



January 31, 2014

Senate Passes Bill to Delay Certain BW 12 Rate Increases

Yesterday, the Senate passed the proposed Homeowner Flood Insurance Affordability Act (Title I of S 1926) in an attempt to delay the flood insurance rate increases due to BW 12. The bill now moves to the House of Representatives, but it is not known if the House will consider S 1926 or possibly propose an alternative bill related to the premium increases. For its part, the [White House](#) signaled its concerns about delaying the rate increases, citing the financial state of the NFIP.

If passed as proposed, the legislation would prohibit FEMA from implementing further flood insurance rate increases under Section 100205 and 100207 until FEMA either develops a flood insurance affordability framework or a certified flood mapping approach, as described in the bill. Specifically, current grandfathering rules for rating would remain unchanged and the subsidized rates for pre-FIRM primary residences (which were removed as of October 1, 2013) would be restored. Additionally, the bill would exempt certain loans from BW 12's expanded escrow requirement, including junior liens and those liens secured by units within a condominium building covered by flood insurance, and would delay the implementation of the new escrow requirements until January 1, 2016.

For updates on this and other legislative activities related to BW 12, visit the [Federal Legislation page](#) on our website. In addition, you can follow developments through our dynamic "[Guide to BW 12](#)" available on our [Flood Services website](#). Clients can request a password for the Guide at floodcompliance@corelogic.com.

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