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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ______

To establish a Fortified Roof revolving loan fund to assist State agencies in making grants for the installation of Fortified Roofs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CARTER of Louisiana introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To establish a Fortified Roof revolving loan fund to assist State agencies in making grants for the installation of Fortified Roofs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Safeguarding Tomorrow through Ongoing Risk Mitigation FORTIFIED and Wildfire Prepared Act" or the "STORM FORTIFIED and Wildfire Prepared Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Federal Emergency Management Agency.

(2) AREA MEDIAN INCOME.—The term ''area median income'' means the mean income in the locality in which the property is located based on the most recent annual publication of the Department of Housing and Urban Development.

(3) ENTITY.—The term ''entity'' means a State (including the District of Columbia and the territories of the United States) eligible to receive STORM Revolving Loan Fund (RLF) capitalization grants under this Act.

(4) FORTIFIED ROOF.—The term ''Fortified Roof'' means a roof meeting the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED Roof Standard, which includes a sealed roof deck, enhanced edge protection, and ring-shank fasteners, and can be verified by a qualified Fortified Evaluator or consistent with, and no less stringent than, the standard developed by a nationally recognized, verifiable, science-based standard-setting organization, such as the Insurance Institute for Business and Home Safety

(5) ELIGIBILITY CRITERIA.—The term ''Eligibility Criteria'' means the homeowner eligibility framework established by the State agency governing eligibility requirements for mitigation grants that includes primary residence and homestead exemption, proof of wind insurance coverage (and flood insurance coverage where applicable), the issuance of a FORTIFIED Roof, Wildfire Prepared Home, or FORTIFIED Home designation upon project completion, and exclusions for new construction, condominiums, and mobile homes.

(6) STATE AGENCY.—The term ''State agency'' means a unit of a State government authorized to administer homeowner mitigation grants, including the office of the State Insurance Commissioner or an equivalent office.

(7) WILDFIRE PREPARED HOME.—The term ''Wildfire Prepared Home'' means a home meeting the Institute for Business and Home Safety (IBHS) Wildfire Prepared Home Standard verified by a third-party inspector or consistent with, and no less stringent than, the standard developed by a nationally recognized, verifiable, science-based standard-setting organization, such as the Insurance Institute for Business and Home Safety, at either the Essen-

tial level, addressing ember intrusion and ignition risk, or the Enhanced level, which includes all Essential requirements plus additional protections against direct flame contact and radiant heat. The term includes any successor designation established by IBHS under a substantially equivalent standard recognized by the Administrator.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to capitalize or recapitalize STORM FORTIFIED Roof Revolving Loan Funds administered by the Federal Emergency Management Agency under this Act, $100,000,000 for each of fiscal years 2027 through 2036, to remain available until expended.

SEC. 4. GRANTS TO ENTITIES FOR ESTABLISHMENT OF STORM FORTIFIED ROOF REVOLVING LOAN FUNDS.

(a) GENERAL AUTHORITY.—

(1) IN GENERAL.—The Administrator may enter into agreements with eligible entities to make capitalization grants to such entities for the establishment of STORM FORTIFIED Roof revolving loan funds (referred to in this section as ″entity loan funds″) for providing funding assistance to homeowners to carry out eligible projects under section 5

for the installation of mitigation measures for FORTIFIED Roof, FORTIFIED Home, or Wildfire Prepared Home designations.

(2) AGREEMENTS.—Any agreement entered into under this section shall require the participating entity to—

(A) comply with the requirements of this section; and

(B) use accounting, audit, and fiscal procedures conforming to generally accepted accounting standards.

(b) APPLICATION.—

(1) IN GENERAL.—To be eligible to receive a capitalization grant under this section, an eligible entity shall submit to the Administrator an application at such time, in such manner, and containing such information as the Administrator may require.

(2) TECHNICAL ASSISTANCE.—The Administrator shall provide technical assistance to eligible entities for applications under this section.

(c) ENTITY LOAN FUND.—

(1) ESTABLISHMENT OF FUND.—An entity that receives a capitalization grant under this section shall establish an entity loan fund that complies with the requirements of this subsection.

(2) FUND MANAGEMENT.—Except as provided in paragraph (3), entity loan funds shall—

(A) be administered by the State agency; and

(B) include only—

(i) funds provided by a capitalization grant under this section;

(ii) repayments of loans under this section and section 5 to the entity loan fund; and

(iii) interest earned on amounts in the entity loan fund.

(3) ADMINISTRATION.—A participating entity may combine the financial administration of the entity loan fund of such entity with the financial administration of any other revolving fund established by such entity if the Administrator determines that—

(A) the capitalization grant, entity share, repayments of loans, and interest earned on amounts in the entity loan fund are accounted for separately from other amounts in the revolving fund; and

(B) the authority to establish assistance priorities and carry out oversight activities remains in the control of the entity agency responsible for homeowner mitigation grants.

