

HR 5114

Flood Insurance Reform Priorities Act of 2010

Congress: 111 (2009–2011, Ended)

Chamber: House

Policy Area: Emergency Management

Introduced: Apr 22, 2010

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Jul 19, 2010)

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Jul 19, 2010)

Official Text: <https://www.congress.gov/bill/111th-congress/house-bill/5114>

Sponsor

Name: Rep. Waters, Maxine [D-CA-35]

Party: Democratic • **State:** CA • **Chamber:** House

Cosponsors (13 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Capps, Lois [D-CA-23]	D · CA		Apr 22, 2010
Rep. Cardoza, Dennis A. [D-CA-18]	D · CA		Apr 22, 2010
Rep. Costello, Jerry F. [D-IL-12]	D · IL		Apr 22, 2010
Rep. Frank, Barney [D-MA-4]	D · MA		Apr 22, 2010
Rep. Green, Al [D-TX-9]	D · TX		Apr 22, 2010
Rep. Hare, Phil [D-IL-17]	D · IL		Apr 22, 2010
Rep. Kanjorski, Paul E. [D-PA-11]	D · PA		Apr 22, 2010
Rep. Matsui, Doris O. [D-CA-5]	D · CA		Apr 22, 2010
Rep. Murphy, Patrick J. [D-PA-8]	D · PA		Apr 22, 2010
Rep. Sánchez, Linda T. [D-CA-39]	D · CA		Apr 22, 2010
Rep. Thompson, Bennie G. [D-MS-2]	D · MS		Apr 22, 2010
Rep. Sires, Albio [D-NJ-13]	D · NJ		May 18, 2010
Rep. Stark, Fortney Pete [D-CA-13]	D · CA		May 18, 2010

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Jul 19, 2010
Financial Services Committee	House	Reported By	May 26, 2010

Subjects & Policy Tags

Policy Area:

Emergency Management

Related Bills

Bill	Relationship	Last Action
111 HRES 1517	Procedurally related	Jul 15, 2010: Motion to reconsider laid on the table Agreed to without objection.

Flood Insurance Reform Priorities Act of 2010 - (Sec. 3) Amends the National Flood Insurance Act of 1968 (NFIA) to extend through FY2015 the National Flood Insurance Program and the Pilot Program for Mitigation of Severe Repetitive Loss Properties.

Repeals the termination date for (thus making permanent) the Pilot Program for Mitigation of Severe Repetitive Loss Properties.

(Sec. 4) Increases the maximum aggregate amount of insurance coverage: (1) from \$250,000 to \$335,000 for certain single- or multifamily dwelling residential structures; (2) from \$100,000 to \$135,000 for dwelling unit contents; and (3) from \$500,000 to \$670,000 for nonresidential properties.

Prescribes formulae for the maximum amount of insurance coverage for multi-unit, nonresidential rental properties containing more than one dwelling unit, including pre-Flood Insurance Rate Map (pre-FIRM) structures (structures neither constructed nor substantially improved after the later of December 31, 1974, or the effective date of the initial rate map published under NFIA for the area in which such a structure is located).

(Sec. 5) Provides a phase-in of actuarial rates for: (1) nonresidential properties, recently purchased pre-FIRM single-family properties used as principal residences, and non-primary residences; (2) severe repetitive loss properties; and (3) properties substantially damaged or substantially improved.

Requires the Administrator of the Federal Emergency Management Agency (FEMA) to increase the chargeable premium rates for such properties annually if they are less than the applicable estimated risk premium rate for the area in which the property is located.

(Sec. 6) Amends the Flood Disaster Protection Act of 1973 (FDPA) to delay, for a five-year period, the effective date for the mandatory purchase of flood insurance for certain new flood hazard areas not previously designated as having special flood hazards (with "100-year floodplains").

Makes the preferred risk rate method premium available for flood insurance coverage for properties located in such areas during such five-year time period.

Prohibits this Act from being construed as authorizing or requiring any payment or refund for flood insurance that covered any period during which it was not required for the property concerned.

(Sec. 7) Amends NFIA to set forth a five-year phase-in of flood insurance rates for newly mapped areas not previously designated as having special flood hazards.

(Sec. 8) Increases the annual limitation on premium increases from 10% to 20% of the average of the risk premium rates for properties within the risk classification upon the commencement of any 12-month period.

(Sec. 9) Makes any community that has made adequate progress on reconstruction or improvement of a flood protection system eligible for flood insurance premium rates not exceeding those which would be applicable if the flood protection system had been completed.

