACTUAL RISK

AFTER HURRICANES, TAXPAYERS CAN'T ABSORB EVER INCREASING TABS: OUR VIEW

In 1968, in the wake of Hurricane Betsy, Congress decided it had enough. Flooding was destroying too many homes, leaving financial and physical devastation in its wake.

So lawmakers created the National Flood Insurance Program, a government-run insurance fund for homeowners in flood-prone areas.

And that's when things got really bad.

The NFIP has been losing money ever since. The program is nearly \$25 billion in the red and is running annual deficits in the range of \$1.4 billion. That's because it's a creation of Congress and therefore sets its premiums according to what is politically convenient rather than what is actuarially sound.

With Hurricane Harvey devastating the Houston area, and Hurricane Irma bearing down on the Southeast coast, the program is certain to take a massive loss this year.

What's worse, the NFIP's woes are self-generating. Because the premiums are well below what should be charged, this effectively subsidizes construction in flood-prone areas. And that means its losses grow as more flood-prone land is developed.

Hurricane Katrina, which ravaged the Gulf Coast in 2005, exposed just how costly and counterproductive the program had become. In 2012, after years of debate, Congress enacted a law that made flood insurance rates more reflective of actual risks and expanded the areas considered flood-prone.

This generated Category 3 blowback from homeowners and the real estate lobby, and in

2014 Congress passed another law undoing much of the first.

Now, with catastrophic losses mounting and sea levels rising, it's time to revisit the issue.

Making federal flood insurance more reflective of reality would only go so far in dealing with the problem of building in flood-prone areas. That's because many homeowners don't have flood insurance and because much of the damage that the government eventually pays for is not covered by the program. (Private insurance typically covers damage from wind but not water.)

With Katrina, for instance, the flood insurance payout was \$16.3 billion. But Congress passed supplementary spending of more than \$100 billion to provide intensive relief and temporary housing, as well as fix broken levees.

With Harvey and Irma, the federal tab beyond of flood insurance is likely to be even higher. Only an estimated 20% of homeowners in the area affected by Harvey even bothered with flood insurance, a number that has been dropping in recent years. But making flood insurance reflect actual risks is a vital first step in coming to grips with reality.

In the past several decades, Americans have flocked to coastal communities, many of them in parts of the country prone to hurricanes. With the hit to taxpayers growing and the danger increasing, restraint—even some reversal—of this trend is needed.

While people in the hurricane zones deserve disaster assistance and the nation's sympathy, taxpayers can't simply absorb ever increasing tabs for flood losses. The government needs policies that encourage people to build their homes in safer places. Harvey and Irma are just the latest sobering wake-up calls with that message.

[From the Washington Post, Aug. 30, 2017]

AFTER HARVEY, FLOOD INSURANCE NEEDS REFORM

Congress must be generous in helping to repair the damage, to lives and to property, from Hurricane Harvey. The full extent of the destruction may not be known for a long time but is evidently catastrophic, just as the damage wrought by Katrina and Sandy was. Even as they demonstrate that they have a heart, lawmakers must also show that they have some brains. Specifically, the United States is long overdue for smart reforms to one of the major government institutions designed to help people cope with the risk of natural disaster: the National Flood Insurance Program (NFIP), which has underwritten a total of 5 million policies providing homeowners and some businesses \$1.2 trillion in coverage.

Now almost half a century old, the NFIP grew out of what was, at the time, a basic reality of the insurance business: Flooding risks were actuarially imponderable, so insuring against them was uneconomic for the private sector, especially in places such as the hurricane-prone Gulf of Mexico. To fill the gap, the federal government offered coverage on two conditions: that local communities would take appropriate land-use and other measures to prevent development in risky low-lying areas; and that homeowners would pay actuarially sound premiums.

Elegant in theory, the plan gradually succumbed to real estate interests, with the result that flood insurance enabled rather than managed development along coasts and in other flood-prone areas—ultimately putting more people and property at risk than might otherwise have been the case. As it happens, well-to-do people benefit disproportionately from this program; they're the ones who tend to build big houses on the beach. The

NFIP has spent many millions of dollars to repair properties that have been repeatedly flooded.

Prior to Katrina, the NFIP was nevertheless generally able to pay for coverage through the premiums it collected. Massive losses from that storm and Sandy, however, have driven it into de facto bankruptcy; the program has been forced to borrow more than \$24 billion from the treasury to pay claims, a debt that was nearly unpayable even before Harvey hit. At the moment, the program has \$1.7 billion on hand, plus \$5.8 billion left on its line of credit with the Treasury—and some 373,000 policyholders in the Harvey flood zone who will expect to get paid.

Coincidentally, the program is due for reauthorization on Sept. 30. Ideally, this deadline would galvanize Congress to ensure enough money is available to pay current commitments, while reforming NFIP for the future. What's needed are tougher flood-risk mitigation requirements, more realistic premiums and encouragement for private-sector involvement in the business, based on modern technology that may enable insurance companies to underwrite risks they could not have underwritten in the 1960s.

Recent history, alas, doesn't make us optimistic: Congress did reform the program on a bipartisan basis in 2012, only to see much of that undone under pressure from coastal-state lawmakers in 2014, after Sandy. "There is a tide in the affairs of men, which taken at the flood, leads on to fortune," Shakespeare wrote. Congress, though, tends to go with the political flow.

[From the Washington Times, Sept. 6, 2017]

FIXING FLOOD INSURANCE IN HARVEY'S WAKE PRIVATE INSURERS COULD HELP IN MATCHING COST AND RISK

Hurricane Harvey took the most devastating flooding in the city's history to Houston, and the cost of repairing the damage will be astronomical. Sadly, the federal flood insurance program is already underwater and Harvey will only add to the flood of red ink. It's clear that Congress must reform the program so the premiums property owners pay more closely reflect the flood risk. Until that happens, nature's frequent fury will continue to undermine the finances of everyone.

With the angry water from the Category 4 hurricane damaging 200,000 Houston-area homes and business firms, early estimates place the cost of restoration as high as \$190 billion. That would eclipse the \$108 billion loss in the 2005 Hurricane Katrina and Superstorm Sandy in 2012. President Trump expects Congress to quickly approve a \$7.9 billion down payment for emergency relief.

The National Flood Insurance Program, designed to wield the financial muscle of the federal government to protect flood-prone property, has proved to be a money sieve. It covers about 5 million flood-prone properties nationwide, worth about \$1.2 trillion, and collects about \$3.5 billion annually in premiums. The program was \$25 billion in the red before Harvey hit—a clear indicator that overall, property owners who are required to carry flood insurance are not paying for the risk.

Among the existing program's shortcomings are its policy of grandfathering older structures built in low-lying regions before accurate floodplain mapping began, encouraging owners to renovate rather than demolish. Between 1978 and 2004, these risky properties comprised 1 percent of the program's insured properties but accounted for 38 percent of the damage claims, according to the Government Accountability Office. The federal program is subsidizing insurance

for expensive waterfront property along the Southeastern coastline, favoring the wealthiest homeowners.

Congress has made several attempts to put the insurance on a sustainable financial footing, without success. The program will expire at the end of this month, which offers legislators an opportunity to resolve the unintended consequences of the program.

Several constructive bills were reported out of the House Financial Services Committee in June. Among the proposals are provisions giving more leeway to private insurers who currently offer only federally approved policies. Doing so would allow insurers to set premiums tailored to individual properties, resulting in a closer match of insurance cost and flood risk. Other provisions would limit claim payments for repeatedly flooded properties and require the use of replacement cost in setting insurance rates.

The House is seeking a five-year reauthorization of the National Flood Insurance Program and the Senate version calls for a 10-year term to ensure continuity. Both versions back provisions to allow a gradual increase of private-sector involvement in flood insurance. It's an idea endorsed by the free-market Cato Institute, which says "the ideal 'reform' to the [program] would be to fully privatize flood insurance. That would be more likely to fix the system in a way that would limit the long-run government liability than any alternative legislative approach." Allowing private insurers to have a larger role in future flood protection is sensible.