(4) ENTITY SHARE OF FUNDS.—

(A) IN GENERAL.—On or before the date on which a participating entity receives a capitalization grant under this section, the entity shall deposit into the entity loan fund of such entity, an amount equal to not less than 35 percent of the amount of the capitalization grant. An entity's appropriations or deposits into another fund for an existing grant program that covers all or some of the mitigation measures in subsection (1)(a) shall count towards entity loan fund deposits.

(B) REDUCED GRANT.—If, with respect to a capitalization grant under this section, a participating entity deposits in the entity loan fund of the entity an amount that is less than 35 percent of the total amount of the capitalization grant that the participating entity would otherwise receive, the Administrator shall reduce the amount of the capitalization grant received by the entity so that the deposit is 35 percent of the new capitalization amount.

(d) APPORTIONMENT.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the Administrator shall apportion funds made available to carry out this section to entities that have entered into an agreement under subsection (a)(2) in amounts as determined by the Administrator.

(2) RESERVATION OF FUNDS.—The Administrator of the Federal Emergency Management Agency may set aside up to 3 percent of the funds made available to carry out this Act for technical assistance, guidance updates, data systems (including FEMA Go), and oversight to address gaps in clarity and consistency identified by the Comptroller General of the United States.

(e) USE OF FUNDS.—Amounts deposited in an entity loan fund, including loan repayments and interest earned on such amounts, may be used—

(1) to make loans to State agencies, on the condition that—

(A) such loans are made at an interest rate of not more than 1 percent;

(B) annual principal and interest payments will commence not later than 1 year after completion of any project and all loans made under this subparagraph will be fully amortized, except for the forgivable portion of any loan described in section 5—

(i) not later than 20 years after the date on which the project is completed; or

(ii) for projects in a low-income geographic area, not later than 30 years after the date on which the project is completed and not longer than the expected design life of the project;

(C) the loan recipient of a loan under this subparagraph establishes a dedicated source of revenue for repayment of the loan; and

(D) the entity loan fund will be credited with all payments of principal and interest on all loans made under this subparagraph;

(2) for the reasonable costs of administering the fund and conducting activities under this section, except that such amounts shall not exceed $100,000 per year, 2 percent of the capitalization grants made to the participating entity in a fiscal year, or 1 percent of the value of the entity loan fund, whichever amount is greatest, plus the amount of any fees collected by the entity for such purpose regardless of the source; and

(3) to earn interest on the entity loan fund.

(f) INTENDED USE PLANS.—

(1) IN GENERAL.—After providing for public comment and review, and consultation with appropriate government agencies of the State or Indian tribal government, Federal agencies, and interest groups, each participating entity shall annually prepare and submit to the Administrator a plan identifying the intended uses of the entity loan fund.

(2) CONTENTS OF PLANS.—An entity intended use plan prepared under paragraph (1) shall include a list of proposed projects describing targeted geographies, expected numbers of grants made, income-based forgiveness volumes, and projected loan revolving schedules.

(g) AUDITS, REPORTS, PUBLICATIONS, AND OVERSIGHT.—

(1) BIENNIAL ENTITY AUDIT AND REPORT.—Beginning not later than the last day of the second fiscal year after the receipt of payments under this section, and biennially thereafter, any participating entity shall—

(A) conduct an audit of the entity loan fund established under subsection (c); and

(B) provide to the Administrator a report including—

(i) the result of any such audit; and

(ii) a review of the effectiveness of the entity loan fund of the entity with respect to meeting the goals and intended benefits described in the intended use plan submitted by the entity under subsection (g).

(2) OVERSIGHT.—

(A) IN GENERAL.—The Administrator shall, at least every 4 years, conduct reviews and audits as may be determined necessary or appropriate by the Administrator to carry out the objectives of this section and determine the effectiveness of the fund.

(B) GAO REQUIREMENTS.—A participating entity shall conduct audits under paragraph (1) in accordance with the auditing procedures of the Government Accountability Office, including generally accepted government auditing standards.

(C) RECOMMENDATIONS BY ADMINISTRATOR.—The Administrator may at any time make recommendations for or require specific changes to an entity loan fund in order to improve the effectiveness of the fund.

(D) USE OF FEMA GO.—All applications, awards, and closeouts under a revolving loan fund established pursuant to this section shall use FEMA GO and conform to auditing and recordkeeping requirements applicable to revolving loan funds established pursuant to section 205 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135).

(h) REGULATIONS OR GUIDANCE.—Not later than 180 days after the date of enactment of this Act, the Administrator shall publish clarified guidance for the specialized use-case under this section addressing reporting, forgiveness accounting, and equity targeting, consistent with recommendations of the Comptroller General of the United States.

(i) WAIVER AUTHORITY.—Until such time as the Administrator issues final regulations to implement this section, the Administrator may—

(1) waive notice and comment rulemaking, if the Administrator determines the waiver is necessary to expeditiously implement this section; and

(2) provide capitalization grants under this section as a pilot program.

(j) LIABILITY PROTECTIONS.—The Agency shall not be liable for any claim based on the exercise or performance of, or the failure to exercise or perform, a discretionary function or duty by the Agency, or an employee of the Agency in carrying out this section.

