

116TH CONGRESS  
1ST SESSION

# H. R. 3146

To provide for the monthly installment payment of premiums for coverage under the National Flood Insurance Program, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2019

Mr. DAVID SCOTT of Georgia (for himself and Mr. DUFFY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To provide for the monthly installment payment of premiums for coverage under the National Flood Insurance Program, 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 “Fair Flood Insurance  
5 Act of 2019”.

6 **SEC. 2. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.**

7 (a) **AUTHORITY.**—Subsection (g) of section 1308 of  
8 the National Flood Insurance Act of 1968 (42 U.S.C.  
9 4015(g)) is amended—

(1) by striking the subsection designation and all that follows through “With respect” and inserting the following:

“(g) FREQUENCY OF PREMIUM COLLECTION.—

“(1) OPTIONS.—With respect”; and

(2) by adding at the end the following:

“(2) MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.—

“(A) EXEMPTION FROM RULEMAKING.—

Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may adopt policies and procedures, notwithstanding any other provisions of law and in alignment and consistent with existing industry escrow and servicing standards, necessary to implement such paragraph without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or Executive order.

“(B) PILOT PROGRAM.—The Administrator may initially implement paragraph (1) of this subsection as a pilot program that provides for a gradual phase-in of implementation.

1           “(C) POLICYHOLDER PROTECTION.—The  
2 Administrator may—

3           “(i) during the 12-month period be-  
4 ginning on the date of the enactment of  
5 this paragraph, charge policyholders choos-  
6 ing to pay premiums in monthly install-  
7 ments a fee for the total cost of the month-  
8 ly collection of premiums not to exceed \$25  
9 annually; and

10           “(ii) after the expiration of the 12-  
11 month period referred to in clause (i), ad-  
12 just the fee charged annually to cover the  
13 total cost of the monthly collection of pre-  
14 miums as determined by the report sub-  
15 mitted pursuant to subparagraph (D).

16           “(D) REPORT.—Not later than six months  
17 after the date of the enactment of this para-  
18 graph, the Comptroller General shall submit a  
19 report to the Committee on Financial Services  
20 of the House of Representatives and the Com-  
21 mittee on Banking, Housing, and Urban Affairs  
22 of the Senate, that sets forth all of the costs as-  
23 sociated with the monthly payment of pre-  
24 miums, including any up-front costs associated  
25 with infrastructure development, the impact on

1 all policyholders including those that exercise  
2 the option to pay monthly and those that do  
3 not, options for minimizing the costs, particu-  
4 larly the costs to policyholders, and the feasi-  
5 bility of adopting practices that serve to mini-  
6 mize costs to policyholders such as automatic  
7 payments and electronic payments.

8 “(E) ANNUAL REPORTS.—On an annual  
9 basis, the Administrator shall report to the  
10 Committee on Financial Services of the House  
11 of Representatives and the Committee on Bank-  
12 ing, Housing, and Urban Affairs of the Senate  
13 the ongoing costs associated with the monthly  
14 payment of premiums.”.

15 (b) IMPLEMENTATION.—Clause (ii) of section  
16 1307(a)(1)(B) (42 U.S.C. 4014(a)(1)(B)(ii)) is amended  
17 by inserting before “any administrative expenses” the fol-  
18 lowing: “the costs associated with the monthly collection  
19 of premiums provided for in section 1308(g) (42 U.S.C.  
20 4015(g)), but only if such costs exceed the operating costs  
21 and allowances set forth in clause (i) of this subparagraph,  
22 and”.

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