§ 4017. National Flood Insurance Fund

(a) Establishment; availability

To carry out the flood insurance program authorized by this chapter, the Director shall establish in the Treasury of the United States a National Flood Insurance Fund (hereinafter referred to as the “fund”) which shall be an account separate from any other accounts or funds available to the Director and shall be available as described in subsection (f) of this section, without fiscal year limitation (except as otherwise provided in this section)—

1. for making such payments as may, from time to time, be required under section 4054 of this title;
2. to pay reinsurance claims under the excess loss reinsurance coverage provided under section 4055 of this title;
3. to repay to the Secretary of the Treasury such sums as may be borrowed from him (together with interest) in accordance with the authority provided in section 4016 of this title; and
4. to the extent approved in appropriations Acts, to pay any administrative expenses of the flood insurance and floodplain management programs (including the costs of mapping activities under section 4101 of this title);
5. for the purposes specified in subsection (d) of this section under the conditions provided therein;
6. for carrying out the program under section 4022 (b) of this title;
7. for transfers to the National Flood Mitigation Fund, but only to the extent provided in section 4104d (b)(1) of this title;
8. for financial assistance under section 4102a of this title to States and communities for taking actions under such section with respect to severe repetitive loss properties, but only to the extent provided in section 4102a (i) of this title; and
9. for funding, not to exceed $10,000,000 in any fiscal year, for mitigation actions under section 4030 of this title, except that, notwithstanding any other provision of this chapter, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this chapter.

(b) Credits to Fund

The fund shall be credited with—

1. such funds borrowed in accordance with the authority provided in section 4016 of this title as may from time to time be deposited in the fund;
2. premiums, fees, or other charges which may be paid or collected in connection with the excess loss reinsurance coverage provided under section 4055 of this title;
3. such amounts as may be advanced to the fund from appropriations in order to maintain the fund in an operative condition adequate to meet its liabilities;
4. interest which may be earned on investments of the fund pursuant to subsection (c) of this section;
5. such sums as are required to be paid to the Director under section 4015 (d) of this title; and
6. receipts from any other operations under this chapter (including premiums under the conditions specified in subsection (d) of this section, and salvage proceeds, if any, resulting from reinsurance coverage).

(c) Investment of moneys in obligations issued or guaranteed by United States
If, after—

(1) all outstanding obligations of the fund have been liquidated, and
(2) any outstanding amounts which may have been advanced to the fund from appropriations authorized under section 4127 (a)(2)(B) of this title have been credited to the appropriation from which advanced, with interest accrued at the rate prescribed under section 2414 (e) of this title, as in effect immediately prior to August 1, 1968,

the Director determines that the moneys of the fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

(d) Availability of Fund if operation of program is carried out through facilities of Federal Government

In the event the Director makes a determination in accordance with the provisions of section 4071 of this title that operation of the flood insurance program, in whole or in part, should be carried out through the facilities of the Federal Government, the fund shall be available for all purposes incident thereto, including—

(1) cost incurred in the adjustment and payment of any claims for losses, and
(2) payment of applicable operating costs set forth in the schedules prescribed under section 4018 of this title,

for so long as the program is so carried out, and in such event any premiums paid shall be deposited by the Director to the credit of the fund.

(e) Annual budget

An annual business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by sections 9103 and 9104 of title 31 for wholly-owned Government corporations.

(f) Availability of funds dependent on future appropriations acts

The fund shall be available, with respect to any fiscal year beginning on or after October 1, 1981, only to the extent approved in appropriation Acts; except that the fund shall be available for the purpose described in subsection (d)(1) of this section without such approval.

References in Text

This chapter, referred to in subsecs. (a) and (b)(6), was in the original a reference to “this title” meaning title XIII of Pub. L. 90–448, Aug. 1, 1968, 82 Stat. 572, known as the National Flood Insurance Act of 1968, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of this title and Tables.

Amendments

2004—Subsec. (a)(7), (8). Pub. L. 108–264, § 102(b), struck out “and” at end of par. (7), added par. (8), and struck out former par. (8) which read as follows: “for costs of preparing the report under section 577 of the Riegle Community Development and Regulatory Improvement Act of 1994, except that the fund shall be available for the purpose under this paragraph in an amount not to exceed an aggregate of $5,000,000 over the 2-year period beginning on September 23, 1994.”

1994—Subsec. (a). Pub. L. 103–325, §§ 554(b)(1), 577(h)(1), in introductory provisions, substituted “shall” for “is authorized to” after “Director”, inserted “an account separate from any other accounts or funds available to the Director and shall be” after “which shall be”, and inserted “(except as otherwise provided in this section)” after “without fiscal year limitation”.

Subsec. (a)(6) to (8). Pub. L. 103–325, §§ 542, 554(b)(2), 577(h)(2), added pars. (6) to (8), respectively.

1990—Subsec. (a)(4). Pub. L. 101–508 amended par. (4) generally. Prior to amendment, par. (4) read as follows: “to pay such administrative expenses (or portion of such expenses) of carrying out the flood insurance program as he may deem necessary; and”.


1983—Subsecs. (a), (b)(5), (c), (d). Pub. L. 98–181 substituted “Director” for “Secretary” wherever appearing.


**Effective Date of 1981 Amendment**


**Transfer of Functions**

For transfer of all functions, personnel, assets, components, authorities, grant programs, and liabilities of the Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto, to the Federal Emergency Management Agency, see section 315(a)(1) of Title 6, Domestic Security.

For transfer of functions, personnel, assets, and liabilities of the Federal Emergency Management Agency, including the functions of the Director of the Federal Emergency Management Agency relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see former section 313(1) and sections 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.