Directs FEMA to implement this Act in a manner that will not materially weaken the financial position of the national flood insurance program or increase the risk of financial liability to federal taxpayers.

(Sec. 10) Requires flood insurance coverage to be made available at a specified discount for a property that the FEMA Administrator determines is protected by a flood-protection system that does not provide protection against a 100-year frequency flood.

(Sec. 11) States that, upon completion of certain flood protection systems, a covered area: (1) shall not be considered as having special flood hazards; and (2) shall be eligible for flood insurance. Requires flood insurance rate maps to indicate, for each covered area, its status regarding special flood hazards and flood insurance eligibility.

(Sec. 12) Prohibits the extension of flood insurance coverage to any prospective insured at a rate less than the applicable estimated risk premium rates for the area (or subdivision) for any policy that has lapsed as a result of the policyholder's deliberate choice.

(Sec. 13) Amends FDPA to instruct FEMA to notify residents annually of: (1) the fact that they reside in an area having special flood hazards; (2) the mandatory purchase of flood insurance coverage of properties in such areas; and (3) a general estimate of what similar homeowners in similar areas typically pay for flood insurance coverage.

(Sec. 14) Directs the FEMA Administrator to submit to Congress a community outreach plan for updating floodplain areas and flood-risk zones.

(Sec. 15) Amends NFIA to require the FEMA Administrator to notify appropriate Members of Congress regarding each state and congressional district affected by a revision or update of a floodplain area or flood-risk zone, including other significant related action.

(Sec. 16) Amends NFIA to require each renewal or new contract for flood insurance coverage for a residential property to provide at least \$1,000 aggregate liability per dwelling unit for any necessary increases in living expenses incurred by the insured when losses from a flood make the residence unfit to live in. Limits such coverage to chargeable rates that are not less than the estimated premium rates.

Requires optional coverage for additional living expenses, in the case of residential property, and for business interruption, in the case of commercial or other residential property, including multifamily rental property, to be made available to every applicant and every insured upon renewal.

(Sec. 17) Waives the 30-day delay (waiting period) for the effective date of flood insurance contracts when the initial purchase of flood insurance coverage is connected with the purchase or other transfer of the property to be covered, regardless of whether a loan is involved in the purchase or transfer transaction. Limits such waiver, however, to instances when the initial purchase of coverage is made within 30 days after the purchase or other transfer of the property.

Revises the current waiver of the 30-day waiting period for the initial purchase of flood insurance coverage in connection with the making, increasing, extension, or renewal of a loan to limit it to instances when the purchase is made within 30 days after the loan transaction.

(Sec. 18) Sets forth minimum deductibles for claims for flood damage to pre-FIRM properties of: (1) \$1,500 for insurance coverage of \$100,000 or less; and (2) \$2,000 for coverage greater than \$100,000.

Sets minimum deductibles for claims on post-FIRM properties at: (1) \$750 for insurance coverage of \$100,000 or less; and (2) \$1,000 for coverage greater than \$100,000.

(Sec. 19) Requires certain flood insurance regulations to permit policyholders to pay insurance premiums on residential

properties in monthly installments.

(Sec. 20) Amends FDPA to require a lender or a servicer to terminate force-placed insurance within 15 days of confirmation of a borrower's existing flood insurance coverage.

(Sec. 21) Subjects lenders to civil monetary penalties for requiring, in connection with any loan, the purchase of flood insurance coverage under NFIA, or for purchasing such coverage, in an amount exceeding the minimum mandatory amount.

Increases from \$350 to \$2,000 the maximum civil monetary penalty per violation against a regulated lending institution or enterprise. Increases from \$100,000 to \$1 million the total amount of such penalties assessed against any single regulated lending institution or enterprise during any calendar year, unless the total of such penalties in any three (or more) of the immediately preceding five calendar years was \$1 million (in which case there is no limit).

Prohibits imposition of any civil penalty on a regulated lending institution or enterprise that has made a good faith effort to comply with FDPA requirements or for any non-material violation of such requirements.

(Sec. 22) Amends NFIA to require the FEMA Administrator, upon entering into a flood insurance contract, to disclose to a tenant: (1) whether the property is located in an area having special flood hazards; (2) that flood insurance coverage is available under the national flood insurance program for contents of the unit or structure leased by the tenant; (3) the maximum amount of contents coverage; and (4) where to obtain information regarding such coverage, including a telephone number, mailing address, and Internet site of the FEMA Administrator where such information is available.

