

117TH CONGRESS  
1ST SESSION

# H. R. 3414

To repeal the mandatory flood insurance coverage requirement for commercial properties located in flood hazard areas, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2021

Mr. LUETKEMEYER introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To repeal the mandatory flood insurance coverage requirement for commercial properties located in 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. OPT-OUT OF MANDATORY COVERAGE REQUIRE-**  
4       **MENT FOR COMMERCIAL PROPERTIES.**

5       (a) AMENDMENTS TO FLOOD DISASTER PROTECTION  
6       ACT OF 1973.—The Flood Disaster Protection Act of  
7       1973 is amended—

8               (1) in section 3(a) (42 U.S.C. 4003(a))—

9                       (A) in paragraph (10), by striking “and”

10                      at the end;

1 (B) in paragraph (11), by striking the pe-  
2 riod at the end and inserting “; and”; and

3 (C) by adding at the end the following new  
4 paragraph:

5 “(12) ‘residential improved real estate’ means  
6 improved real estate that—

7 “(A) is primarily used for residential pur-  
8 poses, as defined by the Federal entities for  
9 lending regulation; and

10 “(B) secures financing or financial assist-  
11 ance provided through a federally related single  
12 family loan program, as defined by the Federal  
13 entities for lending regulation.”; and

14 (2) in section 102 (42 U.S.C. 4012a)—

15 (A) in subsection (b)—

16 (i) in paragraph (1)(A)—

17 (I) by inserting “residential” be-  
18 fore “improved real estate”; and

19 (II) by inserting “residential” be-  
20 fore “building or mobile home”;

21 (ii) in paragraph (2)—

22 (I) by inserting “residential” be-  
23 fore “improved real estate”; and

24 (II) by inserting “residential” be-  
25 fore “building or mobile home”; and

1 (iii) in paragraph (3)—

2 (I) in subparagraph (A), by in-  
3 serting “residential” before “improved  
4 real estate”; and

5 (II) in the matter after and  
6 below subparagraph (B), by inserting  
7 “residential” before “building or mo-  
8 bile home”;

9 (B) in subsection (c)(3), by striking “, in  
10 the case of any residential property, for any  
11 structure that is a part of such property” and  
12 inserting “for any structure that is part of a  
13 residential property”;

14 (C) in subsection (e)—

15 (i) in paragraph (1)—

16 (I) by inserting “residential” be-  
17 fore “improved real estate”; and

18 (II) by inserting “residential” be-  
19 fore “building or mobile home” each  
20 place such term appears; and

21 (ii) in paragraph (5)—

22 (I) in subparagraph (A)—

23 (aa) by inserting “residen-  
24 tial” before “improved real es-

1                   tate” each place such term ap-  
 2                   pears; and

3                   (bb) by inserting “residen-  
 4                   tial” before “building or mobile  
 5                   home” each place such term ap-  
 6                   pears;

7                   (II) in subparagraph (B), by in-  
 8                   serting “residential” before “building  
 9                   or mobile home” each place such term  
 10                  appears; and

11                  (III) in subparagraph (C), by in-  
 12                  serting “residential” before “building  
 13                  or mobile home”; and

14                  (D) in subsection (h)—

15                   (i) by inserting “residential” before  
 16                   “improved real estate” each place such  
 17                   term appears; and

18                   (ii) in the matter preceding paragraph  
 19                   (1), by inserting “residential” before  
 20                   “building or mobile home”.

21                  (b) AMENDMENTS TO NATIONAL FLOOD INSURANCE  
 22                  ACT OF 1968.—The National Flood Insurance Act of  
 23                  1968 is amended—

24                   (1) in section 1364(a) (42 U.S.C. 4104a(a))—

1 (A) in paragraph (1), by inserting “resi-  
2 dential” before “improved real estate”;

3 (B) in paragraph (2), by inserting “resi-  
4 dential” before “improved real estate”; and

5 (C) in paragraph (3)(A), by inserting “res-  
6 idential” before “building”;

7 (2) in section 1365 (42 U.S.C. 4104b)—

8 (A) in subsection (a)—

9 (i) by inserting “residential” before  
10 “improved real estate”; and

11 (ii) by inserting “residential” before  
12 “building”;

13 (B) in subsection (b)(2)—

14 (i) by inserting “residential” before  
15 “building” each place such term appears;  
16 and

17 (ii) by inserting “residential” before  
18 “improved real estate” each place such  
19 term appears;

20 (C) in subsection (d), by inserting “resi-  
21 dential” before “improved real estate” each  
22 place such term appears; and

23 (D) in subsection (e)—

24 (i) by inserting “residential” before  
25 “improved real estate”; and

1 (ii) by inserting “residential” before  
2 “building” each place such term appears;  
3 and

4 (3) in section 1370 (42 U.S.C. 4121)—

5 (A) in paragraph (8), by inserting “resi-  
6 dential” before “improved real estate”;

7 (B) by redesignating paragraphs (14) and  
8 (15) as paragraphs (15) and (16), respectively;  
9 and

10 (C) by inserting after paragraph (13) the  
11 following new paragraph:

12 “(14) the term ‘residential improved real estate’  
13 means improved real estate that—

14 “(A) is primarily used for residential pur-  
15 poses, as defined by the Federal entities for  
16 lending regulation; and

17 “(B) secures financing or financial assist-  
18 ance provided through a federally related single  
19 family loan program, as defined by the Federal  
20 entities for lending regulation;”.

21 (c) RULE OF CONSTRUCTION.—This section and the  
22 amendments made by this section may not be construed  
23 to prohibit the Administrator of the Federal Emergency  
24 Management Agency from offering flood insurance cov-  
25 erage under the National Flood Insurance Program for

- 1 eligible non-residential properties, other residential multi-
- 2 family properties, or structures financed with commercial
- 3 loans, or to prohibit the purchase of such coverage for
- 4 such eligible properties.