No one could have foreseen the once-in-a-lifetime deluge that swamped Houston, but actuaries make their bones calculating risk, including in their calculations such unpredictable natural disasters as tornadoes and earthquakes. Insurance premiums undistorted by Washington rules would give consumers a clearer picture of flood hazards, helping them avoid the mistake of building in the path of storms like Hurricane Harvey. With monster storm Irma bearing down on Florida, the need is urgent for Congress to safeguard Americans from future property loss and new heartbreak.

[From the Chicago Tribune, Sept. 7, 2017]

THE FOLLY OF PAYING AMERICANS TO LIVE IN HARM'S WAY

In the aftermath of Hurricane Harvey's hit on Texas, and with Hurricane Irma threatening Florida, let's all acknowledge one reason for the vulnerability of Americans who live in low-lying coastal regions of the Sun Belt: The federal government has been paying people to locate there.

Not explicitly, of course. But an abundance of inexpensive housing is a big attraction. And a big factor in the low cost of housing in the Houston area is that developers are free to build almost anywhere, including marshy, low-lying areas where land is cheap.

The chance of being swamped deters some people, but the government offers flood insurance to pay for repairing and rebuilding. The owners of a Houston home that flooded 16 times in 18 years got more than \$800,000 in payments—for a house worth just \$115,000.

The folly of the government's flood insurance program has been evident for decades, and some Midwestern communities have been in on the action. We've written about how federal flood insurance has serially benefited many of those who refuse to move from river flood plains, sometimes to a fault. After the Mississippi River flood of 1993, one Grafton, Ill., resident explained to a reporter that he had collected \$24,000 in federal insurance for damage to his small house from floods in 1979, 1982, 1986 and 1992. For '93, he expected an additional \$32,000. His total in-

surance premiums since buying the house in 1975: \$6,000.

Houston, according to a new study by the National Wildlife Federation, accounts for more than half of all the properties that are flooded and paid for over and over. It has "managed to host three '500-year floods' in the past three years," notes Michael Grunwald of Politico. Each one costs taxpayers large sums. Yet development in these precarious spots continues apace.

"Why are we writing flood insurance (policies) for new construction in flood zones?" asks Craig Fugate, who headed the Federal Emergency Management Agency in the Obama administration. "Think about it: If you're going to build a new structure in the flood zone, the private sector can insure it. And if they can't insure it, then why is the public subsidizing the risk?"

It's a big subsidy. Thanks to past storms, the flood insurance program has a \$25 billion deficit. The Congressional Budget Office found that coastal counties at risk from tropical storms make up just 10 percent of all the counties with federal flood insurance policies—but generate 75 percent of the claims and most of the deficit.

So why is the public subsidizing the risk in these places? Because the people living there, the politicians they elect, the businesses they patronize and various interest groups (such as homebuilders and the real estate industry) have strong stakes in preserving this program. They've been able to prevent the sort of reforms needed to make it actuarially sounder and closer to self-sustaining.

In 2012, Congress passed a modest package of sensible changes that would have raised costs to the flood-prone. But two years later, feeling the political heat, lawmakers backtracked.

Homeowners located in areas that are expected to flood every 100 years are required to buy flood insurance if they want federally insured mortgages. But they pay rates far lower than the risks warrant.

That gap deprives builders of incentives to stay out of low-lying areas that are vulnerable to flooding—or to elevate structures to keep them dry when the waters rise. It also promotes the destruction of wetlands that could reduce flooding. Oh, and it helps to tilt migration toward vulnerable coastal regions like those of Texas and Florida.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. AL GREEN), the ranking member of the Oversight and Investigations Subcommittee on the Financial Services Committee.

Mr. AL GREEN of Texas. Mr. Speaker, I thank the ranking member, and I thank the chair of the committee as well.

Mr. Speaker, I am opposed to the legislation. I am opposed to it because it does not give hardworking Americans the same consideration that we will accord persons who are making billions and we will accord corporations.

Corporations are going to get great tax cuts, billionaires are going to get tax cuts. We will eliminate the estate tax, we will eliminate the AMT for billionaires, but we are not going to give hardworking Americans the opportunity to get the relief that they need with reference to the \$20 billion worth of debt that the NFIP currently has.

If we don't eliminate that debt now, premiums will go up on hardworking

Americans. Hardworking Americans won't be able to afford premiums, and many of them won't be able to afford homes. This is not the way to treat people who work hard and pay their taxes.

If we can give tax breaks to corporations and billionaires, we can afford to reduce this debt on the NFIP so that hardworking Americans can afford homes. It really is that simple.

Five years without another bill: this is our last chance. We can't pass this chance up so that we can take care of billionaires and corporations at the expense of hardworking Americans.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. EMMER), a hardworking member of the Financial Services Committee.

Mr. EMMER. Mr. Speaker, I rise in support of the 21st Century Flood Reform Act, which will reauthorize and reform our National Flood Insurance Program.

The NFIP provides important relief. Millions of Americans rely on this program to provide coverage when disaster strikes. The nearly 50-year-old NFIP program, however, is in desperate need of reform.

Today's legislation will not only reauthorize the program for 5 years, it will take steps to better align premium rates to risk, improve FEMA's mapping and appeals process, and begin to correct the way the NFIP manages what are known as repetitive loss properties.

Most importantly, H.R. 2874 lays the groundwork for a private flood insurance marketplace to take hold, which will improve the fiscal stability and solvency of the NFIP for future generations to come. This bill is a good start, but these reforms must continue to be built upon in the years ahead.

I am thankful for the hard work of Chairman HENSARLING, Housing and Insurance Subcommittee Chairman DUFFY, and the entire Financial Services Committee staff for working to get this bill to the floor today.

As many continue to rebuild their lives following the devastation of Harvey, Irma, Sandy, and others, we need a National Flood Insurance Program that stimulates choice and encourages proactive behaviors to better protect our citizens.

Mr. Speaker, again, this legislation is a good start. I encourage all of my colleagues to support this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. CRIST), a leading voice on flood insurance and climate issues and a member of the Financial Services Committee.

Mr. CRIST. Mr. Speaker, I want to thank the ranking member for her leadership.

Mr. Speaker, I rise today in strong opposition to this bill. We must get flood insurance right, and that starts with affordability. If families can't afford insurance, they simply will not buy it.

In my home State of Florida, the number of NFIP policies has dropped 15 percent since 2012, when Congress started raising premiums. If you don't think the government should be involved in flood insurance, maybe that is good news, maybe that is the goal here, but not for the good of the taxpayer, when families who can't afford coverage must turn to FEMA after a disaster.

The bottom line is that unaffordable insurance will fail. This bill makes flood insurance less affordable, hiking premiums, surcharges, as well as fees. Beyond that, this bill would decrease access to coverage for vulnerable families, forcing them into a private market that does not exist.

Yes, we absolutely need 21st century flood reform. Our climate is changing, sea levels are rising, floods are getting worse, and sticking our heads in the sand will only make solutions that much more difficult.

This bill leaves behind the best reform ideas from both political parties, like better mapping, as well as mitigation.

Those who have lived through natural disasters know you can't stop the catastrophic force of Mother Nature, but you can prepare.

I urge my colleagues to reject this ideological exercise and put people over politics. Let us come together and pass real, sustainable reform for a strong, affordable National Flood Insurance Program.

Mr. Speaker, I include letters of opposition in the RECORD from the Pinellas County Board of County Commissioners and the City of Clearwater.

PINELLAS COUNTY,

BOARD OF COUNTY COMMISSIONERS,

Clearwater, FL, November 8, 2017.

Hon. CHARLIE CRIST,

House of Representatives, Washington, DC.

DEAR CHARLIE: On behalf of Pinellas County, Florida, we urge you to oppose the 21st Century Flood Reform Act, H.R. 2874. This bill, which is the compilation of the seven-bill package approved by the House Financial Services Committee this summer, is detrimental to Pinellas County residents and local governments. Despite the minor changes proposed in the amendment, the bill will increase costs for National Flood Insurance Program (NFIP) policyholders, create unfunded mandates by increasing regulatory burdens and responsibilities for local governments, and lead to fewer participants in the NFIP, which will undermine the integrity of the program. We strongly urge you to oppose the bill.

