

The bipartisan **Homeowner Flood Insurance Affordability Act** lowers staggering flood insurance rates through a number of provisions, including:

- **Repeal of certain rate increase “triggers,”** ensuring that no policyholder will experience dramatic rate increases from the sale of a home or a lapse in policy.
- **Restoration of “grandfathering,”** so those who built properties to code in the past do not have to worry about catastrophic rate increases as a result of remapping.
- **Lowering FEMA’s ability to increase rates,** from 20 percent to 15 percent.
- **A new optional deductible program, offered by Congressman Schrader,** which will allow homeowners to opt for a deductible of up to \$10,000, while lowering premium rates.
- **Refunding excess premium charges** to those who have paid significant rate increases.
- **Completing the affordability study and framework.** The measure provides FEMA the funding necessary to complete the affordability study mandated in the Biggert-Waters Act and requires it to do so, along with an affordability framework, to Congress.
- **Individual property rate increase cap,** providing that most individual rate increases cannot exceed 18 percent. Under FEMA’s annual increase authority, the *average* increase is capped at 15 percent. But without this individual cap, policyholders might still have experienced significant rate increases.
- **Affordability goals for FEMA.** In addition to striving to achieve actuarial soundness in setting premium rates, FEMA is now instructed to minimize the number of policies with annual premiums that exceed one percent of the total coverage provided by the policy.
- **Rate increase protection for newly mapped properties.** This provision requires FEMA to extend premium rate protection to all properties newly mapped into a special flood hazard area for the first year. Upon renewal, these properties can receive average rate increases of 15 percent and no individual policyholder may receive an increase of more than 18 percent. Without this language, there would be no cap on rate increases for properties newly mapped into a special flood hazard area, which often results in the highest rate increases.
- **Mapping protections,** requiring FEMA to notify communities and Members of Congress of remapping, mandating FEMA work with communities on appropriate data and mapping models.
- **Consumer protection,** which ensures policyholders receive clear information relating to their policy following certain changes in their policies, such as opting for high deductibles or foregoing flood insurance on certain detached structures.
- **Protection of small businesses, non-profits, houses of worship, and residences.** The measure requires FEMA to monitor and report on affordability for small businesses, non-profits, houses of worship, and residences with less than 25 percent area median home value. If FEMA finds detrimental effects on affordability, it must provide Congress recommendations to address them.