

**§ 4001. Congressional findings and declaration of purpose**

**(a) Necessity and reasons for flood insurance program**

The Congress finds that (1) from time to time flood disasters have created personal hardships and economic distress which have required unforeseen disaster relief measures and have placed an increasing burden on the Nation's resources; (2) despite the installation of preventive and protective works and the adoption of other public programs designed to reduce losses caused by flood damage, these methods have not been sufficient to protect adequately against growing exposure to future flood losses; (3) as a matter of national policy, a reasonable method of sharing the risk of flood losses is through a program of flood insurance which can complement and encourage preventive and protective measures; and (4) if such a program is initiated and carried out gradually, it can be expanded as knowledge is gained and experience is appraised, thus eventually making flood insurance coverage available on reasonable terms and conditions to persons who have need for such protection.

**(b) Participation of Federal Government in flood insurance program carried out by private insurance industry**

The Congress also finds that (1) many factors have made it uneconomic for the private insurance industry alone to make flood insurance available to those in need of such protection on reasonable terms and conditions; but (2) a program of flood insurance with large-scale participation of the Federal Government and carried out to the maximum extent practicable by the private insurance industry is feasible and can be initiated.

**(c) Unified national program for flood plain management**

The Congress further finds that (1) a program of flood insurance can promote the public interest by providing appropriate protection against the perils of flood losses and encouraging sound land use by minimizing exposure of property to flood losses; and (2) the objectives of a flood insurance program should be integrally related to a unified national program for flood plain management and, to this end, it is the sense of Congress that within two years following the effective date of this chapter the President should transmit to the Congress for its consideration any further proposals necessary for such a unified program, including proposals for the allocation of costs among beneficiaries of flood protection.

**(d) Authorization of flood insurance program; flexibility in program**

It is therefore the purpose of this chapter to (1) authorize a flood insurance program by means of which flood insurance, over a period of time, can be made available on a nationwide basis through the cooperative efforts of the Federal Government and the private insurance industry, and (2) provide flexibility in the program so that such flood insurance may be based on workable methods of pooling risks, minimizing

costs, and distributing burdens equitably among those who will be protected by flood insurance and the general public.

**(e) Land use adjustments by State and local governments; development of proposed future construction; assistance of lending and credit institutions; relation of Federal assistance to all flood-related programs; continuing studies**

It is the further purpose of this chapter to (1) encourage State and local governments to make appropriate land use adjustments to constrict the development of land which is exposed to flood damage and minimize damage caused by flood losses, (2) guide the development of proposed future construction, where practicable, away from locations which are threatened by flood hazards, (3) encourage lending and credit institutions, as a matter of national policy, to assist in furthering the objectives of the flood insurance program, (4) assure that any Federal assistance provided under the program will be related closely to all flood-related programs and activities of the Federal Government, and (5) authorize continuing studies of flood hazards in order to provide for a constant reappraisal of the flood insurance program and its effect on land use requirements.

**(f) Mudslides**

The Congress also finds that (1) the damage and loss which results from mudslides is related in cause and similar in effect to that which results directly from storms, deluges, overflowing waters, and other forms of flooding, and (2) the problems involved in providing protection against this damage and loss, and the possibilities for making such protection available through a Federal or federally sponsored program, are similar to those which exist in connection with efforts to provide protection against damage and loss caused by such other forms of flooding. It is therefore the further purpose of this chapter to make available, by means of the methods, procedures, and instrumentalities which are otherwise established or available under this chapter for purposes of the flood insurance program, protection against damage and loss resulting from mudslides that are caused by accumulations of water on or under the ground.

(Pub. L. 90-448, title XIII, §1302, Aug. 1, 1968, 82 Stat. 572; Pub. L. 91-152, title IV, §409(a), Dec. 24, 1969, 83 Stat. 397; Pub. L. 93-234, title I, §108(a), Dec. 31, 1973, 87 Stat. 979; Pub. L. 103-325, title V, §552(d), Sept. 23, 1994, 108 Stat. 2269.)

REFERENCES IN TEXT

For effective date of this chapter, referred to in subsec. (c), see section 1377 of Pub. L. 90-448, set out as an Effective Date note below.

This chapter, referred to in subsecs. (d) to (f), was in the original a reference to "this title" meaning title XIII of Pub. L. 90-448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out below and Tables.

AMENDMENTS

1994—Subsec. (g). Pub. L. 103-325 struck out subsec. (g) which read as follows: "The Congress also finds that

(1) the damage and loss which may result from the erosion and undermining of shorelines by waves or currents in lakes and other bodies of water exceeding anticipated cyclical levels is related in cause and similar in effect to that which results directly from storms, deluges, overflowing waters, and other forms of flooding, and (2) the problems involved in providing protection against this damage and loss, and the possibilities for making such protection available through a Federal or federally sponsored program, are similar to those which exist in connection with efforts to provide protection against damage and loss caused by such other forms of flooding. It is therefore the further purpose of this chapter to make available, by means of the methods, procedures, and instrumentalities which are otherwise established or available under this chapter for purposes of the flood insurance program, protection against damage and loss resulting from the erosion and undermining of shorelines by waves or currents in lakes and other bodies of water exceeding anticipated cyclical levels.”