The bill would increase premiums on homes built prior to the first flood map by a minimum of 6.5% each year, with properties that have made two or more claims subject to even higher rate increases. In addition to this increase, all policy holders would be assessed new and increased fees and surcharges with some of these fees, such as the reserve fund fee, increasing each year. As these increased costs are passed on to policyholders, the bill acknowledges that an affordability assistance program is needed, however it delegates that authority to states and requires it to be financed through additional charges on the other policyholders in the state, creating an even greater financial burden. These increased costs along with the new re-

strictions in the bill on types of properties that can obtain coverage through the NFIP will undermine participation in the program, further destabilizing it. The bill does nothing to invest in new flood mapping and technology, which would result in more accurate maps and does not sufficiently invest in mitigation. We ask for your continued assistance in ensuring that this bill does not become law.

Additionally, we want to thank you for co-sponsoring H.R. 3285, the Sustainable, Affordable, Fair and Efficient (SAFE) NFIP Act. The legislation is significantly more consumer-friendly than the House Financial Services Committee approach. The SAFE NFIP Act includes provisions to limit premium rate increases, create means-tested mitigation and affordability provisions, expand the Increased Cost of Compliance program, develop accurate flood maps, and emphasize pre-disaster mitigation programs.

Again, thank you for your continued assistance in ensuring that legislative efforts detrimental to Pinellas County's over 130,000 policyholders are not enacted into law. We value your support and thank you for co-sponsoring H.R. 3285. Please do not hesitate to contact me if I can provide additional information or answer questions.

Sincerely,

JANET C. LONG,

Chair, Pinellas County Commission.

CITY OF CLEARWATER,

Clearwater, FL, November 7, 2017.

Hon. CHARLIE CRIST,

*House of Representatives,
Washington, DC.*

DEAR REPRESENTATIVE CRIST: On behalf of the City of Clearwater, Florida, we urge you to oppose the 21st Century Flood Reform Act, H.R. 2874. This bill, which is the compilation of the seven-bill package approved by the House Financial Services Committee this summer, is detrimental to Clearwater residents and to Florida local governments. Despite the minor changes proposed in the amendment, the bill will increase costs for National Flood Insurance Program (NFIP) policyholders, create unfunded mandates by increasing regulatory burdens and responsibilities for local governments, and lead to fewer participants in the NFIP, which will undermine the integrity of the program. We strongly urge you to oppose the bill.

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Services Committee approach. The SAFE NFIP Act includes provisions to limit premium rate increases, create means-tested mitigation and affordability provisions, expand the Increased Cost of Compliance program, develop accurate flood maps, and emphasize pre-disaster mitigation programs.

Again, thank you for your continued assistance in ensuring that legislative efforts detrimental to Clearwater's over 11,000 policyholders are not enacted into law. We value your support and thank you for co-sponsoring H.R. 3285. Please do not hesitate to contact the city should you need additional information, and with warm, personal regards, I am

Sincerely,

GEORGE N. CRETEKOS.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. ZELDIN), a member of the Financial Services Committee.

Mr. ZELDIN. Mr. Speaker, I rise in strong support of this legislation, which contains critical reforms that protect access to affordable insurance, improves the way policyholders are treated when filing a claim, and places the National Flood Insurance Program on the path towards fiscal solvency.

Included in this legislation is the bipartisan bill I introduced with Congresswoman CAROLYN MALONEY that provides a credit to NFIP policyholders who reduce their flood risk through mitigation. Homeowners who do the right thing and invest in mitigation activities deserve a strong return on their investment in the form of lower NFIP premiums.

On Long Island, where the coastal economy is our main economy, protecting life and property from flood damage is a top priority.

I look forward to working with all my colleagues in Congress to get this bill passed in the Senate and sent to the President's desk without delay.

I am proud to be a cosponsor of this essential legislation, grateful for Chairman HENSARLING's and Chairman DUFFY's leadership on this issue, and I urge all of my colleagues to vote "yes."

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. RICHMOND), the chair of the Congressional Black Caucus and a long time leader on flood insurance issues.

Mr. RICHMOND. Mr. Speaker, I want to thank Congresswoman WATERS, the ranking member. Oftentimes in this body, we talk about leadership. Leadership is what Congresswoman WATERS did after Hurricanes Katrina and Rita; but, more importantly, 4 years ago, when the threat of new flood policies were going to make people pay the cost of their home every 5 years, we were talking about paying 20 percent of the value of your home in flood insurance every year, she came down to Louisiana and met with Louisiana citizens. She didn't come to the urban areas, although she passed through, but she went to the rural areas, talked to middle-income families to figure out how flood insurance reform would hurt them.

What she found out is that it was going to cause more families to just turn in the keys to their house and give their homes back to the mortgage company or declare bankruptcy so that they can just get by.

This bill is a lot better than the bill that was in committee, and I want to thank the chairman and my colleagues from Louisiana, Mr. SCALISE and Mr. GRAVES, for making it a better bill. But when we are talking about homeowners, the most responsible people in society who have now purchased their piece of the American Dream, when you have people who played by the rules, bought the home of their dreams, you don't change the rules halfway to say: Hey, we know this was the rule when you bought the House, but now it has changed, and all of a sudden that \$500 in insurance you pay a month is now \$1,500.

That is not responsible, it is not fair, and we are picking on homeowners.

I would just say to my friends on the other side of the aisle that the bill is better, but it is not worthy of the American taxpayer or the American homeowner.

We keep talking about the private market. They are going to pick and choose where they want to insure, and then, all of a sudden, you are left with a high-risk pool, where homeowners who work every day are stuck with costs that they just can't afford.

I would simply say that this is something we really could do, in this atmosphere, in a bipartisan way, because it is the right thing to do.

With all the good things in the bill, the problems—the bad outweighs the good.

I would just remind my friends on the other side of the aisle, the community that you save may be your own.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. SCALISE), the majority whip, who has a slightly different message.

Mr. SCALISE. Mr. Speaker, I thank my colleague from Texas, Chairman HENSARLING, for yielding.

Mr. Speaker, I rise in support of this bill that, really, if you look at what we are trying to achieve here, it is a few things, but the main two things are to give further reforms and protections to the taxpayers of this country while also making sure that we are protecting and giving certainty to the policyholders of the National Flood Insurance Program; the fact that this is a 5-year reauthorization; the fact that we were able to protect the grandfathering provisions that are so important to families who have played by the rules, and if the rules are going to change, it is not fair that you would hold something against somebody that was legal in the past; the fact that this bill has important reforms, like Ross-Castor.

We all talk about the fact that NFIP is the only place for most families to go that want to buy flood insurance. We need to develop a private market-

place, Mr. Speaker, and, frankly, for most families, it just doesn't exist. Those Ross-Castor provisions are so important to finally help jump start that process.

This program has had its own financial difficulties, and this bill helps strengthen the program, helps give some certainty, and, frankly, it gives some provisions in the bill that are going to make it better for families who rely on this program, and the taxpayers of this country, who help make sure that we have a stable economy.

It is important for homeownership, it is important that we maintain those provisions on grandfathering that were so important to our communities, and it is important that we pass this bill.

I am glad that the House is taking this action today.

Mr. Speaker, again, I commend Chairman HENSARLING and Congressman DUFFY for their hard work, and all the other Members who played such an important role in getting us to this point.

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Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. LOBIONDO), a senior member of the Transportation and Infrastructure Committee, and someone who has been working hard to try and have a bipartisan effort on this bill.

Mr. LOBIONDO. Mr. Speaker, I thank my colleagues, Ms. WATERS, Mr. HENSARLING, and Mr. DUFFY, for their work on this bill, and especially to my good friend, STEVE SCALISE.

I know there was an effort to do this the right way, but I rise in opposition for a couple of reasons. First, I am disappointed. I am disappointed because we, in this body, had an opportunity to have a bipartisan bill that would have probably generated more than 400 votes, that we would have had a big high-five moment, and we could have moved forward. The Senate would have taken it. The President would have taken it.

But now we have a situation that makes me angry—angry because we are picking winners and losers, angry because the misery index for some Members is more important than the misery index in my district or the Northeast.

Five years ago, we were about a month after Superstorm Sandy. We had political hand-to-hand combat to get what the rest of the Nation has gotten almost automatically with every natural disaster in the whole course of our Nation's history. But no, Superstorm Sandy, there had to be an offset. We barely got the help we needed.