(Sec. 23) Authorizes the FEMA Administrator to make direct grants for mitigation actions to owners of repetitive claims properties for which two or more claim payments for losses have been made under the flood insurance coverage.

(Sec. 24) Authorizes the FEMA Administrator to make grants to local governmental agencies responsible for floodplain management activities in communities that participate in the national flood insurance program to implement outreach activities that encourage the purchase of flood insurance protection, including coordination with real estate agents to facilitate purchase of coverage and to increase awareness of flood risk reduction.

Requires a grantee agency to report to FEMA, and the FEMA Administrator to report annually to Congress, on the effect of its activities upon the retention or acquisition of flood insurance coverage.

Authorizes appropriations for FY2011-FY2015.

(Sec. 25) States that certain swimming pool enclosures do not affect coverage or the ability to receive coverage if the pool is enclosed with non-supporting breakaway walls.

(Sec. 26) Prescribes requirements for Write-Your-Own Insurers, including a prohibition against excluding wind damage coverage from windstorm insurance solely because flooding has also contributed to damage to the insured property.

(Sec. 27) Amends the Real Estate Settlement Procedures Act of 1974 (RESPA) with respect to special information booklets on real estate settlement services prepared by the Secretary of Housing and Urban Development (HUD) for lenders to give persons borrowing money to finance the purchase of residential real estate.

Requires each good faith estimate a lender must include with the booklet to state conspicuously: (1) that flood insurance coverage for residential real estate is available under the national flood insurance program whether or not the real estate

is located in an area having special flood hazards, and that a home owner or purchaser should contact the national flood insurance program to obtain such coverage; (2) a telephone number and an Internet location by which a home owner or purchaser can contact the national flood insurance program; and (3) that the escrowing of flood insurance payments is a requirement for many loans, and may be a convenient and available option with respect to other loans.

(Sec. 28) Authorizes the FEMA Administrator to employ additional staff, including for the national flood insurance program.

(Sec. 29) Directs HUD and FEMA to develop and implement jointly a plan to verify that persons receiving certain funds under the Homeowner Grant Assistance Program of the state of Mississippi, or the Road Home Program of the state of Louisiana from specified allocations are maintaining flood insurance on the property for which they receive such funds.

(Sec. 30) Amends NFIA to establish the Office of the Flood Insurance Advocate and to enumerate Office functions, including: (1) assisting insureds under the national flood insurance program in resolving problems with FEMA; (2) assisting communities and homeowners with interpreting, implementing, and appealing floodplain maps and floodplain map determinations; and (3) reporting annually to Congress.

(Sec. 31) Requires the FEMA Administrator to: (1) reexamine the designation of any areas bordering or abutting an area redesignated, after a map revision, as not having special flood hazards if those other areas are located within a special flood hazard area; and (2) inform the pertinent communities and residents of the results of such reexamination.

(Sec. 32) Requires the FEMA Administrator to update floodplain areas, flood risk zones, and attendant flood insurance maps for areas protected by an improved levee system in order to make inapplicable to such areas the mandatory purchase of flood insurance.

(Sec. 33) Requires the FEMA Administrator to notify local television and radio stations of certain proposed flood elevation determinations for any area in a community that has not, as of the date of the enactment of this Act, been issued a Letter of Final Determination under the flood insurance map modernization process.

(Sec. 34) Makes eligible for flood mitigation assistance the demolition and rebuilding of properties to at least base flood elevation or greater, if required by any local ordinance.

Expresses the sense of Congress that the FEMA Administrator is authorized to consider property demolition and rebuilding as eligible activities under the Flood Mitigation Assistance Program.

(Sec. 35) Directs the Comptroller General to study and report to Congress on: (1) the impact, effectiveness, feasibility, and basis under the Constitution for amending FDPA to extend mandatory flood insurance coverage purchase requirements to property located in any area having special flood hazards and which secures repayments of certain loans; and (2) methods, practices, and incentives that would increase the extent to which low-income families, and families residing in rural communities or on Indian reservations, who own residential properties located within special flood hazard areas would purchase flood insurance coverage under the national flood insurance program.

(Sec. 37) Directs FEMA to study and report to Congress on the impact, effectiveness, and feasibility of amending NFIA to include widely used and nationally recognized building codes as part of the floodplain management criteria.

(Sec. 38) Requires FEMA to study and report to Congress on: (1) a plan to repay certain flood insurance debt within 10 years, including amounts previously borrowed but not yet repaid; (2) the impacts of the National Flood Insurance Program on harbor areas that are working waterfronts; and (3) the impacts upon the financial soundness of the national

flood insurance program of significant flooding events and subsequent revisions of hazard modeling and mapping since January 1, 2000.

