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Side-by-Side Comparison of Flood Insurance Reform Legislation in the 110th Congress

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Summary

In 1968, Congress established the National Flood Insurance Program (NFIP) in response to severe flooding following a series of hurricanes in 1963, 1964, and 1965. The key policy objectives of the NFIP were threefold: (1) reduce the nation's flood risk through floodplain management; (2) improve flood hazard data and risk assessment by mapping the nation's floodplains; and (3) make affordable flood insurance widely available in communities that adopt and enforce measures to make future construction safer from flooding. Fiscally, the program had been self-supporting from the mid-1980s until the 2005 hurricanes. These storms exposed serious weaknesses, which Congress is attempting to address in an effort to return the NFIP to financial soundness.

In the aftermath of the 2005 hurricanes, the NFIP faces unprecedented financial and regulatory strains. The program had to borrow $17.535 billion from the U.S. Treasury in order to pay claims and expenses. Those concerned about program challenges in the wake of the 2005 storms cite the increasing need to borrow from the U.S. Treasury, substantial premium discounts or cross-subsidies among classes of policyholders, outdated flood insurance rate maps, allegations of uneven compliance with mandatory purchase requirements, and questions as to the performance and efficiency of private insurers operating under the NFIP's Write Your Own program.

Policymakers are now examining ways to strengthen the NFIP. On July 19, 2007, Representative Maxine Waters introduced H.R. 3121 to restore the financial solvency of the national flood insurance program. Chairman Barney Frank had introduced H.R. 1682, an earlier version of H.R. 3121, on March 26, 2007. H.R. 3121 is designed to make the program satisfy traditional criteria for actuarial soundness by phasing in actuarial premiums for owners of certain commercial properties and some residential properties that are not the owners' primary residence. H.R. 3121 would also (1) increase the program's borrowing authority to $21.5 billion from $20.8 billion, (2) raise civil penalties on federally regulated lenders who fail to enforce mandatory purchase of flood insurance for mortgage holders, (3) increase program participation incentives, (4) add coverage for wind as well as water damage, and (5) encourage revisions to flood maps. The bill passed the full House on September 27, 2007. On November 1, 2007, Senator Christopher Dodd introduced S. 2284, a flood insurance reform bill designed to increase the amount of premiums collected to reduce the cost of expected claims under the NFIP. S. 2284 is substantially similar to H.R. 3121, except that the Senate legislation would forgive the program's outstanding debt to the Treasury. Some stakeholder groups have expressed concerns about making abrupt changes to the NFIP, particularly phasing out the subsidized premiums. They point to a need for flood insurance reform but say changes should be made in the broader context of program reauthorization. NFIP authority expires September 30, 2008.

This report will be updated as events warrant.

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Background

In 1968, Congress established the National Flood Insurance Program (NFIP) in response to rising flood losses and as an alternative to ad hoc federal disaster assistance. The NFIP's insurance operation was self-supporting from the mid-1980s until the 2005 hurricane season when Hurricanes Katrina, Rita, and Wilma exposed serious flaws in the program. The 2005 Gulf Coast hurricanes were catastrophic disasters that required an estimated $19.28 billion in claims payouts under the NFIP. The program now faces unprecedented financial and regulatory challenges and a $17.535 billion debt owed to the U.S. Treasury.

Congress is concerned about the financial challenges facing the NFIP and the need to reauthorize the program before September 30, 2008. An important aspect of the financial challenges facing the program involves the rebuilding of the Gulf Coast region and the adequacy of the NFIP to meet the future commercial and multifamily real estate mortgage financial needs of all other communities. Without federal flood insurance, for example, lenders will often not be able to sell mortgages in coastal areas and other regions prone to flooding. Without a reliable and uninterrupted source of affordable flood insurance, mortgage credit and home ownership would be more expensive.

The NFIP's financial status has prompted policymakers to focus on the strengths and weaknesses of the NFIP in managing and financing the nation's flood risk. Those concerned about program weaknesses typically cite the increasing need to borrow from the U.S. Treasury, substantial premium cross-subsidies among classes of policyholders, outdated flood insurance rate maps, allegations of uneven compliance with mandatory purchase requirements, and questions as to the performance and efficiency of the Write Your Own program.