This is all tied in together because we still have people suffering in New Jersey and New York and the Northeast from the aftermath of Sandy, and it is tied into this with Federal flood insurance. It is critically important.

And why should it be that the concerns of my district and the people who I represent have any less of an influence on what happens here?

I am angry, and I am disappointed that I have to fight with my own party on these issues. I am not at all sorry to stand up as strongly as I can for the constituents who deserve this—hard-working people who are trying to stay in their homes.

I know the program has problems. I know we have to do this in a different way, and we have had an opportunity to do it in a bipartisan way, where all of our constituents should have been helped, instead of picking winners and losers.

I am sick and tired of having to defend the people in my district and the people in the Northeast from policies that don't mean the right thing for us.

Please do the right thing; vote "no." Let's come back with a bill that makes sense.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. LOUDERMILK), another respected member of our committee.

Mr. LOUDERMILK. Mr. Speaker, I also want to thank Chairman HENSARLING and Chairman DUFFY for their tireless work on this bill. They have labored endless hours to bring this bill to the floor, and we are very appreciative of that.

Mr. Speaker, the fact that we are here today shows that our legislative process is working and that we are doing the challenging work the American people sent us here to do, work that isn't always easy. Quite often, it is hard, but it is the right thing to do.

After months of hard work, the Financial Services Committee passed a package of bills in June to reform and reauthorize the National Flood Insurance Program.

Mr. Speaker, many of these bills in that package passed with unanimous support. You only have unanimous support with strong bipartisan support.

Now, after lengthy negotiations, we are taking up this compromise bill that will significantly improve the NFIP and protect America's taxpayers. The 21st Century Flood Reform Act will make major strides to grow the private flood insurance market and start to put the NFIP on a fiscally sustainable path.

This bill will also implement flood mapping improvements and increase transparency and disclosure so policyholders will know the true risk of floods at their property.

The bill also includes an amendment that I introduced with my good colleague and dear friend from Georgia, Representative DAVID SCOTT. The NFIP is far too complicated for policyholders, insurers, and mortgage lenders, so this amendment, which passed with unanimous support, calls for a GAO study on how the program may be simplified and streamlined.

The NFIP authorization expires on December 8, so I would urge my colleagues to join me in supporting this worthy program.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 1 minute to the

gentleman from New York (Mr. KING), a senior member of the Financial Services Committee who has worked a long time for bipartisanship on reauthorization of the National Flood Insurance Program.

Mr. KING of New York. Mr. Speaker, I thank the gentlewoman for yielding, and I appreciate her courtesy. I did ask my side for time. Unfortunately, they had no time available, so I thank the gentlewoman for coming to my rescue on this.

I feel very strongly about this, and I echo the comments of Mr. LOBIONDO. The premium increase here can have a devastating impact on my constituents. Without grandfathering, we would see premiums skyrocket. And when Mr. LOBIONDO and I tried to ameliorate this by suggesting a compromise by putting a \$5,000 cap on premiums, we were rejected.

When Mr. LOBIONDO talked about a bias against the Northeast, that bias continues today from Sandy, Louisiana, Texas, Florida, Puerto Rico all received tax relief following their storms. To this day, voters in my district have not received that tax relief; and Mr. LOBIONDO's district is the same.

So I am also tired of this regional bias. We, in the Northeast, get treated—whether it is on taxes, or whatever it is, we do not get a fair shake. Maybe they don't need our votes.

Well, you are not getting my vote today. I urge Members to vote in opposition.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. MACARTHUR), a very hardworking member of the Financial Services Committee.

Mr. MACARTHUR. Mr. Speaker, I also am from the Northeast, from New Jersey, and I rise in support of this bill today.

Five years ago, Superstorm Sandy devastated my district. Ocean County, my home, was the epicenter of that storm. You might remember the photographs of the iconic Jet Star roller coaster sitting in the ocean. That was my district.

Even today, I have thousands of constituents who are still out of their homes. Now, thousands more are experiencing the same thing because of Hurricanes Harvey, Irma, and Maria.

140 million Americans live in coastal counties, and the NFIP has done a lot to help with zoning standards, building standards, flood plain management standards. It hasn't been run perfectly, but this program is desperately needed by people in areas like mine.

The NFIP has fiscal issues, and this bill seeks to address them. It is the only Federal disaster program that actually collects money in advance of a disaster.

When I got on this committee a year ago, I set out on this issue to do four things: a long-term reauthorization, improve affordability, increase accountability, and enhance mitigation efforts.

This is a 5-year reauthorization. It reduces the mandatory annual cap on premium increases; it brings more accountability, including my language to forbid NFIP from hiring disbarred lawyers; and it doubles the mitigation coverage from \$30,000 to \$60,000.

I urge my colleagues to support this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CAPUANO), a senior member of the Committee on Financial Services and a strong progressive leader.

Mr. CAPUANO. Mr. Speaker, I don't even know if I need 2 minutes.

Look, this bill has some good things in it. Everybody admits that. It does. Like every bill I have ever voted on, there is some good, there is some bad. But this bill has more bad in it than good.

It has some good philosophy that I won't agree with the details. I agree we should do something about repetitive loss properties. I think everybody agrees with that, but not the draconian measures taken in this bill.

We all agree that we need to help make it a stable fiscal platform, but not what this bill does. That is the problem here. This is not a—I have seen worse bills. As a matter of fact, I have seen worse flood insurance bills, so this, I will have to admit, is an improvement over the last horrendous flood insurance bill. But it is not even close yet.

And the problem here, this is a missed opportunity. Flood insurance doesn't need to be partisan. It doesn't need to be based on philosophical purity. This is a necessity to many Americans, many middle class Americans, and there is no doubt, without winning or losing any votes at home, we could work this out if the majority wanted to. But you don't.

You don't want any Democratic votes. Apparently, you don't want all the Republican votes. Why? I don't know. Maybe lighting candles at the altar of certain philosophies.

When this bill—not if—when this bill fails in the Senate, you are going to find a lot of people over this side who continue to want to work with you to come up with a bill we can all embrace. I know that will happen, and I look forward to that day.

This bill isn't it, and everybody here knows it.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER), a senior Democrat and leader on environmental issues in the House.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy in yielding me this time.

I have enjoyed listening to the debate back and forth. There is no area in Congress that I have spent more time on, over the course of the last 20 years, than dealing with flood insurance. I was the author of the last major piece with our former colleague, Doug Bereu-

ter. I agree with much of what was said on both sides.

There are remaining significant problems. Insurance is not priced properly. It is not that it is too expensive or it is too cheap, it is not priced properly. We have some winners and losers now, but too many people are subsidized by the majority.

We are not doing all that we can. The Federal Government ends up holding the bag for billions of dollars for unnecessary flood damage with storm after storm after storm; and, by the way, there are more on the way.

It doesn't have to be this way. Part of the problem is that because, inevitably, when we talk about reform, it costs money, and there are some people who end up paying more. It is easy not to update the maps. It is easy not to have people pay actuarial rates. It is easy not to force local governments to do their job and not allow building in harm's way.

I strongly agree that, in times past, low-income and minority people were subjected to real problems and more flooding than they should have been. But now is the time to try and pivot and do something about it.

Mr. Speaker, I include in the RECORD a list of groups that are supporting this legislation.

National Association of REALTORS® (NAR), National Association of Home Builders (NAHB), Property and Casualty Insurers Association of America (PCI), American Insurance Association (AIA), Reinsurance Association of America (RAA), Council of Insurance Agents and Brokers (CIAB), National Association of Federally-Insured Credit Unions (NAFCU), Financial Services Roundtable (FSR), Mortgage Bankers Association (MBA), American Land Title Association (ALTA), The SmarterSafer Coalition, National Wildlife Federation (NWF), National Multifamily Housing Council (NMHC), National Apartment Association (NAA), Community Mortgage Lenders of America (CMLA), Commercial Real Estate Finance Council (CREFC), Real Estate Services Providers Council, Inc. (RESPRO), The Real Estate Roundtable, Leading Builders of America, The Manufactured Housing Institute (MHI), Building Owners and Managers Association (BOMA) International.

