



FEMA

February 5, 2014

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Program (NFIP) Servicing Agent

FROM: David L. Miller  
Associate Administrator  
Federal Insurance and Mitigation Administration

SUBJECT: Section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. § 4015 (h))

**This bulletin does not address changes that may result from pending or future legislation, such as those contained in the recent Senate-passed S. 1926. This only applies to the Consolidated Appropriations Act of 2014.**

On January 17, 2014, the President signed the Consolidated Appropriations Act of 2014 (the Omnibus). Title V, Division F, Section 572 of the Omnibus prohibits the Federal Emergency Management Agency (FEMA) from expending Fiscal Year 2014 funds to implement, carry out, administer, or enforce Section 100207 of the Biggert-Waters Flood Insurance Modernization and Reform Act of 2012 (BW) (Public Law 112-141), codified at Section 1308(h) of the National Flood Insurance Act (NFIA), 42 U.S.C. § 4015(h).

Section 1308(h) requires FEMA, upon the effective date of any revised or updated Flood Insurance Rate Map (FIRM), to adjust premiums to accurately reflect the current risk of flood to such property. Any increase in the risk premium rate charged for flood insurance resulting from a FIRM revision shall be phased in over a 5-year period, at a rate of 20 percent for each year following the FIRM revision effective date. Those who are newly mapped into a Special Flood Hazard Area (SFHA) will also be provided a chargeable rate that is phased in over a 5-year period following the FIRM revision effective date.

The Omnibus requires FEMA to cease any current planning and development activities for Section 1308(h) of the NFIA, but does not prohibit FEMA from continuing its mapping activities or from exercising existing authorities to set premium rates. Accordingly, FEMA has halted planning and development activities related to Section 1308(h), and other insurance and mapping activities will continue in the normal course of business. Once Congress has restored funding for this activity, the NFIP expects an additional 12-18 months would be required for FEMA to develop guidance materials to then release to the Write Your Own companies regarding the implementation of Section 1308(h).

Section 1308(h) of the National Flood Insurance Act of 1968 (42 U.S.C. § 4015 (h))  
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FEMA will continue to map flood risks as required by 42 U.S.C. §§ 4101; 4101b and 4104. Additionally, changes to the NFIP mandated by BW and Section 1307 of the National Flood Insurance Act (42 U.S.C. § 4014), such as phasing out subsidies for certain policyholders remain in effect.

Thank you for your patience. For questions, please contact Joe Cecil at (202) 212-2067.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

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