(Sec. 41) Directs the Comptroller General to study and report to Congress on the impact of implementing provisions regarding pre-FIRM properties, including the impact on the program participation rate among owners, renters, and tenants of nonprimary residences or commercial nonresidential properties.

(Sec. 42) Directs the FEMA Administrator to: (1) study and report to Congress on the impacts of this Act upon the financial soundness of the national flood insurance program; and (2) issue an interim final rule to implement the amendments made by this Act within 18 months after the date of the enactment, or report monthly on the status of the rulemakings and the reasons for noncompliance with the statutory deadlines.

(Sec. 43) Directs the FEMA Administrator to reimburse certain property owners for costs incurred in obtaining letters of map amendment.

(Sec. 45) Directs the Comptroller General to study and report to Congress on: (1) ways that the private insurance market can contribute to insuring against flood damage; (2) the impact on the National Flood Insurance Program if communities decide not to participate in the Program; and (3) the feasibility of regionalizing the National Flood Insurance Program and ensuring that there is no cross-subsidization between regions under such Program.

(Sec. 46) Requires that all funds authorized under this Act, or any of its amendments, be expended in a manner consistent with the manual on Standards of Ethical Conduct for Employees of the Executive Branch.

Actions Timeline

- **Jul 19, 2010:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Jul 15, 2010:** Rule H. Res. 1517 passed House.
- **Jul 15, 2010:** Considered under the provisions of rule H. Res. 1517. (consideration: CR H5626-5656)
- **Jul 15, 2010:** Rule provides for consideration of H.R. 5114 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill.
- **Jul 15, 2010:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 1517 and Rule XVIII.
- **Jul 15, 2010:** The Speaker designated the Honorable Ed Pastor to act as Chairman of the Committee.
- **Jul 15, 2010:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 5114.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 20 minutes of debate on the Waters amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Putnam amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Driehaus amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Flake amendment.
- **Jul 15, 2010:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Flake amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Ms. Waters demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Taylor amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Miller (MI) amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Boswell amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Hill amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Loebssack amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the McMahon amendment.
- **Jul 15, 2010:** DEBATE - Pursuant to the provisions of H.Res. 1517, the Committee of the Whole proceeded with 10 minutes of debate on the Murphy (NY) amendment.
- **Jul 15, 2010:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Murphy (NY) amendment, the Chair put the question on adoption of the amendment and by voice vote, announced that the ayes had prevailed. Mr. Murphy (NY) demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Jul 15, 2010:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 5114.
- **Jul 15, 2010:** The previous question was ordered pursuant to the rule. (consideration: CR H5653)
- **Jul 15, 2010:** The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union. (text: CR H5636-5641)
- **Jul 15, 2010:** Mr. Hensarling moved to recommit with instructions to Financial Services. (consideration: CR H5653-5655; text: CR H5654)
- **Jul 15, 2010:** DEBATE - The House proceeded with 10 minutes of debate on the Hensarling motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with an

amendment striking section 18 (relating to flood insurance outreach).

- **Jul 15, 2010:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H5654)
- **Jul 15, 2010:** On motion to recommit with instructions Failed by recorded vote: 191 - 229 (Roll no. 446).
- **Jul 15, 2010:** Passed/agreed to in House: On passage Passed by recorded vote: 329 - 90 (Roll no. 447).
- **Jul 15, 2010:** On passage Passed by recorded vote: 329 - 90 (Roll no. 447).
- **Jul 15, 2010:** Motion to reconsider laid on the table Agreed to without objection.
- **Jul 15, 2010:** The Clerk was authorized to correct section numbers, punctuation, and cross references, and to make other necessary technical and conforming corrections in the engrossment of H.R. 5114.
- **Jul 14, 2010:** Rules Committee Resolution H. Res. 1517 Reported to House. Rule provides for consideration of H.R. 5114 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill.
- **May 26, 2010:** Reported (Amended) by the Committee on Financial Services. H. Rept. 111-495.
- **May 26, 2010:** Placed on the Union Calendar, Calendar No. 282.
- **Apr 27, 2010:** Committee Consideration and Mark-up Session Held.
- **Apr 27, 2010:** Ordered to be Reported (Amended) by Voice Vote.
- **Apr 22, 2010:** Introduced in House
- **Apr 22, 2010:** Referred to the House Committee on Financial Services.