The Realty Alliance, Habitat for Humanity, Institute of Real Estate Management (IREM), International Council of Shopping Centers (ICSC), Association of Bermuda Insurers and Reinsurers (ABIR), Wholesale & Specialty Insurance Association (WSIA), Small Business & Entrepreneurship Council (SBE Council), Conservatives for Responsible Stewardship (CRS), Coalition to Reduce Spending, American Consumer Institute, CCIM Institute, Council for Affordable and Rural Housing, NAOIP, The Commercial Real Estate Development Association, National Association of Real Estate Investment Trusts (Nareit), National Affordable Housing Management Association, National Association of Housing Cooperatives, National Leased Housing Association, Taxpayers for Common Sense, R Street Institute, National Taxpayers Union (NTU).

Mr. BLUMENAUER. Mr. Speaker, the list is an interesting collection. It includes environmental groups, consumer groups, housing advocates, businesses, fiscal watchdogs, and taxpayer

advocates. And all of them don't agree with every detail. Many of them would identify with some of the debates, but they agree that this bill is a step in the right direction, and we should use it.

What we vote on today—and I hope that it passes, I am going to vote for it—is not the last word. As it wends its way through the legislative process, if we all do our job of making it better, we can have that high-five moment that I think we all look forward to.

Ms. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 3½ minutes to the gentleman from Wisconsin (Mr. DUFFY), the chairman of the Housing and Insurance Subcommittee, and the sponsor of the legislation, the 21st Century Flood Reform Act.

Mr. DUFFY. Mr. Speaker, I want to thank Chairman HENSARLING for all his good and relentless hard work on this bill. I appreciate his tenacity.

I want to thank Mr. BLUMENAUER for the comments that he just made. The two of us had not worked together on a lot of issues, but this is one we saw eye-to-eye, and, through flood, I think we have seen a lot of common ground and built a friendship together.

I actually promised I was going to wear a bike today, and I haven't kept my promise. Later today, I will wear that for Mr. BLUMENAUER.

But I want to talk about the debate we have had here today. This has been an effort at bipartisanship. On the Republican side, I have worked with Representatives GRAVES and SCALISE and ZELDIN and KING and LOBIONDO and MACARTHUR trying to bring in their concerns to this legislation.

On the Democrat side, I have worked with Mr. SCOTT; I have worked with Mrs. MALONEY, Ms. VELÁZQUEZ, all concerned about the Northeast and the Sandy reforms that were necessary to learn the lessons. We have included those reforms in this bill.

I sat down countless hours with the ranking member. She shared her phone number with me. She left me at the dance though, because before this thing was done, she walked away. We tried to get a bipartisan bill. We worked on this thing together; so to say something other than that is just not fair, it is not right. We have tried.

You might not like the end product, but we have gone a great distance to get a bill that everybody can agree on, and I think we are going to get that today.

□ 1615

I want to talk about a few things. We are \$25 billion in debt, a deficit of \$1.5 billion a year. This program is not sustainable. We have people who are building homes in harm's way. They get flooded multiple times.

The chairman and I saw a homeowner who was flooded three times in 10 years. One homeowner let his house burn because he had to go save his kids

who were getting swept away in floodwaters, and we rebuild those homes in the same location and risk the lives of firefighters and first responders to go save them. This policy is unacceptable and it is not compassionate.

I hear my friends across the aisle say: You are going to hurt homeowners. Their rates are going to skyrocket.

What? On average, for a year, the price of flood insurance, on average, will go up \$20, less than \$2 a month, and they are screaming bloody murder about that? And what do they get for it? I have a list of 30 things of great reform we get in this bill to help homeowners.

Yes, highly subsidized properties in a pre-FIRM space are going to pay a little more, a little higher escalator, but we spend a billion dollars on mitigation helping people flood-proof their homes, helping people get bought out of their home and get to higher ground so they don't have to live in a home that is continually flooded.

I don't know if you have lived in a flood home, but it ain't fun. It is horrible. Get them out. A billion dollars for that program.

We help communities with their mapping. We give them options to map, and we give them an appeals process in their mapping. Great reform, we set up a private market.

Now, you don't have to take the private market, but you have an option to get a private plan that might have a better rate than the government offers you. You have a choice—a choice, God forbid—a choice that gives you a better price.

By the way, when we get the private market in, we all float our risk to the private sector. When a disaster hits Texas or Florida, it is not just the taxpayers who bear all the burden. We have private companies in play. That is a great thing. This is a good bill. This is a bipartisan bill. Let's stand together and reform a program to help the homeowner and our national debt.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, let me say to my colleagues on the opposite side of the aisle, my chairmen, Mr. HENSARLING and Mr. DUFFY, we did work very hard to try and get a bipartisan bill.

As I negotiated with them, every time I reached an impasse, I thought about Sandy and how hard Democrats had to work to provide support for an area that should have gotten the support of everyone in the Congress of the United States. However, there was a demand from the opposite side of the aisle that it had to be paid for. We worked very hard to give them assistance, and they still have not been made whole.

Every time I reached an impasse, I thought about Louisiana and the work that I had done after Katrina and the visits that I have made there, the people that I got to know, and what I real-

ly have learned to understand about affordability.

Every time I reached an impasse, I thought about Florida, I thought about Texas and what has happened recently with these storms.

Having worked in this way and having been a coauthor of Biggert-Waters and having been the author of the Homeowner Flood Insurance Affordability Act, I think I know something about storms, something about the devastation that has been caused to families and communities, and I insist on affordability.

Mr. Speaker, as Democrats and some Republicans have made clear, this is a comprehensively bad bill that is harmful for families and businesses. In the wake of one of the most disastrous hurricane seasons in history, this bill would make flood insurance more expensive, less available, and less fair for millions of Americans.

I have repeatedly stated that affordability is my top priority, which is made worse by this bill. Even with the slight revisions that the chairman has made, coverage would still be less available, and cherry-picking by the private sector would be encouraged, putting the government on the hook for the riskiest of policies.

It is important to note that the biggest challenge to the National Flood Insurance Program is its massive debt, which the bill only addresses by charging hardworking Americans more for their flood insurance. That is just not fair.

We have comprehensive support for this bill from both the private sector and from our nonprofits. I don't know about any consumer organizations that support this bill, but I do know this. I know that I worked very hard to talk about mitigation and how I thought it could be a program that the locals could be involved in with the Federal Government. I know I worked very hard talking about the repetitive occurrences that the chairman was concerned about, but I also offered alternatives to what he is advocating.

I talked about outreach and education to them, about a buyout program that they may join with and accept voluntarily. I know that I tried everything that I could. I listened to Members from both sides of the aisle, and I know that we both wanted to have a comprehensive bill that was bipartisan.

Mr. Speaker, it is unfortunate that we end up with this bad bill. I ask for a "no" vote on this bill, and I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, there are a lot of horrific images from Hurricane Harvey. We should never forget them. We should look at this image and say: Never again.

Yet I hear from my colleagues: Let's preserve the status quo. Let's again subsidize people to live in harm's way.

I say no, Mr. Speaker. It is time to get these people out of these neighborhoods. Let's help them. That is why

this bill has more money for mitigation and relocation than has ever been in any flood insurance reform bill.

I hear my ranking member say that she cares about affordability. Then let's give people options.

I hear from people who say: NFIP would have cost me \$2,700 a year, but I was able to find private coverage for \$718.

Here is another one: I have benefited from switching to private market flood insurance from FEMA. I save about \$1,000 a year.

Let's save money. Let's save premiums. Let's save lives. Let's vote "aye" on the 21st Century Flood Reform Act.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. YODER). All time for debate has expired.

Pursuant to House Resolution 616, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. PASCARELL. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. PASCARELL. Mr. Speaker, in this form, yes.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Pascrell moves to recommit the bill, H.R. 2874, to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

At the end of the bill, add the following new title:

TITLE VII—EFFECTIVE DATE

SEC. 701. EFFECTIVE DATE.

Notwithstanding any other provision of this Act, each provision of this Act shall take effect on the later of the following:

(1) The first date by which both the Administrator of the Federal Emergency Management Agency and the Inspector General of the Federal Emergency Management Agency have, independently of each other, submitted written certification to the Congress and caused such certification to be printed in the Federal Register that final resolution has been reached on all claims for losses resulting from Hurricane Sandy of 2012 that were covered by flood insurance made available under the National Flood Insurance Program; or

(2) The date that such provision would otherwise take effect but for this section.

