

117TH CONGRESS
1ST SESSION

S. 2947

To require the Secretary of Housing and Urban Development to provide a disclosure notice to homebuyers of properties owned by the Department of Housing and Urban Development that are located in special flood hazard areas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 6, 2021

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Secretary of Housing and Urban Development to provide a disclosure notice to homebuyers of properties owned by the Department of Housing and Urban Development that are located in special flood hazard areas, and for other purposes.

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 Risk Trans-
5 parency for Homebuyers Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) ADMINISTRATOR.—The term “Adminis-
2 trator” means the Administrator of the Federal
3 Emergency Management Agency.

4 (2) COVERED PROPERTY.—The term “covered
5 property” means a 1-to-4 unit residential property—

6 (A) acquired by the Department as a re-
7 sult of a foreclosure action on a mortgage in-
8 sured by the Federal Housing Administration
9 under title II of the National Housing Act (12
10 U.S.C. 1707 et seq.); and

11 (B) located in a special flood hazard area
12 according to a flood hazard boundary map or
13 flood insurance rate map issued by the Admin-
14 istration.

15 (3) DEPARTMENT.—The term “Department”
16 means the Department of Housing and Urban De-
17 velopment.

18 (4) NATIONAL FLOOD INSURANCE PROGRAM.—
19 The term “National Flood Insurance Program”
20 means the program established under the National
21 Flood Insurance Act of 1968 (42 U.S.C. 4001 et
22 seq.).

23 (5) SECRETARY.—The term “Secretary” means
24 the Secretary of Housing and Urban Development.

(6) SEVERE REPETITIVE LOSS PROPERTY.—The term “severe repetitive loss property” has the meaning given the term in section 1307(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(h)).

6 SEC. 3. REQUIREMENT TO PROVIDE DISCLOSURE TO
7 HOMEBUYERS OF PROPERTIES LOCATED IN
8 SPECIAL FLOOD HAZARD AREAS.

9 (a) IN GENERAL.—When listing a covered property
10 for sale by the Department, the Secretary shall provide
11 a disclosure notice that includes—

(1) the estimated monthly cost of insurance for the covered property under the National Flood Insurance Program for the zip code in which the covered property is located; and

16 (2) whether the covered property is a severe re-
17 petitive loss property.

(b) ANNUAL REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary and the Administrator shall submit to Congress a joint report on covered properties sold by the Department for which claims were filed under the National Flood Insurance Program during the year covered by the

- 1 report, including whether the covered property is a severe
- 2 repetitive loss property.

