

**HR 3370**  
**Homeowner Flood Insurance Flood Affordability Act of 2014**  
**Summary**

**Help for Homeowners**

- Caps yearly premium increases.
- Repeals requirement that flood insurance premiums increase immediately to full actuarial rates for homes that are sold.
- Restores “grandfathering” for properties that were paying premiums applicable to their initial flood risk rating, allowing owners to pay premiums based on the original risk zone rather than updated flood risk zones.

**Businesses & Second Homes**

- As included in the Biggert-Waters Act, caps yearly premium increases for secondary homes and non-residential properties for each risk category until they are actuarially sound.
- Requires FEMA to report to Congress on the impact of the rate increases for small businesses with fewer than 100 employees, nonprofit entities, houses of worship and residences valued at less than 25 percent of the median home value for that state. If FEMA determines that the rate changes are negatively impacting flood insurance affordability and properties have lapsed policies or late payments, FEMA must recommend steps for improvement within three months.

**Fiscal Protections**

- Cost for these provisions would be offset with annual surcharges on all flood insurance policies. These surcharges would continue until most premium rates under the program are actuarially sound.
  - Primary residence: \$25/year
  - Businesses and other non-residential: \$250/year

**Accountability**

- Requires the certification of flood maps and requires FEMA to gather input from local community and account for local, non-structural flood mitigation features when evaluating an area’s flood risk for flood zone mapping.