Mr. PASCARELL (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey is recognized for 5 minutes in support of his motion.

Mr. PASCARELL. Mr. Speaker, this is the final amendment to the bill, which will not kill the bill or send it back to the committee. If adopted, the bill will immediately proceed to final passage, as amended.

Mr. Speaker, this amendment would require the FEMA Administrator and the DHS inspector general to certify that all claims for victims of Superstorm Sandy are addressed before this bill takes effect.

Many in this Chamber should recall 5 years ago Superstorm Sandy caused widespread destruction throughout New Jersey and many States in the Northeast. Superstorm Sandy barreled up the East Coast, bringing death and destruction. Over 200 people in the United States and the Caribbean died, and the storm caused more than \$71 billion in damage. Sandy swamped coastline communities. It knocked out power for millions of people and businesses, flooded public transit systems, and set neighborhoods ablaze.

Many Sandy victims have begun down the long road of recovery, but 5 years later, many victims and communities are still waiting for relief. They are still struggling to rebuild their homes and their businesses. It took years for the hardest hit communities in my district, Little Ferry and Moonachie, to receive the relief to build key pieces of public infrastructure.

In New Jersey, over 1,200 property owners are still moving through the recovery programs. Approximately 900 are still not back in their homes. Of all Sandy victims, there are over 2,000 people still awaiting final review of their flood insurance claims.

After victims faced delay after delay to start the claims process with FEMA, they then struggled with insurance companies which were and continue to be a major source of strife for Sandy victims.

Many of the residents of New York and New Jersey saw insurers intentionally paying out too little on their claims, which in many cases was not enough to cover the cost of repairing the damage. We heard stories of insurance adjusters making significant errors on reports because they misunderstood technical definitions, underestimated the extent of the damage done, or intentionally misrepresented the cause of the damage.

This is all documented.

The problems were so significant, we had to force FEMA to reopen the claims process for thousands of homeowners. Some ended up getting additional money. I have heard from many who say that it is still not enough to cover their recovery costs.

Mr. Speaker, on the heels of Hurricanes Harvey and Maria, we are now tasked with reauthorizing the National Flood Insurance Program. To ensure these victims do not face the same troubles as those in my State, we need to apply the lessons we learned from Superstorm Sandy in this reauthorization. Tragically, this bill does not.

We should not allow companies who profited off Superstorm Sandy victims while committing widespread fraud and failing to meet their basic obligations under the National Flood Insurance Program to sell their own flood insurance.

We should not reauthorize the program without reforming the claims process to ensure technical definitions of "earth movement," "basement," and "mold damage" do not cause delay for victims receiving their fair share.

This bill should ensure that victims have the time they need to file an appeal and require FEMA to respond so victims are able to move the claims process forward.

I submitted several amendments to the Rules Committee with my colleague Representative FRANK PALLONE of New Jersey to address these issues and the lessons we learned from Sandy. We were denied a vote.

At the very least, Mr. Speaker, we must ensure that FEMA certifies that all victims from Superstorm Sandy have had action taken on their case before we make more changes to the National Flood Insurance Program. That is what a vote in favor of this recommit would do. Simply put, it would delay the implementation of the bill until the FEMA Administrator and the DHS inspector general certified that all claims for Superstorm Sandy have been addressed.

In order to support Superstorm Sandy victims, I encourage my colleagues to vote in support of this recommit, because a "no" vote is a vote against the victims of Superstorm Sandy, no doubt about it, who, for 5 years have still not been made whole.

Mr. Speaker, I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I claim the time in opposition.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, first, I have some good news for my friend on the other side of the aisle. I would have him pay very careful attention to title VI of the 21st Century Flood Reform Act. It has everything to do with the whole Sandy appeals process. We have 25 pages of reforms dealing with what the gentleman was describing, including Section 601, Penalties for Fraud and False Statements in the National Flood Insurance Program.

And, indeed, after Sandy, many of the policyholders were wronged and there was much that we learned from that experience, and we tried to listen very carefully to a number of our colleagues from New Jersey and New York and, indeed, took many of the provisions which they have suggested.

□ 1630

The gentleman from New Jersey, indeed, has some very legitimate issues and concerns. Many of them, I hope and trust, have been addressed in this

bill. It is not too late. I would urge the gentleman to look at that title IV of the bill and perhaps he would be encouraged to support it.

Otherwise, Mr. Speaker, I must urge rejection of the motion to recommit because, as you heard from the gentleman from New Jersey, he says it is all about delay. We can't delay getting people out of harm's way. We can't delay getting people out of neighborhoods that have flooded four, five, six, seven times in the last 8 years.

For those who can't afford flood insurance, we can't delay getting them market alternatives, where, in the 2 percent of the market that exists today, particularly in Pennsylvania, there are people that are not just saving hundreds of dollars, Mr. Speaker, but even thousands of dollars. We can't delay.

We know that this is a program that is unsustainable. It is a bankrupt program that is being funded, regrettably, by a bankrupt nation. Taxpayers are on the hook for \$1.2 trillion and an annual deficit of \$1.5 billion of actuarial deficit a year.

This thing isn't just broke, Mr. Speaker, it is bailout broke. We can't delay. We can't delay trying to put this back on a path of sustainability so the next time we have a serious storm or superstorm, we want there to be funds available to actually pay claims.

So, no, Mr. Speaker, we cannot delay. We cannot delay, and we cannot continue to do what we have done in the past in these repetitive loss areas and have our hands unclean by putting people back in the exact same neighborhoods that haven't just caused the loss of their property, but one day may very well cost the loss of their lives. We cannot delay.

Mr. Speaker, I urge a rejection of the motion to recommit, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. PASCARELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on:

Passage of the bill, if ordered; and

Adoption of the conference report to accompany H.R. 2810.

The vote was taken by electronic device, and there were—yeas 190, nays 236, not voting 7, as follows:

[Roll No. 629]

YEAS—190

Adams	Bass	Beyer
Aguilar	Beatty	Bishop (GA)
Barragán	Bera	Blumenauer

Blunt Rochester	Gottheimer	O'Rourke
Bonamici	Green, Al	Pallone
Boyle, Brendan F.	Green, Gene	Panetta
Brady (PA)	Grijalva	Pascarell
Brown (MD)	Gutiérrez	Payne
Brownley (CA)	Hanabusa	Perlmutter
Bustos	Hastings	Peters
Butterfield	Heck	Peterson
Capuano	Higgins (NY)	Pingree
Carbajal	Himes	Polis
Cárdenas	Hoyer	Price (NC)
Carson (IN)	Huffman	Quigley
Cartwright	Jackson Lee	Raskin
Castor (FL)	Jayapal	Rice (NY)
Castro (TX)	Jeffries	Richmond
Chu, Judy	Johnson (GA)	Rosen
Cicilline	Johnson, E. B.	Roybal-Allard
Clark (MA)	Kaptur	Ruiz
Clarke (NY)	Keating	Ruppersberger
Clay	Kelly (IL)	Rush
Cleaver	Kennedy	Ryan (OH)
Clyburn	Khanna	Sánchez
Cohen	Kihuen	Sarbanes
Cohen	Kildee	Schakowsky
Connolly	Kilmer	Schiff
Conyers	Kind	Schneider
Cooper	Krishnamoorthi	Schrader
Correa	Kuster (NH)	Scott (VA)
Costa	Langevin	Scott, David
Courtney	Larsen (WA)	Serrano
Crist	Larson (CT)	Sewell (AL)
Crowley	Lawrence	Shea-Porter
Cuellar	Lawson (FL)	Sherman
Cummings	Lee	Sinema
Davis (CA)	Levin	Sires
Davis, Danny	Lewis (GA)	Slaughter
DeFazio	Lieu, Ted	Smith (WA)
DeGette	Lipinski	Soto
Delaney	Loeb	Speier
DeLauro	Loeb	Speizer
DeLencastre	Lofgren	Suozzi
Demings	Lowenthal	Swalwell (CA)
DeSaulnier	Lowe	Takano
Deutch	Lujan Grisham, M.	Thompson (CA)
Dingell	Luján, Ben Ray	Thompson (MS)
Doggett	Lynch	Titus
Doyle, Michael F.	Maloney, Sean	Tonko
Ellison	Matsui	Torres
Engel	McCormack	Tsongas
Eshoo	McEachin	Vargas
Española	McNerney	Veasey
Española	Meeke	Vela
Esty (CT)	Meng	Velázquez
Evans	Moore	Visclosky
Foster	Moulton	Walz
Frankel (FL)	Murphy (FL)	Wasserman
Fudge	Nadler	Schultz
Gabbard	Napolitano	Waters, Maxine
Gallego	Neal	Watson Coleman
Garamendi	Nolan	Welch
Gomez	Norcross	Wilson (FL)
Gonzalez (TX)	O'Halleran	Yarmuth

