

Industry Alert

October 18, 2017

Federal and State Legislative Update

Updates on the Status of the NFIP: Congress and the Administration

Members of the House and Senate continue discussions regarding the next steps for the NFIP in light of the December 8 deadline for renewing the program's authority and addressing the program's debt in relation to the need to pay claims from the year's hurricanes. Last week the House passed a disaster aid supplemental bill which included the elimination of \$16 billion of the program's debt. This bill is now before the Senate.

In addition to the various pieces of legislation before Congress, the Administration has shared recommendations to the Senate on certain priorities for the program. Among these recommendations are the cancellation of \$16 billion of debt which now is part of the current disaster aid supplemental bill, the phase out of eligibility for NFIP coverage for commercial properties and new homes, and a study on the efficacy of the mandatory purchase requirement.

As Congress continues its work relative to the NFIP, consider working with your government affairs department or your trade associations on any priorities you may have with respect to the continued operations of the NFIP.

Pending Legislation in Massachusetts

Massachusetts' legislature—which passed a flood insurance law in 2014 to create special requirements for loans made on properties in Massachusetts that are in the Special Flood Hazard Area—is again considering bills which may impact lenders complying with the federal flood insurance regulations.

H3743—proposes to permit civil actions against companies which complete Standard Flood Hazard Determination Forms on behalf of banks.

S558—proposes to make lenders liable for uninsured property damage losses if lender does not pay property insurance premiums out of the escrow account and the property suffers an uninsured loss.

H497—proposes to permit the attorney general to intervene in administrative or judicial actions on behalf of consumers regarding NFIP rates, flood maps and claims administration.

H498—proposes to require state officials to conduct a biennial investigation into NFIP rate affordability, program sustainability and whether premiums accurately reflect risk of loss.

This week a hearing of the Joint Committee on Financial Services was held to discuss these and other bills before the committee. Various trade associations have provided written testimony outlining concerns about the impact of the proposed legislation. Comments can be submitted for the record for 10 days following the date of the hearing. You may want to discuss with your legal or government affairs team as to whether or not you want to submit comments to the committee.

If you have questions or comments regarding the information shared in this Industry Alert, please contact us at floodcompliance@corelogic.com. Feel free to forward this alert to colleagues who may be interested in receiving this information. Individuals may also subscribe to future *Industry Alerts* [here](#).

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