

[Banking and Finance Law Daily Wrap Up, FLOOD INSURANCE AND DISASTER RELIEF—Legislation introduced to extend National Flood Insurance Program, \(Jul. 19, 2018\)](#)

Banking and Finance Law Daily Wrap Up

[Click to open document in a browser](#)

By Nicole D. Prysby, J.D.

On July 18, 2018, Rep. Ed Royce (R-Calif) announced that he and Rep. Earl Blumenauer (D-Ore) had introduced legislation to extend the National Flood Insurance Program (NFIP). The NFIP Extension and Enhanced Consumer and Community Protections Act of 2018 (H.R. 6402) is a bipartisan package of bills from the House Financial Services Committee to [reform and extend](#) the NFIP.

H.R. 6402 [includes](#) the following:

- an extension of the NFIP through Nov. 30, 2018;
- Repeatedly Flooded Communities Preparation Act (requires the Federal Emergency Management Agency (FEMA) to develop and implement mitigation plans for communities subject to repeated flooding);
- Enhanced Increased Cost of Compliance Coverage (authorizes FEMA to supplement its existing Increase Cost of Compliance (ICC) program with the option of allowing policyholders to purchase additional enhanced ICC coverage up to \$100,000);
- Monthly Installments for Premiums (requires FEMA to allow policyholders to pay premiums in monthly installments);
- Premium Rates for Certain Mitigated Properties (authorizes FEMA to provide credits for certain mitigation efforts);
- Maximizing CRS Credits for Communities (requires FEMA to provide communities in the Community Rating System (CRS) program with credits for measures that protect floodplains);
- Studies on Participation Rates (requires reporting on NFIP participation rates for individuals subject to the mandatory purchase requirement);
- Disclosure of Flood Risk Information to Property Owners (requires that the seller of a property make certain disclosures regarding prior flood damage and NFIP designations); and
- Study on FEMA Buy-Out Program (requires the Government Accountability Office to conduct a study of FEMA's flood loss buyout program).

Other members of Congress have also introduced bills to extend the NFIP. On July 16, 2018, Congressman Tom MacArthur (R-NJ) [introduced](#) the National Flood Insurance Program Extension Act ([HR 6379](#)), which would extend the NFIP through the current hurricane season.

House Financial Services Committee Chairman Jeb Hensarling (R-Texas) [commented](#) on the need for NFIP reauthorization, stating that long-term reauthorization with reforms is needed, but the bipartisan Royce-Blumenauer bill represents the best option right now.

Congresswoman Maxine Waters (D-Calif), Ranking Member of the House Committee on Financial Services, and 61 other members of Congress [called](#) for reauthorization of the NFIP. In a July 17, 2018, [letter](#) to House and Senate leadership (co-signed by the 61 Democrats), Waters pushed for reauthorization of the program and argued that Congress must address the affordability of flood insurance.

LegislativeActivity: BankingFinance FedTracker FinancialStability FloodInsurance Mortgages