Legislative efforts are now underway in Congress to reform the NFIP. On March 26, 2007, Representative Barney Frank introduced H.R. 1682, the Flood Insurance Reform and Modernization Act of 2007, in order to restore the financial solvency of the national flood insurance program. On July 19, 2007, Representative Maxine Waters introduced H.R. 3121 — a bill that is substantially similar to H.R. 1682. H.R. 3121 added two new sections to allow for the purchase of optional insurance that would cover flood and windstorm losses and to extend the NFIP five years through September 30, 2013. Section 4 of the bill was modified to reflect minor changes of the phase-in of actuarial rates beginning on January 1, 2011. On November 1, 2007, Senator Dodd introduced S. 2284, a flood insurance reform bill designed to increase the amount of premiums collected and reduce the cost of expected claims. S. 2284 would also forgive the program's outstanding debt to the Treasury.

Summary of H.R. 3121 and S. 2284

In the first session of the 110th Congress, the House passed major flood insurance reform legislation. The Senate has yet to pass a different bill that was approved by the Senate Banking Committee. The House passed H.R. 3121 on September 27, 2007. The Senate Banking Committee approved S. 2284 on November 1, 2007.

H.R. 3121 is substantially similar to S. 2284 in that they would both modify the NFIP to bring more consumers into the system and gradually phase out premium subsidies currently available for structures built prior to the mapping and implementation of NFIP floodplain management requirements — the so-called Pre-Flood Insurance Rate Maps (Pre-FIRM) structures.[1] The bills would achieve this outcome in different ways. Specifically, H.R. 3121 would (1) increase the NFIP's borrowing authority from the U.S. Treasury from $20.775 billion to $21.5 billion; (2) phase out subsidized premiums for some policyholders; (3) require FEMA for the first time to map the nation's 500-year floodplain and areas that would be flooded if a dam or levee failed; (4) notify borrowers of requirements making flood insurance potentially available to all homeowners, and not just to those in the 100-year floodplain, as part of the Real Estate Settlement Procedures Act (RESPA) process; (5) provide for the purchase of optional insurance coverage for wind as well as water damage; and (6) extend the NFIP five years through September 30, 2013.

S. 2284 like H.R. 3121 would phase out the premium subsidies on pre-FIRM properties, requires mapping the 500-year floodplain and areas behind levees, requires notifying borrowers of the availability of flood insurance, and extend the program through fiscal 2013. The Senate bill, however, would forgive the debt owed to the Treasury and establish a reserve fund to pay extraordinary future claims. Importantly, S. 2284 would continue to exclude coverage for wind damage.

Table 1 provides a side-by-side comparison of key provisions in H.R. 3121 and S. 2284.

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[1] Pre-FIRM buildings pay heavily discounted rates on the first $35,000 of their structure's insured value, and full risk-based premium rates for the remaining insured value.

Table 1. Side-by-Side Comparison of Flood Insurance Reform Legislation: H.R. 3121 and S. 2284