NAYS—236

Abraham	Cheney	Foxx
Aderholt	Coffman	Franks (AZ)
Allen	Cole	Frelinghuysen
Amash	Collins (GA)	Gaetz
Amodei	Collins (NY)	Gallagher
Arrington	Comer	Garrett
Babin	Comstock	Gianforte
Bacon	Conaway	Gibbs
Banks (IN)	Cook	Gohmert
Barletta	Costello (PA)	Goodlatte
Barr	Cramer	Gosar
Barton	Crawford	Gowdy
Bergman	Culberson	Granger
Biggs	Curbelo (FL)	Graves (GA)
Bilirakis	Curtis	Graves (LA)
Bishop (MI)	Davidson	Graves (MO)
Bishop (UT)	Davis, Rodney	Griffith
Black	Denham	Grothman
Blackburn	DeSantis	Guthrie
Blum	DesJarlais	Handel
Bost	Diaz-Balart	Harper
Brady (TX)	Donovan	Harris
Brat	Duffy	Hartzler
Brooks (AL)	Duncan (SC)	Hensarling
Brooks (IN)	Duncan (TN)	Herrera Beutler
Buchanan	Dunn	Hice, Jody B.
Buck	Emmer	Higgins (LA)
Bucshon	Estes (KS)	Hill
Budd	Farenthold	Amodei
Burgess	Faso	Biggs
Byrne	Ferguson	Arrington
Calvert	Fitzpatrick	Babin
Carter (GA)	Fleischmann	Bacon
Carter (TX)	Flores	Banks (IN)
Chabot	Fortenberry	Barletta
		Barr

Issa	Messer	Sensenbrenner
Jenkins (KS)	Mitchell	Sessions
Jenkins (WV)	Moolenaar	Shimkus
Johnson (LA)	Mooney (WV)	Shuster
Johnson (OH)	Mullin	Simpson
Jones	Newhouse	Smith (MO)
Jordan	Noem	Smith (NE)
Joyce (OH)	Norman	Smith (NJ)
Katko	Nunes	Smith (TX)
Kelly (MS)	Olson	Smucker
Kelly (PA)	Palazzo	Stefanik
King (IA)	Palmer	Stewart
King (NY)	Paulsen	Stivers
Kinziger	Pearce	Taylor
Knigh	Perry	Tenney
Kustoff (TN)	Pittenger	Thompson (PA)
Labrador	Poe (TX)	Thornberry
LaHood	Poliquin	Tiberi
LaMalfa	Posey	Tipton
Lamborn	Ratcliffe	Trott
Lance	Reed	Turner
Latta	Reichert	Upton
Lewis (MN)	Renacci	Valadao
LoBiondo	Rice (SC)	Wagner
Long	Roby	Walberg
Loudermilk	Roe (TN)	Walden
Love	Rogers (AL)	Walker
Lucas	Rogers (KY)	Walorski
Luetkemeyer	Rohrabacher	Walters, Mimi
MacArthur	Rokita	Weber (TX)
Marchant	Rooney, Francis	Webster (FL)
Marino	Rooney, Thomas J.	Wenstrup
Marshall	Ros-Lehtinen	Westerman
Massie	Roskam	Williams
Mast	Ross	Wilson (SC)
McCarthy	Rothfus	Wittman
McCaul	Rouzer	Womack
McClintock	Royce (CA)	Woodall
McHenry	Russell	Yoder
McKinley	Rutherford	Yoho
McMorris	Sanford	Young (AK)
Rodgers	Scalise	Young (IA)
McSally	Schweikert	Zeldin
Meadows	Scott, Austin	
Meehan		

NOT VOTING—7

Bridenstine	Maloney, J.	Pelosi
Dent	Carolyn B.	Pocan
Johnson, Sam	McGovern	

□ 1656

Mrs. HANDEL, Messrs. LEWIS of Minnesota, JORDAN, BERGMAN, and Mrs. BLACK changed their vote from "yea" to "nay."

Mr. CARBAJAL, Ms. SINEMA, Messrs. EVANS, DAVID SCOTT of Georgia, Ms. MOORE, Mr. MCNERNEY, Ms. MATSUI, and Mr. AL GREEN of Texas changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. HENSARLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 237, nays 189, not voting 7, as follows:

[Roll No. 630]

YEAS—237

Aderholt	Barton	Blumenauer
Allen	Bergman	Bost
Amodei	Biggs	Brady (TX)
Arrington	Bilirakis	Brat
Babin	Bishop (MI)	Brooks (AL)
Bacon	Bishop (UT)	Brooks (IN)
Banks (IN)	Black	Buchanan
Barletta	Blackburn	Buck
Barr	Blum	Bucshon

