

112TH CONGRESS  
1ST SESSION

# H. R. 1430

To require regulated lending institutions, Federal agency lenders, and Government-sponsored enterprises for housing to accept flood insurance coverage provided by a private entity that otherwise meets the requirements for the mandatory purchase of flood insurance to accept such flood insurance coverage as satisfaction of such requirements.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 2011

Mr. NUNES (for himself, Mr. CHAFFETZ, and Mr. PAUL) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require regulated lending institutions, Federal agency lenders, and Government-sponsored enterprises for housing to accept flood insurance coverage provided by a private entity that otherwise meets the requirements for the mandatory purchase of flood insurance to accept such flood insurance coverage as satisfaction of such requirements.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Flood Insurance  
5       Choice Act”.

1 **SEC. 2. USE OF PRIVATE INSURANCE TO SATISFY REQUIRE-**  
2 **MENT TO PURCHASE FLOOD INSURANCE TO**  
3 **RECEIVE A MORTGAGE LOAN.**

4 Section 102(b) of the Flood Disaster Protection Act  
5 of 1973 (42 U.S.C. 4012a(b)) is amended—

6 (1) in paragraph (1)—

7 (A) by striking “lending institutions not to  
8 make” and inserting “lending institutions—

9 “(A) not to make”;

10 (B) in subparagraph (A), as designated by  
11 subparagraph (A) of this paragraph, by striking  
12 “less.” and inserting “less; and”; and

13 (C) by adding at the end the following new  
14 subparagraph:

15 “(B) to accept private flood insurance as satis-  
16 faction of the flood insurance coverage requirement  
17 under subparagraph (A) if the coverage provided by  
18 such private flood insurance meets the requirements  
19 for coverage under such subparagraph.”;

20 (2) in paragraph (2), by inserting after “pro-  
21 vided in paragraph (1)” the following new sentence:

22 “Each Federal agency lender shall accept private  
23 flood insurance as satisfaction of the flood insurance  
24 coverage requirement under the preceding sentence  
25 if the flood insurance coverage provided by such pri-

1 vate flood insurance meets the requirements for cov-  
2 erage under such sentence.”;

3 (3) in paragraph (3), in the matter following  
4 subparagraph (B), by adding at the end the fol-  
5 lowing new sentence: “The Federal National Mort-  
6 gage Association and the Federal Home Loan Mort-  
7 gage Corporation shall accept private flood insurance  
8 as satisfaction of the flood insurance coverage re-  
9 quirement under the preceding sentence if the flood  
10 insurance coverage provided by such private flood in-  
11 surance meets the requirements for coverage under  
12 such sentence.”; and

13 (4) by adding at the end the following new  
14 paragraph:

15 “(5) PRIVATE FLOOD INSURANCE DEFINED.—In  
16 this subsection, the term ‘private flood insurance’ means  
17 a contract for flood insurance coverage allowed for sale  
18 under the laws of any State.”.

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