Provision	H.R. 3121 (Waters) (Passed House 9/27/07)	S. 2284 (Reported by Senate Banking Committee 11/1/07)
Title	Flood Insurance Reform and Modernization Act of 2007	Flood Insurance Reform and Modernization Act of 2007
Purpose	To protect the integrity of the NFIP by fully funding existing legal obligations and increasing (1) incentives for homeowners and communities to participate in the program and (2) awareness of both flood risks and the quality of information regarding such risks. (Sec. 2)	To address the program's debt to the U.S. Treasury and strengthen its solvency to ensure it can pay future claims. (Sec. 2)
Program Extension	Would reauthorize the NFIP five years through September 30, 2013. (Sec. 27)	Same as H.R. 3121. (Sec. 4)
Reform of Premium Rate Structure		
Phase-In of Actuarial Rates for Certain Pre-FIRM Properties	Would require the Administrator of FEMA (FEMA) to phase-in actuarial rates for nonresidential (commercial) pre-Flood Insurance Rate Map (FIRM) properties and pre-FIRM properties that are not the primary residence of either the owner or a tenant by January 1, 2011. FEMA would be authorized to assess an additional 15% on top of routine annual rate increases for those properties until the actuarial rate is achieved. Specifies that the aggregate increase in chargeable premium rates during any 12-month period, however, may not exceed 20% for non-residential properties and 25% for non-primary residences. (Sec. 4)	Would authorize the NFIP to impose annual average rate increases of up to 25% on certain properties — i.e.,non-residential structures, non-primary residences, severe repetitive loss properties, properties that undergo improvements or renovations exceeding 30% of the fair market value of the property, and any property that sustains damage exceeding 50% of the fair market value of the property after enactment of the bill — that were built before FIRMs were completed or before 1975, whichever is later. (Sec. 6)
Recently Purchased Pre-FIRM Properties	Would require phase-in of actuarial rates on newly purchased pre-FIRM properties using the same phase-in structure that nonresidential and non-primary homes would be subject to under the legislation. (Sec. 4)	Would require actuarial assessed rates on all new flood insurance policies, as of the date of enactment of this Act, or any policy that lapses as a result of the deliberate choice of the holder of such policy for a property not covered by a flood insurance policy. (Sec. 6)
Minimum Annual Deductibles for Pre-FIRM Properties	No similar provision.	Would increase the annual deductible from $1,000 to $1,500 for pre-FIRM properties with coverage of less than $100,000, and from $1,000 to $2,000 for pre-FIRM properties with coverage of more than $100,000. Minimum post-FIRM property deductibles will increase from $500 to $750 for coverage greater than $100,000 and from $500 to $1,000 for coverage greater than $100,000. (Sec. 13)

5-Year Discount of Flood Insurance Rates for Properties in Formerly Protected Areas	Would clarify that people forced to purchase flood insurance as a result of new flood insurance rate maps who have lived in an area where the levees were previously certified, and have now been decertified, will receive a grace period of five years in which they will be entitled to a 50% reduction in insurance premiums while the levees are being recertified. (Sec. 22)	No similar provision.
Phase-In of Premium for Newly Covered Properties	Would require NFIP to provide a 5-year phase-in of flood insurance premiums for low-income homeowners or renters whose primary residence is placed within a floodplain through an updating of the flood insurance program maps if the value of the home does not exceed 75% of the state median home value. (Sec. 22)	Would require that properties mapped into the 100-year flood plain must pay rates reflecting their new risk designation. Properties covered by flood insurance at the time of remapping will have the new rates phased in over 2 years. The practical application of this provision would be a prohibition against FEMA's current practice of allowing properties that are mapped into the 100-year flood plain to indefinitely pay rates that reflect their old risk level. (Sec. 8)
Considerations in Determining Chargeable Premium	No similar provision.	Would require NFIP to use actuarial principles in determining rates, and to consider catastrophic loss years in the calculation of average losses. This would be a change from the current setting of premiums to cover losses during an historical average loss year. (Sec. 14)
	Purchase Incentives	
Expansion of Mandatory Coverage Requirement to State Chartered Financial Institution	Would require the Government Accountability Office (GAO) to conduct a study of the impact of amending the Flood Disaster Protection Act of 1973 to extend NFIP's mandatory purchase requirements to properties in special flood hazard areas (SFHA) that are covered by a mortgage loan issued by a non-federally regulated lending institution. (Sec. 3)	Would mandate that the NFIP refrain from selling flood insurance policies in states that do not require state-chartered lenders to ensure that certain loans are covered by flood insurance at certain levels. This requirement already exists for lenders insured by the Federal Deposit Insurance Corporation. (Sec. 9)
Grants for Outreach to Property Owners and Renters	Would authorize $50 million for each of fiscal years 2008 through 2012 for FEMA to make grants to local government agencies for outreach activities designed to encourage and facilitate the purchase of flood insurance. Local governments would use the grants to notify owners and renters about SFHA and the mandatory purchase requirement, and educate such owners and renters regarding the flood risk and the benefits and costs of maintaining or acquiring flood insurance. FEMA shall submit a report to Congress identifying and describing the marketing and outreach efforts under the NFIP. (Sec. 15)	Would authorize the appropriation of $250 million over the 2008-2012 period for grants to communities participating in the NFIP to conduct educational and outreach activities to encourage the purchase of flood insurance, and to raise the awareness of the flood risk and measures that can be taken to mitigate future flood damages. (Sec. 15)
Notification to Tenants of Availability of Contents	Would require tenants to be notified of the availability of contents insurance and where to obtain coverage. (Sec. 10)	No similar provision.

