

**Proposal 13: Study the Efficacy of the Mandatory Purchase Requirement**— Direct the Government Accountability Office to study how well the NFIP’s mandatory purchase requirement meets the Congress’ intent to increase the number of Americans covered by flood insurance, including renters and property owners in low-income areas.

*Legislative text:*

**SEC. \_\_. STUDY THE EFFICACY OF THE MANDATORY PURCHASE REQUIREMENT.**

(a) MANDATORY PURCHASE STUDY; GUIDELINES.—

(1) STUDY.—

(A) IN GENERAL.--The Comptroller General of the United States shall conduct a study of the implementation and efficacy of the requirements of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a). Such study shall at minimum consider the following questions:

(i) How effectively do Federal agencies, regulated lending institutions, and Federal entities for lending regulation implement the requirements of section 102 of the Flood Disaster Protection Act of 1973?

(ii) Does the current implementation of the Flood Disaster Protection Act of 1973 align with the congressional findings and purposes described in section 2(b) of such Act (42 U.S.C. 4002)?

(iii) What, if any, unintended consequences have resulted from the requirements and implementation of section 102 of such Act?

(B) REPORT.—Not later than the expiration of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the findings and conclusions of the study conducted pursuant to this paragraph.

*Analysis:*

The language above would direct the Government Accountability Office (GAO) to study the efficacy of the NFIP’s mandatory purchase requirement at meeting Congress’ intent in the Flood Disaster Protection Act of 1973 to increase the number of Americans covered by flood insurance. Once completed, the GAO’s findings and recommendations could inform the federal entities responsible for implementing the mandatory purchase requirement as well as the NFIP’s efforts to increase flood insurance uptake more broadly. FEMA would welcome a study

exploring the effectiveness of the mandatory purchase requirement.

FEMA recognizes that this proposal in combination with other proposals in this legislative package may have impacts on the supply of affordable housing in and around areas at risk of flooding. FEMA recognizes there is a severe housing supply crisis across the nation, and disasters exacerbate this crisis. The lowest income households – who are most vulnerable to disasters – are also the most affected by this housing crisis. After enactment, FEMA will engage and assist HUD to conduct a rigorous evaluation of the impacts of this legislation on the supply and pricing of housing in SFHAs and neighboring areas.

***Comparative type:***

Not applicable.