(k) INSURANCE COORDINATION.—The Administrator shall encourage State agencies establishing a revolving fund under this section to coordinate with insurers to recognize FORTIFIED Roof, FORTIFIED Home, or Wildfire Prepared Home certificates for actuarially justified premium discounts and to publicize State incentives where available, following the Eligibility Criteria model.

(l) COMPLIANCE WITH ENVIRONMENTAL AND BUILDING CODES.—Projects carried out under this section shall comply with applicable building codes, environmental planning, and historic preservation requirements as outlined in the Notice of Funding Opportunities for projects carried out under section 205 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135).

SEC. 5. HOMEOWNER GRANT PROGRAMS.

(a) IN GENERAL.—State agencies receiving a loan from a revolving loan fund established under section 4 of this Act shall establish a homeowner grant program for the installation of FORTIFIED Roofs, or improvements made to meet the FORTIFIED Home or Wildfire Prepared Home designation, and may only use such loan funds to make grants under such program.

(b) ELIGIBILITY.—Under the program established pursuant to subsection (a), State agencies shall determine eligibility for grants under the program provided it follows the following criteria:

(1) PRIMARY RESIDENCE AND HOMESTEAD EXEMPTION.—The dwelling shall be the homeowner's primary residence and shall be subject to a State or local homestead exemption, owner-occupancy tax classification, or equivalent designation under State law. Where no such State mechanism exists, the homeowner shall provide alternative documentation of owner-occupancy as prescribed by the Administrator.

(2) PROOF OF WIND COVERAGE.—For homeowners seeking Fortified Home designation, the homeowner shall provide proof of an in-force residential property insurance policy including wind peril coverage, valid through the projected date of project completion. A State agency may establish eligibility criteria for homeowners who are not insured at the time of application if the homeowner demonstrates that the proposed mitigation project is rea-

sonably intended to improve the insurability or affordability of coverage for the dwelling following project completion.

(3) PROOF OF FLOOD COVERAGE IN SPECIAL FLOOD HAZARD AREAS.—If the dwelling is located within a Special Flood Hazard Area as designated by the Federal Emergency Management Agency, the homeowner shall also provide proof of an in-force flood insurance policy, issued under the National Flood Insurance Program or a qualifying private policy under 42 U.S.C. 4012a(b), valid through the projected date of project completion.

(4) PROOF OF FIRE COVERAGE IN WILDFIRE HAZARD AREAS.—For applications seeking a Wildfire Prepared Home designation, if the dwelling is located within a designated Wildfire Hazard Area under applicable State or Federal mapping, the homeowner shall provide proof of an in-force residential property insurance policy including fire peril coverage, valid through the projected date of project completion. A State agency may establish eligibility criteria for homeowners who are not insured at the time of application if the homeowner demonstrates that the proposed mitigation project is reasonably intended to improve the insurability or affordability

of coverage for the dwelling following project completion.

(5) DWELLING CONDITION.—The dwelling shall be in a condition permitting completion of the proposed mitigation work to the applicable designation standard, as determined by a certified evaluator. A dwelling damaged by a covered weather event may remain eligible if the evaluator determines it is otherwise suitable for the proposed work.

(6) NO DUPLICATE FUNDING.—The homeowner shall certify and disclose any prior Federal, State, or local grant or subsidy received for the same scope of work. Grant funds under this Act shall not duplicate prior funding for the same improvements. The Administrator shall establish rules governing the permissible use of grant funds to supplement insurance claim proceeds.

(7) INELIGIBLE DWELLINGS.—New construction homes, condominiums, and mobile homes are not eligible to participate in the program.

(8) ELIGIBILITY CRITERIA.—A State agency may establish eligibility criteria for homeowners who are not insured at the time of application if the homeowner demonstrates that the proposed mitigation project is reasonably intended to improve the in-

surability or affordability of coverage for the dwelling following project completion.

(9) PRIORITIZATION.—States may give priority to lower-income applicants, applicants who live in locations that, based on historical data, have a higher susceptibility to catastrophic weather events, and applicants meeting any other criteria the State agency determines is appropriate to meet the purpose of the program.

(c) GRANT AMOUNTS.—The amount of a grant under a program established pursuant to subsection (a) may cover the specific construction upgrades, including labor and materials, for a Fortified Roof, Fortified Home, or Wildfire Prepared Home project up to a State agency set-cap, which may not be more than $10,000.

(d) PROCUREMENT AND CERTIFICATION.—All work done using a grant made by a loan under this section shall be performed by a qualified contractor and verified by a qualified evaluator under the applicable Fortified Roof, Fortified Home, or Wildfire Prepared Home program.

(e) FORGIVENESS OF CERTAIN AMOUNTS.—As a condition for establishing a revolving loan fund under section 4, the State agency shall forgive the repayment or cost-share obligation, if any, of any grant made pursuant to this section for a Fortified Roof, Fortified Home, or Wildfire Prepared Home project for an individual homeowner that has an income below 120 percent of the area median income.

SEC. 6. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to limit the ability of the Administrator under any other provision of law to capitalize revolving loan funds for other hazard mitigation projects.