Insurance		
Notice of Flood Insurance Availability and Escrow in in RESPA Good Faith Estimate	Would amend Section 5(b) of the Real Estate Settlement Procedures Act of 1974 (RESPA) to create a new notice provision to ensure that individuals who purchase homes in areas of elevated flood risk (whether or not the property is located in a special flood hazard area) are made aware of the risk and given an opportunity to purchase flood insurance. Clarifies that the disclosure state that flood insurance is available whether or not a property is in a flood zone. Would require that lending institutions place flood insurance payments into an escrow account on behalf of the borrower. The requirement would apply to any mortgage outstanding or entered into on or after the expiration of the 2-year period beginning on the date of enactment of legislation. (Sec. 20)	Same as H.R. 3121. (Sec. 11)
Civil Penalties for Lending Institutions	Would increase the civil penalty from $350 to $2,000 for lenders that do not enforce the mandatory flood insurance purchasing requirements. The annual cap on fines that can be levied against a lender would increase from $100,000 to $1,000,000. Would also add a "safe harbor" provision to protect mortgage lenders from "technical noncompliance" with flood insurance requirements and "unintended clerical errors" by stating that no penalties may be imposed on lenders who make good faith efforts to comply with the requirements. The $1 million cap would not apply to regulated lending institutions during a calendar year if, in any three of the five calendar years immediately preceding that calendar year, the institution was assessed a penalty of $1 million. (Sec. 6)	Would increase the civil penalty from $350 to $2,000 for lenders that do not enforce the mandatory flood insurance purchasing requirement. Would eliminate the current $100,000 annual cap on fines that can be levied against a lender. (Sec. 10)
Study of Economic Effects of Charging Actuarially-Based Premium Rates for Pre-FIRM Structures	Would direct FEMA to study and report to Congress on the economic effects of charging full actuarial risk premiums on non-primary residence and non-residential pre-FIRM structures. (Sec. 29)	No similar provision.
Coverage		
Maximum Coverage Limits	Would increase coverage limits from $250,000 (structure) and $100,000 (contents) to $335,000 (structure) and $135,000 (contents) for any single-family dwelling and from $500,000 to $670,000 for structures and related contents of nonresidential properties. (Sec. 8)	No similar provision.
Mandatory Coverage Areas	Would require the GAO to study the regulatory, financial, and economic feasibility (i.e., costs of home-ownership, actuarial soundness of program, lender compliance) of expanding the standard for mandatory flood insurance purchase requirement to include properties in areas of residual risk that would flood	Would require that homes located behind levees, dams, and other man-made structures become part of special flood hazard areas (SFHA) and require property owners in these "residual risk" areas to purchase flood insurance once the NFIP updates its flood maps to include those new areas. (Sec. 7)