1973—Subsec. (g). Pub. L. 93-234 added subsec. (g).

1969—Subsec. (f). Pub. L. 91-152 added subsec. (f).

#### EFFECTIVE DATE

Section 1377 of title XIII of Pub. L. 90-448 provided that: “This title [enacting this chapter, amending section 2414 of this title, repealing sections 2401 to 2413 and 2415 to 2421 of this title, and enacting provisions set out as notes under this section] shall take effect one hundred and twenty days following the date of its enactment [Aug. 1, 1968], except that the Secretary, on the basis of a finding that conditions exist necessitating the prescribing of an additional period, may prescribe a later effective date which in no event shall be more than one hundred and eighty days following such date of enactment.”

#### SHORT TITLE OF 2010 AMENDMENT

Pub. L. 111-250, §1, Sept. 30, 2010, 124 Stat. 2630, provided that: “This Act [amending sections 4016 and 4026 of this title] may be cited as the ‘National Flood Insurance Program Reextension Act of 2010’.”

Pub. L. 111-196, §1, July 2, 2010, 124 Stat. 1352, provided that: “This Act [amending sections 4016 and 4026 of this title and enacting provisions set out as a note under section 4016 of this title] may be cited as the ‘National Flood Insurance Program Extension Act of 2010’.”

#### SHORT TITLE OF 2006 AMENDMENT

Pub. L. 109-208, §1, Mar. 23, 2006, 120 Stat. 317, provided that: “This Act [amending section 4016 of this title] may be cited as the ‘National Flood Insurance Program Enhanced Borrowing Authority Act of 2006’.”

#### SHORT TITLE OF 2005 AMENDMENTS

Pub. L. 109-106, §1, Nov. 21, 2005, 119 Stat. 2288, provided that: “This Act [amending section 4016 of this title] may be cited as the ‘National Flood Insurance Program Further Enhanced Borrowing Authority Act of 2005’.”

Pub. L. 109-65, §1, Sept. 20, 2005, 119 Stat. 1998, provided that: “This Act [amending section 4016 of this title] may be cited as the ‘National Flood Insurance Program Enhanced Borrowing Authority Act of 2005’.”

#### SHORT TITLE OF 2004 AMENDMENT

Pub. L. 108-264, §1(a), June 30, 2004, 118 Stat. 712, provided that: “This Act [enacting sections 4030 and 4102a of this title, amending sections 4011, 4015 to 4017, 4022, 4026, 4056, 4104c, 4104d, 4121, and 4127 of this title, and enacting provisions set out as notes under this section and sections 4011 and 4101 of this title] may be cited as the ‘Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004’.”

#### SHORT TITLE OF 2003 AMENDMENTS

Pub. L. 108-171, §1, Dec. 6, 2003, 117 Stat. 2064, provided that: “This Act [amending sections 4016, 4026, 4056, and

4127 of this title and enacting provisions set out as a note under section 4016 of this title] may be cited as the ‘National Flood Insurance Program Reauthorization Act of 2004’.”

Pub. L. 108-3, §1, Jan. 13, 2003, 117 Stat. 7, provided that: “This Act [amending sections 4016, 4026, 4056, and 4127 of this title and enacting provisions set out as a note under section 4016 of this title] may be cited as the ‘National Flood Insurance Program Reauthorization Act of 2003’.”

#### SHORT TITLE OF 1994 AMENDMENT

Section 501 of title V of Pub. L. 103-325 provided that: “This title [enacting sections 4104b to 4104d and 5154a of this title, amending this section, sections 4003, 4011, 4012a, 4013, 4015, 4017, 4022, 4026, 4027, 4029, 4056, 4081, 4101, 4104a, 4106, 4121, and 5154 of this title, and sections 1784, 1820, 3305, and 4521 of Title 12, Banks and Banking, repealing section 4103 of this title, enacting provisions set out as notes under this section and sections 4011, 4013, 4014, 4101 to 4103, and 4104c of this title, and repealing provisions set out as a note under section 4015 of this title] may be cited as the ‘National Flood Insurance Reform Act of 1994’.”

#### SHORT TITLE OF 1973 AMENDMENT

Pub. L. 93-234, §1, Dec. 31, 1973, 87 Stat. 975, provided: “That this Act [enacting sections 4002, 4003, 4012a, 4104, 4105 to 4107, and 4128 of this title, amending this section, sections 4013 to 4016, 4026, 4054, 4056, 4101, and 4121 of this title, and sections 24 and 1709-1 of Title 12, Banks and Banking, and repealing section 4021 of this title] may be cited as the ‘Flood Disaster Protection Act of 1973’.”

#### SHORT TITLE

Section 1301 of title XIII of Pub. L. 90-448 provided that: “This title [enacting this chapter, amending section 2414 of this title, repealing sections 2401 to 2413 and 2415 to 2421 of this title, and enacting provisions set out as a note under this section] may be cited as the ‘National Flood Insurance Act of 1968’.”

