




FEMA

April 15, 2014

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Program (NFIP) Servicing Agent

FROM: David L. Miller  
Associate Administrator  
Federal Insurance and Mitigation Administration 

SUBJECT: Section 3 of the Homeowner Flood Insurance Affordability Act of 2014 (HR 3370)

On March 21, 2014, President Obama signed the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) into law. Pub. Law No. 113-89 (Mar. 21, 2014). This law repeals and amends certain provisions of the Biggert-Waters Flood Insurance Reform Act, Pub. Law No. 112-141 (Jul. 6, 2012) and the National Flood Insurance Act of 1968, 42 U.S.C. §§ 4001-*et seq.*. FEMA has actively begun analyzing and prioritizing implementation of the HFIAA. FEMA appreciates your cooperation during our continued consultation with you.

The purpose of this bulletin is to stop charging full risk-rates for all types of Pre-Flood Insurance Rate Map (FIRM) properties covered by section 3 of the HFIAA which includes primary residences and businesses. Section 3 of the HFIAA requires FEMA and WYO companies to restore Pre-FIRM subsidized rates for the following properties: (a) Pre-FIRM properties that were not insured when Biggert Waters was enacted; (b) Pre-FIRM properties that were sold after Biggert Waters was enacted; and (c) policies for Pre-FIRM properties that were rated full-risk under Biggert Waters due to a lapse in coverage.

Effective May 1, 2014, FEMA is requiring the WYO Companies and the Direct Servicing Agent to use the appropriate October 1, 2013 Pre-FIRM Rate Tables when more favorable than full-risk rates for the following types of scenarios:

- New application for Pre-FIRM buildings rated in zones Unnumbered A, AE, A1-A30, AH, AO, V, VE, V1-V30 and D effective on or after October 1, 2013, and processed on or after May 1, 2014 (previously impacted by Section 100205 (g)(1) of BW-12);

Subject: Section 3 of the Homeowner Flood Insurance Affordability Act of 2014 (HR 3370)

Date

Page 2

- Pre-FIRM subsidized policies assigned to a new building owner upon a purchase occurring on or after July 6, 2012, where the endorsement is effective on or after October 1, 2013, and processed on or after May 1, 2014 (previously impacted by Section 100205 (g)(2) of Biggert-Waters);
- Reinstatement on or after October 4, 2012, of a lapsed Pre-FIRM subsidized policy processed on or after May 1, 2014 (previously impacted by Section 100205 (g)(3) Biggert-Waters);
- Renewal of all policies for Pre-FIRM buildings that were not insured when Biggert Waters was enacted in zones Unnumbered A, AE, A1-A30, AH, AO, V, VE, V1-V30 and D processed on or after May 1, 2014 (previously impacted by Section 100205 (g)(1) of Biggert-Waters); and
- Renewal of all policies for Pre-FIRM buildings that were purchased after Biggert Waters was enacted in zones Unnumbered A, AE, A1-A30, AH, AO, V, VE, V1-V30 and D processed on or after May 1, 2014 (previously impacted by Section 100205 (g)(2) of Biggert-Waters).

As required by the HFIAA, FEMA will continue to consult and coordinate with WYO insurers and other stakeholders as we implement other provisions of the law, including premium refunds. Thank you for your patience. For questions, please contact Joe Cecil at (202) 212-2067.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Accounting, Data Processing, Underwriting, Marketing