	if not for the presence of structural flood control measures such as levees, floodwalls, and dams. (Sec. 3(a)(2))	
Availability of Insurance for Multifamily Properties	No similar provision.	Would allow residential properties of more than four units to purchase flood insurance up to the commercial coverage limits, currently $500,000 for the structure. (Sec. 5)
Waiting Period for Effective Date of Policies	Would make coverage immediately effective if a policy is purchased within 30 days of the purchase or transfer of a property. (Sec. 5)	No similar provision.
New Lines of Coverage	Would provide optional coverage for: (1) additional living expenses following a flood loss when the residence is unfit to live in, (2) residential basement improvements (i.e., crawl spaces and other enclosed areas under buildings), (3) business interruption for commercial property, and (4) full replacement cost of the contents of properties. New benefits would be made available only at time of renewal or issuance of a new contract, and only at actuarial rates. (Sec. 9)	No similar provision.
Extension of Pilot Program of Mitigation of Severe Repetitive Loss Properties	Would extend for three years the authorization of appropriations ($40 million a year from the National Flood Insurance Fund) for the mitigation pilot program that funds preventive measures for severe repetitive loss properties (SRLP). SRLPs are defined as those that sustain four or more losses totaling more than $20,000, or two or more losses that cumulatively exceed the value of the property. (Sec. 17)	Would authorize the appropriation of $240 million and extend the severe repetitive loss property pilot program through 2013. (Sec. 30)
Payment of claims to Condominium Owners	Would prohibit FEMA from enforcing penalties assessed against individual condominium owners where the condominium association is underinsured. (Sec. 30)	Same as H.R. 3121. (Sec. 17)
Clarification of Replacement Cost Provisions, Forms, and Policy Language	Would require the Administrator of FEMA to: (1) issue regulations to clarify the applicability of replacement cost coverage for contents in the Standard Flood Insurance Policy; (2) revise any regulations, forms, notices, guidance, and publications to more clearly describe the meaning of full cost of repair or replacement under the replacement cost coverage; and (3) revise the language in flood insurance policies regarding rating and coverage, such as classification of buildings, basements, crawl spaces, detached garages, enclosures below elevated buildings, and replacement cost, to make flood policy provisions consistent with language used widely in homeowners policies. (Sec. 24)	No similar provision.
Financial/Borrowing Authority		

Reserve Fund	No similar provision.	Would establish in the Treasury the National Flood Insurance Reserve Fund to meet the expected future obligations of the NFIP in higher-than-average loss years. The Fund would be capitalized in an amount equal to 1% of the sum of the total potential loss exposure of all outstanding flood insurance policies in force in the prior fiscal year. FEMA will be required to set aside an amount equal to 7.5% of the required reserve in each year until the fund is fully capitalized. Specifies that FEMA could not increase premiums more than otherwise allowable for purposes of capitalizing the fund. (Sec. 15)
Borrowing Authority Limits	Would increase the NFIP Treasury borrowing authority from $20.775 billion to $21.5 billion. (Sec. 12(a))	Would decrease the borrowing authority for the NFIP from $20.775 to $1.5 billion. (Sec. 12)
Borrowing Authority Debt Forgiveness	No similar provision.	Would eliminate any obligations owed to the U.S. Treasury by the NFIP to the extent such borrowed sums were used to fund the payment of claims resulting from the hurricanes of 2005. (Sec.12)
Repayment Plan for Borrowing Authority	Would require FEMA to submit a report to Congress that includes a plan for repaying borrowed funds within 10 years. (Sec. 12)	Would require FEMA to submit to Treasury and Congress a detailed report of losses incurred under the NFIP and repayment plan whenever the NFIP has to borrow from the Treasury. (Sec. 16)
FEMA Annual Report on Insurance Program	Would require FEMA to submit an annual report to Congress on the financial status of the program. The repot would include information on the current and projected levels of claims, premium receipts, expenses, and Treasury borrowing under the program. (Sec. 14)	Would direct the GAO to conduct a study and report to Congress on the financial activities of the NFIP.
Additional NFIP Staff	Would authorize to be appropriated such sums of money as may be necessary for the NFIP to hire additional staff to implement the provisions of this Act. (Sec. 25)	No similar provision.
Mitigation		
Flood Mitigation Assistance Program	Would eliminate the limitation on aggregate amount of assistance and allow for the use of Flood Mitigation Assistance (FMA) funds to demolish and rebuild damaged property. (Sec. 18)	No similar provision.
Mitigation Grants for Individual Repetitive Claims Properties	Would direct FEMA to provide grants to individual owners of repetitive loss properties in communities that do not participate in the NFIP. These communities might not participate because they have withdrawn from the NFIP or the community cannot meet the federal requirements for qualifying for FEMA funding. (Sec. 16)	No similar provision.