#### REGULATIONS

Pub. L. 103-325, title V, §583, Sept. 23, 1994, 108 Stat. 2287, as amended by Pub. L. 109-295, title VI, §612(c), Oct. 4, 2006, 120 Stat. 1410, provided that: “The Administrator of the Federal Emergency Management Agency and any appropriate Federal agency may each issue any regulations necessary to carry out the applicable provisions of this title [see Short Title of 1994 Amendment note above] and the applicable amendments made by this title.”

[For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.]

[For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.]

#### EVALUATION OF EROSION HAZARDS

Pub. L. 103-325, title V, §577(a)-(g), Sept. 23, 1994, 108 Stat. 2281-2283, required the Director of the Federal Emergency Management Agency to submit a report no later than two years after Sept. 23, 1994, evaluating erosion hazards and estimating the impact of erosion on flood insurance claims.

RELATION OF TITLE V OF PUB. L. 103-325 TO STATE  
AND LOCAL LAWS

Section 584 of title V of Pub. L. 103-325 provided that: "This title [see Short Title of 1994 Amendment note above] and the amendments made by this title may not be construed to preempt, annul, alter, amend, or exempt any person from compliance with any law, ordinance, or regulation of any State or local government with respect to land use, management, or control."

FLOODPLAIN MANAGEMENT

For provisions relating to the reduction of the risk of flood loss, the minimization of the impact of floods on human safety, health and welfare, and the management of floodplains, see Ex. Ord. No. 11988, May 24, 1977, 42 F.R. 26951, set out as a note under section 4321 of this title.

**§ 4002. Additional Congressional findings and declaration of purpose**

(a) The Congress finds that—

(1) annual losses throughout the Nation from floods and mudslides are increasing at an alarming rate, largely as a result of the accelerating development of, and concentration of population in, areas of flood and mudslide hazards;

(2) the availability of Federal loans, grants, guaranties, insurance, and other forms of financial assistance are often determining factors in the utilization of land and the location and construction of public and of private industrial, commercial, and residential facilities;

(3) property acquired or constructed with grants or other Federal assistance may be exposed to risk of loss through floods, thus frustrating the purpose for which such assistance was extended;

(4) Federal instrumentalities insure or otherwise provide financial protection to banking and credit institutions whose assets include a substantial number of mortgage loans and other indebtedness secured by property exposed to loss and damage from floods and mudslides;

(5) the Nation cannot afford the tragic losses of life caused annually by flood occurrences, nor the increasing losses of property suffered by flood victims, most of whom are still inadequately compensated despite the provision of costly disaster relief benefits; and

(6) it is in the public interest for persons already living in flood-prone areas to have both an opportunity to purchase flood insurance and access to more adequate limits of coverage, so that they will be indemnified, for their losses in the event of future flood disasters.

(b) The purpose of this Act, therefore, is to—

(1) substantially increase the limits of coverage authorized under the national flood insurance program;

(2) provide for the expeditious identification of, and the dissemination of information concerning, flood-prone areas;

(3) require States or local communities, as a condition of future Federal financial assistance, to participate in the flood insurance program and to adopt adequate flood plan ordinances with effective enforcement provisions

consistent with Federal standards to reduce or avoid future flood losses; and

(4) require the purchase of flood insurance by property owners who are being assisted by Federal programs or by federally supervised, regulated, or insured agencies or institutions in the acquisition or improvement of land or facilities located or to be located in identified areas having special flood hazards.

(Pub. L. 93-234, § 2, Dec. 31, 1973, 87 Stat. 975.)

REFERENCES IN TEXT

This Act, referred to in subsec. (b), means Pub. L. 93-234, Dec. 31, 1973, 87 Stat. 975, as amended, known as the Flood Disaster Protection Act of 1973. For complete classification of this Act to the Code, see Short Title of 1973 Amendment note set out under section 4001 of this title and Tables.

CODIFICATION

Section was enacted as part of Flood Disaster Protection Act of 1973, and not as part of National Flood Insurance Act of 1968 which comprises this chapter.

**§ 4003. Additional definitions**

(a) As used in this Act, unless the context otherwise requires, the term—

(1) "community" means a State or a political subdivision thereof which has zoning and building code jurisdiction over a particular area having special flood hazards;

(2) "Federal agency" means any department, agency, corporation, or other entity or instrumentality of the executive branch of the Federal Government, and includes the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(3) "financial assistance" means any form of loan, grant, guaranty, insurance, payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance, other than general or special revenue sharing or formula grants made to States;

(4) "financial assistance for acquisition or construction purposes" means any form of financial assistance which is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any publicly or privately owned building or mobile home, and for any machinery, equipment, fixtures, and furnishings contained or to be contained therein, and shall include the purchase or subsidization of mortgages or mortgage loans but shall exclude assistance pursuant to the Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.] (other than assistance under such Act in connection with a flood);

(5) "Federal entity for lending regulation" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the National Credit Union Administration, and the Farm Credit Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision of the institution;

(6) "Director" means the Administrator of the Federal Emergency Management Agency;

(7) "Federal agency lender" means a Federal agency that makes direct loans secured by im-