Budd	Hudson	Reichert	Hanabusa	Lujan Grisham,	Rush	Boyle, Brendan	Gowdy	Meadows
Burgess	Huffman	Renacci	Hastings	M.	Ryan (OH)	F.	Granger	Meehan
Byrne	Huizenga	Rice (SC)	Heck	Luján, Ben Ray	Sánchez	Brady (PA)	Graves (GA)	Meeks
Calvert	Hultgren	Roby	Higgins (NY)	Lynch	Sarbanes	Brady (TX)	Graves (LA)	Meng
Carter (GA)	Hunter	Roe (TN)	Himes	Maloney,	Schakowsky	Brat	Graves (MO)	Messer
Carter (TX)	Hurd	Rogers (AL)	Hoyer	Carolyn B.	Schiff	Brooks (AL)	Green, Al	Mitchell
Chabot	Issa	Rogers (KY)	Jackson Lee	Maloney, Sean	Schrader	Brooks (IN)	Green, Gene	Moollenaar
Cheney	Jenkins (KS)	Rohrabacher	Jayapal	Matsui	Scott (VA)	Brown (MD)	Grothman	Mooney (WV)
Clay	Jenkins (WV)	Rokita	Jeffries	McCollum	Scott, David	Brownley (CA)	Guthrie	Moulton
Coffman	Johnson (LA)	Rooney, Francis	Johnson (GA)	McNerney	Serrano	Buchanan	Hanabusa	Mullin
Cole	Johnson (OH)	Rooney, Thomas	Johnson, E. B.	Meeks	Sewell (AL)	Buck	Handel	Murphy (FL)
Collins (GA)	Jordan	J.	Jones	Meng	Shea-Porter	Bucshon	Harper	Neal
Collins (NY)	Joyce (OH)	Rosen	Kaptur	Mitchell	Sires	Budd	Harris	Newhouse
Comer	Katko	Roskam	Keating	Moore	Slaughter	Burgess	Hartzler	Noem
Comstock	Kelly (MS)	Ross	Kelly (IL)	Moulton	Smith (NJ)	Bustos	Hastings	Nolan
Conaway	Kelly (PA)	Rothfus	Kennedy	Murphy (FL)	Smith (WA)	Butterfield	Heck	Norcross
Cook	King (IA)	Rouzer	Nader	Soto	Soto	Byrne	Hensarling	Norman
Cooper	Kinzinger	Royce (CA)	Khanna	Speier	Speier	Calvert	Herrera Beutler	Nunes
Correa	Knight	Russell	Kihuen	Neal	Suozi	Carbajal	Hice, Jody B.	O'Halleran
Costello (PA)	Kustoff (TN)	Rutherford	Kildee	Norcross	Swalwell (CA)	Cárdenas	Higgins (LA)	O'Rourke
Cramer	Labrador	Sanford	Kind	O'Halleran	Takano	Carter (GA)	Higgins (NY)	Olson
Crawford	LaHood	Scalise	King (NY)	O'Rourke	Thompson (CA)	Carter (TX)	Hill	Palazzo
Culberson	LaMalfa	Schneider	Krishnamoorthi	Palazzo	Thompson (MS)	Cartwright	Himes	Palmer
Curtis	Lamborn	Schweikert	Kuster (NH)	Pallone	Tonko	Castor (FL)	Holding	Panetta
Davidson	Lance	Scott, Austin	Langevin	Panetta	Torres	Castro (TX)	Hollingsworth	Pascrell
Davis, Rodney	Latta	Sensenbrenner	Larsen (WA)	Pascrell	Tsongas	Chabot	Hoyer	Paulsen
Denham	Lewis (MN)	Sessions	Larson (CT)	Payne	Vargas	Cheney	Hudson	Pearce
DeSantis	Lipinski	Sherman	Larson (CT)	Perlmutter	Veasey	Ciicilline	Huizenga	Perlmutter
DesJarlais	Long	Shimkus	Lawson (FL)	Pingree	Vela	Clay	Hultgren	Perry
Doggett	Loudermilk	Shuster	Lee	Polis	Velázquez	Clyburn	Hunter	Peters
Duffy	Love	Simpson	Levin	Price (NC)	Visclosky	Coffman	Hurd	Peterson
Duncan (SC)	Lucas	Sinema	Lewis (GA)	Quigley	Walz	Cole	Issa	Pingree
Duncan (TN)	Luetkemeyer	Sinema	Lieu, Ted	Raskin	Wasserman	Collins (GA)	Jackson Lee	Pittenger
Dunn	MacArthur	Smith (MO)	Rice (NY)	Schultz	Schultz	Collins (NY)	Jenkins (KS)	Poe (TX)
Emmer	Marchant	Smith (NE)	LoBiondo	Richmond	Waters, Maxine	Comer	Jenkins (WV)	Poliquin
Estes (KS)	Marino	Smith (TX)	Loebsack	Ros-Lehtinen	Watson Coleman	Comstock	Johnson (LA)	Posey
Farenthold	Marshall	Smucker	Ros-Lehtinen	Roybal-Allard	Welch	Conaway	Johnson (OH)	Quigley
Faso	Massie	Stefanik	Ruiz	Roybal-Allard	Welch	Connolly	Johnson, E. B.	Ratcliffe
Ferguson	Mast	Stewart	Lowey	Ruppersberger	Yarmuth	Cook	Jordan	Reed
Fitzpatrick	McCarthy	Stivers				Cooper	Joyce (OH)	Reichert
Fleischmann	McCaul	Taylor				Correa	Kaptur	Renacci
Flores	McClintock	Tenney	Bridenstine	McEachin	Pocan	Costa	Katko	Rice (NY)
Fortenberry	McHenry	Thompson (PA)	Dent	McGovern		Costello (PA)	Keating	Rice (SC)
Fox	McKinley	Thornberry	Johnson, Sam	Pelosi		Courtney	Kelly (IL)	Richmond
Franks (AZ)	McMorris	Tiberi				Cramer	Kelly (MS)	Roby
Gaetz	Rodgers	Tipton				Crawford	Kelly (PA)	Roe (TN)
Gallagher	McSally	Titus				Crist	Kihuen	Rogers (AL)
Garrett	Meadows	Trott				Cuellar	Kilmer	Rogers (KY)
Gianforte	Meehan	Turner				Culberson	Kind	Rohrabacher
Gibbs	Messer	Upton				Cummings	King (IA)	Rokita
Gohmert	Moollenaar	Valadao				Curbelo (FL)	King (NY)	Rooney, Francis
Goodlatte	Mooney (WV)	Wagner				Curtis	Kinzinger	Rooney, Thomas
Gosar	Mullin	Walberg				Davis (CA)	Kinzie	
Gowdy	Newhouse	Walden				Davis, Rodney	Knight	J.
Granger	Noem	Walker				Delaney	Krishnamoorthi	Ros-Lehtinen
Graves (GA)	Nolan	Walorski				DeLauro	Kuster (NH)	Rosen
Graves (MO)	Norman	Walters, Mimi				DelBene	Kustoff (TN)	Roskam
Griffith	Nunes	Weber (TX)				Demings	LaHood	Ross
Grothman	Olson	Webster (FL)				Denham	LaMalfa	Rothfus
Guthrie	Palmer	Westerman				DeSantis	Lamborn	Rouzer
Handel	Paulsen	Westerman				DesJarlais	Lance	Roybal-Allard
Harper	Pearce	Williams				Deutch	Langevin	Royce (CA)
Harris	Peters	Wilson (SC)				Diaz-Balart	Larsen (WA)	Ruiz
Hartzler	Peters	Wittman				Dingell	Larson (CT)	Rush
Hensarling	Peterson	Womack				Diaz-Balart	Latta	Russell
Herrera Beutler	Pittenger	Woodall				Dingell	Lawrence	Rutherford
Hice, Jody B.	Poe (TX)	Yoder				Doggett	Lawson (FL)	Ryan (OH)
Higgins (LA)	Poliquin	Yoho				Donovan	Lewis (MN)	Sánchez
Hill	Posey	Young (AK)				Duffy	Lieu, Ted	Sanford
Holding	Ratcliffe	Young (IA)				Duncan (SC)	Lipinski	Sarbanes
Hollingsworth	Reed	Zeldin				Dunn	LoBiondo	Scalise

NOT VOTING—7

□ 1703

Mr. MARSHALL changed his vote from “nay” to “yea.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2810, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2018

The SPEAKER pro tempore. The unfinished business is the question on adoption of the conference report on the bill (H.R. 2810) to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the conference report.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 356, nays 70, not voting 7, as follows:

[Roll No. 631]
YEAS—356

Abraham	Chu, Judy	Diaz-Balart	Abraham	Banks (IN)	Bilirakis
Adams	Ciicilline	Dingell	Adams	Barletta	Bishop (GA)
Aguilar	Clark (MA)	Donovan	Aderholt	Barr	Bishop (MI)
Amash	Clarke (NY)	Doyle, Michael F.	Agullar	Barton	Bishop (UT)
Barragán	Cleaver	Ellison	Allen	Beatty	Black
Bass	Clyburn	Engel	Allen	Bera	Blackburn
Beatty	Cohen	Eshoo	Arrington	Bergman	Blum
Bera	Connolly	Espallat	Babin	Beyer	Blunt Rochester
Beyer	Conyers	Esty (CT)	Bacon	Biggs	Bost
Bishop (GA)	Costa	Evans			
Blunt Rochester	Courtney	Foster			
Bonamici	Crist	Frankel (FL)			
Boyle, Brendan F.	Crowley	Frelinghuysen			
Brady (PA)	Cuellar	Fudge			
Brown (MD)	Cummings	Gabbard			
Brownley (CA)	Curbelo (FL)	Gallago			
Bustos	Davis (CA)	Garamendi			
Butterfield	Davis, Danny	Gomez			
Capuano	DeGette	Gonzalez (TX)			
Carbajal	Delaney	Gottheimer			
Cárdenas	DelLauro	Graves (LA)			
Carson (IN)	DelBene	Green, Al			
Cartwright	Demings	Green, Gene			
Castor (FL)	DeSaulnier	Grijalva			
Castro (TX)	Deutch	Gutiérrez			

NAYS—189

Boyle, Brendan F.	Collins (GA)	Comer	Comstock	Conaway	Connolly	Cook	Cooper	Correa	Costa	Costello (PA)	Courtney	Cramer	Crawford	Crist	Cuellar	Culberson	Cummings	Curbelo (FL)	Curtis	Davis (CA)	Davis, Rodney	Delaney	DeLauro	DelBene	Demings	Deutch	Duffy	Duncan (SC)	Dunn	Emmer	Engel	Estes (KS)	Esty (CT)	Evans	Farenthold	Faso	Ferguson	Fitzpatrick	Fleischmann	Flores	Fortenberry	Foster	Fox	Frankel (FL)	Franks (AZ)	Frelinghuysen	Fudge	Gaetz	Gallagher	Gallago	Galego	Garamendi	Gianforte	Gibbs	Gohmert	Gonzalez (TX)	Goodlatte	Gosar	Gottheimer
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