Verification and Maintenance of Flood Insurance on Homeowner Assistance Grants in Mississippi and Road Home Grants in Louisiana	Would direct FEMA to develop a plan to verify that the recipients of Homeowner Assistance Grants in Mississippi and Road Home Grants in Louisiana, funded by Department of Housing and Urban Development Community Development Block Grants, maintain flood insurance on their properties as required as a condition of receiving the grants. (Sec. 32)	No similar provision.
Extension of Pilot Program for Mitigation of Severe Repetitive Loss Properties	Would authorize an extension of the pilot program for mitigation of severe repetitive loss properties from FY2008 through 2012. (Sec. 17)	Same as H.R. 3121. (Sec. 30)
Claims		
Administrative Expense of Write-Your-Own Insurance Companies	Would require Write-Your-Own (WYO) companies to submit to FEMA an annual report of all administrative and operational costs of the program, along with a biennial independent audit conducted by a certified public accountant. Would require FEMA review of the records and audits to determine if such payments are reasonable. (Sec. 31)	Would require FEMA to develop a data collection methodology to gather expense information from WYO company to allow FEMA to collect consistent information on the expenses of WYO companies. Would require WYO companies to submit 5 years of data based on that methodology. FEMA will then be required to evaluate the expense of WYO companies to ensure that they are being reimbursed based on actual expenses. GAO would be required to report to Congress on the expenses of the WYO program. (Sec. 29)
FEMA Participation in State-Sponsored Disaster Claims Mediation Programs	Would permit state insurance commissioners to submit a request to the Director of FEMA to have the agency participate in state-sponsored non-binding mediation of catastrophe-related insurance claims that may result in flood damage claims under the NFIP. All statements made and documents produced during the mediation would be deemed privileged and confidential settlement negotiations made in anticipation of litigation. Participation in the mediation would not affect or expand the liability or rights or obligations of any party in contract. FEMA would not be required to pay additional mediation fees. (Sec. 13)	Same as H.R. 3121. (Sec. 26)
Reiteration of FEMA Responsibility Under the 2004 Reform Act	Under the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (P.L. 108-264; 118 Stat. 712), would direct FEMA to establish an appeals process that policyholders can use to resolve decisions of the Administrator relating to claims, proofs of loss, and loss estimates. Would require the Administrator to continue to work with the insurance industry, state insurance regulators, and other interested parties to implement previously developed minimum	Would reiterate the responsibility of FEMA under the 2004 Act to establish minimum training requirements, and require that FEMA report to Congress within three months on the status of all reforms (Sec. 27)

	training and education standards for all insurance agents who sell flood insurance policies. (Sec. 21) Would require the Administrator to submit a report to Congress within six months describing FEMA's implementation of provisions in the Reform Act of 2004. (Sec. 21)	
Extension of Deadline for Filing Proof of Loss	Would extend to 180 days the period of time policyholders have to file proof of loss of property. (Sec. 26)	No similar provision

Multiple Peril Coverage for Flood and Windstorm Losses		
Multiple Peril Coverage for Flood and Windstorm	Amends Section 1304 of the National Flood Insurance Act of 1968 to enable the purchase of optional insurance against both flood and windstorm losses. Requires communities that participate in the NFIP to adopt adequate criteria for land management and use. Also amends Section 1361 of the 1968 Act to authorize the Administrator to conduct a study and investigation to determine appropriate measures (e.g., laws, regulations, and ordinance relating) that could be adopted in windstorm-prone areas with respect to windstorm risks, zoning building codes, building permits, subdivision and other building restrictions for such areas, and windstorm damage prevention. The Administrator of FEMA shall use the results of the study and investigation to establish comprehensive criteria designed to reduce damages caused by windstorms. Establishes limits on the amount of coverage to not exceed the lesser of the replacement cost for covered losses or $500,000 for single-family dwelling and $1,000,000 for non-residential structures and $750,000 for content. (Sec. 7) Would allow multiple peril and flood insurance coverage of apartment buildings up to the total number of dwelling units times the maximum coverage limit per residential unit (Sec. 7) Prohibits a WYO company from including language in its own homeowners' and windstorm policies that would exclude coverage of wind damage solely because flooding also contributed to the damage. (Sec. 35) Would require that the contract between the WYO and the NFIP state that the insurer has a fiduciary responsibility to federal taxpayers and will act in the best interests of the NFIP. (Sec. 35) Would authorize GAO to conduct a study of the effects of the multiperil insurance program on enrollment and pricing of state residual property and casualty markets or plans and state catastrophe plans. (Sec. 33)	No similar provision.

Flood Mapping		
Nonmandatory Participation for the 500-Year Floodplain	Would authorize FEMA to include a note on flood insurance rate maps identifying 100-year and 500-year certified levees and encourage property owners to evaluate their risk of flooding. Would clarify that the note shall not be considered a legal requirement of participation in the NFIP. (Sec. 36)	Would require the NFIP and regulated lending institutions notify communities if they are entirely or partially located within the 500-year floodplain (i.e., an area with at least a 0.2% chance of being inundated with water in any year). Owners of properties within the 500-year floodplain, but outside of the 100-year floodplain, would not be subject to mandatory purchase requirements but might voluntarily purchase flood insurance upon receiving notification of potential risk. (Sec. 23)
Removal of Limitation on State Contributions for Updating Flood Maps	No similar provision.	Would remove the current prohibition that prevents states from contributing greater than 50% of the cost of map modernization, thus allowing states to invest additional funds to revise and update flood maps. (Sec. 20)
Technical Mapping Advisory Council	Would reestablish the Technical Mapping Advisory Council to provide direction and assistance to the Administrator of FEMA concerning flood mapping activities. The Council would include representatives from the U.S. Army Corps of Engineers, local and regional flood and storm water agencies, state geographic information coordinators, and flood insurance servicing companies. (Sec. 22)	Same as H.R. 3121. (Sec. 18)
Building Codes in FloodPlain Management Criteria	Would authorize FEMA to submit a report to Congress on the regulatory and financial and economic impacts of including nationally recognized building codes as part of the floodplain management criteria of the NFIP. (Sec. 28)	No similar provision.
Modernization of Flood Maps and Elevation Standards	Would require the Administrator in consultation with the Technical Mapping Advisory Council to establish an ongoing program to review, update, and maintain flood insurance rate maps. Each map shall include a depiction of the 500-year floodplain, as well as “residual risk” areas behind levees and flood control dams. Updated flood maps would include relevant information on coastal inundation provided by the Army Corps of Engineers, storm surge modeling by the National Oceanic and Atmospheric Administration (NOAA), and stream flows, watershed characteristics, and topography provided by the U.S. Geological Survey (USGS). Would require that no changes in flood insurance status can go into effect until the remapping process is completed for the entire Army Corp of Engineers district affected by the map. (Sec. 22)	Would require FEMA to establish an ongoing mapping program to review, update and maintain flood insurance rate maps, including all areas within the 100-year and 500-year floodplains and areas of residual risk, including those protected by levees and dams. (Sec. 22)

	Would require the Administrator to: (1) establish standards to ensure the adequacy and consistency of maps and methods of data collection and analysis; (2) give priority to updating and maintaining maps of coastal areas affected by Hurricanes Katrina and Rita in order to provide guidance with respect to hurricane recovery efforts; and (3) submit a report to Congress that describes the flood map modernization activities by June 30 of each year. Would require FEMA, when practical, to utilize emerging weather forecasting technologies, and consider the impacts of global warming and the potential future impacts of global climate change-related weather events, in assessing flood and storm risks. After each flood map is updated, FEMA shall, in consultation with the chief executive officer of each community affected, conduct a program to educate the community about the updated flood insurance maps. Would authorize the appropriation of $400 million for each of fiscal years 2008 through 2013. (Sec. 22)	FEMA would be required to use the most accurate and consistent data in mapping program. (Sec. 22) Would require the various federal departments to work together to coordinate mapping and risk determination budgeting, and requires the Office of Management and Budget (OMB), FEMA and other federal agencies to submit a joint report to Congress within 30 days of the budget submission on the crosscutting budget issues with respect to mapping. (Sec. 21) No similar provision. Same as H.R. 3121. (Sec. 22)
Post-Disaster Flood Elevation Determinations	Would allow the Administrator of FEMA to issue interim flood elevation requirements for any areas affected by flood-related disaster. Interim elevation determinations would take effect immediately upon issuance and may remain in effect until FEMA established new flood elevations for such area. (Sec 22)	No similar provision.
Interagency Coordination Study	No similar provision.	Would require FEMA to contract with the National Academy of Public Administration to conduct a study on how FEMA can improve interagency coordination on flood mapping and funding, and how FEMA can establish joint funding mechanisms with federal, state, and local agencies to share the collection and use of data for mapping. (Sec, 22)
Coordination of Flood Risk Determination Data Sharing and Budgeting Efforts	No similar provision.	Would require the Directors of DHS, OMB and other federal agencies to work together to ensure that flood risk determination data and geospatial data are appropriately shared among federal agencies in order to coordinate the effort of the nation to reduce its vulnerability to flooding hazards. Would require the Director of OMB, in consultation with FEMA, USGS, NOAA, and the

		Army Corp of Engineers, to submit an interagency budget crosscut report that displays the budget proposed for each of the federal agencies working on flood risk determination data and digital elevation models. (Sec. 21)
Office of Flood Insurance Advocate	Would authorize the creation of the position of National Flood Insurance Advocate in FEMA who would transmit a comprehensive report to Congress about the major problems facing the NFIP and report to Congress about the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist insureds in resolving problems with the NFIP, including issues related to bureaucratic obstacles in the event of a disaster. (Sec. 34)	Would establish an Office of the Flood Insurance Advocate to assist policyholders with any problems they have with the NFIP and claims. (Sec. 31)
Notification of Appeal of Map Changes and Notification of Establishment of Flood Elevations	Would require FEMA to notify the chief executive officer of local communities about their right to appeal projected base flood elevation determinations, and the contact information of the person who handles appeals at FEMA. The Administrator would also be required to publish a notice in the *Federal Register* and local newspapers of such change and provide written notification by first class mail to each property affected by a proposed change in flood elevation, prior to the 90-day appeal period. Notification would include an explanation of the appeals process, the status of each property with respect to flood zone and flood insurance requirements under the act, and contact information for responsible officials. (Sec. 23)	No similar provision.
GAO Studies and Reports		
GAO Study of Methods to Increase Participation of Low-Income Families in the NFIP	Would direct GAO to conduct a study of potential methods, practices, and incentives that would increase the degree to which low-income property owners living in high-risk areas participate in the NFIP. The study would analyze the feasibility of providing coverage to low-income families at discounted rates, the amounts of the discount to make it affordable, and the extent to which low-income families would be affected by expanding the mandatory purchase requirements. (Sec. 19)	No similar provision.
GAO Report on Expanding the NFIP	No similar provision.	Would require GAO to submit a report to Congress on: (1) the number of flood insurance policyholders currently insured; (2) the increased losses the NFIP would have sustained during the 2004

		and 2005 hurricane seasons if the program had insured all policies up to $417,000, and (3) the availability in the private marketplace of flood insurance coverage in amounts that exceed the current coverage limits. (Sec. 32)
GAO Review of FEMA Contractors and Study of NFIP's Financial Conditions	No similar provision.	Would require GAO to conduct a study and submit a report to Congress on NFIP's activities and financial health, including the amount paid in premiums, losses, expenses, number of policies, insurance in force, estimate of average loss year and a description and amount of claims paid. (Sec. 32) Would require GAO to conduct a study of pre-FIRM structures to determine what types of properties are pre-FIRM, who owns the properties, locations, and property values. (Sec. 32) Would require GAO, in conjunction with the DHS Inspector Generals Office, to review the three largest contractors FEMA uses in administering the NFIP. (Sec. 32)
GAO Study Regarding Status of Pre-FIRM Properties and Mandatory Purchase Requirement	Would authorize GAO to issue a report on the status of the pre-FIRM properties including the number of properties, cost of providing coverage, the rate at which such properties will cease to be covered under the program and the effects fo the 2004 Reform Act will have on pre-FIRM properties. (Sec. 3)	No similar provision.

Source: Congressional Research Service.