



May 2020

# NATIONAL FLOOD INSURANCE PROGRAM

## FEMA Can Improve Community Oversight and Data Sharing

# GAO Highlights

Highlights of [GAO-20-396](#), a report to congressional committees

## Why GAO Did This Study

NFIP's effectiveness depends in part on communities implementing FEMA requirements on floodplain management and post-disaster rebuilding efforts. GAO was asked to undertake a comprehensive evaluation of federal disaster preparedness, response, and recovery efforts. This report examines (1) requirements NFIP communities must meet and challenges they face, (2) FEMA's use of community visits to ensure compliance, and (3) how FEMA oversees community implementation of NFIP requirements for conducting substantial damage assessments.

GAO analyzed FEMA data on oversight visits and substantial damage assessments from January 2008 through July 2019. GAO also interviewed floodplain managers in 19 communities in Texas, Florida, and Louisiana, and officials from FEMA and floodplain management organizations.

## What GAO Recommends

GAO is making four recommendations to FEMA: The agency should (1) assess different approaches for ensuring compliance with NFIP requirements, (2) ensure data on community visits are up-to-date and complete, (3) ensure communities collect data on substantial damage assessments, and (4) clarify policies on data sharing between FEMA and NFIP communities. FEMA concurred with the recommendations.

View [GAO-20-396](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or [CackleyA@gao.gov](mailto:CackleyA@gao.gov).

May 2020

# NATIONAL FLOOD INSURANCE PROGRAM

## FEMA Can Improve Community Oversight and Data Sharing

### What GAO Found

The Federal Emergency Management Agency (FEMA) requires communities participating in the National Flood Insurance Program (NFIP) to adopt FEMA floodplain maps; limit flooding caused by new development; and require that substantially damaged structures meet elevation requirements (see figure). Community floodplain officials cited challenges, including difficulty inspecting buildings after a flood, staff turnover, and adopting new NFIP flood maps.

### Examples of How Buildings Can Meet Higher Elevation Requirements

Example 1: Building elevated on piers



Example 2: Building elevated on a crawlspace with openings



Source: Federal Emergency Management Agency (FEMA). | [GAO-20-396](#)

FEMA primarily uses community assistance visits to monitor compliance with NFIP requirements. The visits include evaluations of recent construction. Until 2019, FEMA's goal was to visit all communities considered to be high-risk every 5 years. However, FEMA did not meet this goal in Texas or Florida in 2008–2019 because of a lack of resources. Many high-risk communities received only one visit in this period, and some were not visited at all. Without regular monitoring, FEMA's ability to ensure communities comply with requirements is limited. FEMA and state specialists also are to close out records of these visits in FEMA's tracking system if they find no deficiencies or violations, or when the community has resolved any issues. However, in Florida and Texas GAO found that records for many visits remained open for several years, and FEMA staff were unsure whether this indicated unresolved deficiencies or incomplete recordkeeping. Unreliable recordkeeping hinders FEMA's ability to assess community compliance with NFIP requirements.

After a flood, one key community responsibility is to assess whether flood damage on a property was substantial (50 percent or more of the property's value). In such cases, the community must ensure the properties are rebuilt to current NFIP standards. However, FEMA generally does not collect or analyze the results of these assessments, limiting its ability to ensure the process operates as intended. Furthermore, FEMA has not clarified how communities can access NFIP claims data. Such data would help communities target substantial damage assessments after a flood.

---

# Contents

---

---

Letter		1
	Background	2
	NFIP’s Requirements Seek to Limit Future Flooding but Communities Described Implementation Challenges	6
	FEMA’s Oversight Is Hindered by Limited Community Visits and Incomplete Data	11
	FEMA and Communities Lack Access to Some Data That Would Be Useful in Overseeing and Implementing Post-Flood Requirements	17
	Conclusions	25
	Recommendations for Executive Action	25
	Agency Comments	26

---

Appendix I	Objectives, Scope, and Methodology	29
------------	------------------------------------	----

---

Appendix II	Comments from the U.S. Department of Homeland Security	31
-------------	--	----

---

Appendix III	GAO Contact and Staff Acknowledgments	36
--------------	---------------------------------------	----

---

## Figures

Figure 1: Share of Policies, Premiums, and Participant Communities in National Flood Insurance Program (Florida and Texas versus national), 2019	5
Figure 2: Example of One Way in Which Development Can Increase Flood Risk	7
Figure 3: Special Flood Hazard Area and Base Flood Elevation	8
Figure 4: Examples of How Buildings Can Be Protected From Damage by Building above the Base Flood Elevation	9
Figure 5: Overview of FEMA’s Process for Conducting a Community Assistance Visit	12
Figure 6: Percentage of High-Risk Communities That FEMA Visited in Florida and Texas, January 2008–July 2019	14
Figure 7: Length of Time Community Assistance Visit Records Remained Open in FEMA’s Community Information System, Florida and Texas, January 1, 2008–July 31, 2019	16

---

Figure 8: National Flood Insurance Program Process for Declaring  
Properties Substantially Damaged after a Flood

20

---

**Abbreviations**

CRS	Community Rating System
FEMA	Federal Emergency Management Agency
NFIP	National Flood Insurance Program

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



May 5, 2020

### Congressional Committees

In 2017, Hurricanes Harvey and Irma, along with Hurricane Maria, created an unprecedented demand for federal disaster response and recovery resources. Hurricane Harvey was the most significant tropical cyclone rainfall event in recorded U.S. history, and it caused an estimated \$125 billion in damage in Texas. Seventeen days later, Hurricane Irma became the strongest storm on record in the Atlantic Ocean outside of the Caribbean and Gulf of Mexico, and it caused an estimated \$50 billion in damage in Florida and other states. Homeowners with flood insurance through the National Flood Insurance Program (NFIP) were able to file claims and receive funds to aid in their rebuilding efforts after the storms. NFIP is administered by the Federal Emergency Management Agency (FEMA), a component of the Department of Homeland Security, and was created to help reduce the cost of providing federal flood assistance to repair damaged homes and businesses. The program relies on participating communities to adopt and enforce floodplain management requirements to minimize the damage and financial effect of flooding.

You requested that we undertake a comprehensive evaluation of federal disaster preparedness, response, and recovery efforts. This report addresses enforcement of key NFIP requirements for communities. Specifically, it (1) describes the requirements that NFIP-participating communities must meet and the challenges they face in doing so, (2) examines the extent to which FEMA uses community visits to ensure communities follow requirements, and (3) examines how FEMA oversees community implementation of NFIP requirements for conducting substantial damage assessments.

This report focuses on NFIP communities in Florida and Texas, where residents and property owners purchased almost half of all NFIP policies nationwide in 2017. For all three objectives, we reviewed FEMA guidance documents and NFIP requirements for communities participating in NFIP and in FEMA's Community Rating System (CRS) and interviewed officials in FEMA's headquarters and regional offices in Texas and Georgia. We visited 18 communities in Texas and Florida and an additional community in Louisiana to learn about floodplain management after Hurricane Harvey. We conducted structured interviews with community floodplain managers and emergency management coordinators, among others. For the first objective, we analyzed the results of our structured interviews to

---

identify the challenges that community officials cited most frequently. For the second objective, we analyzed FEMA's database of information from its community assistance visits to determine the frequency of visits and to understand unresolved deficiencies found during the visits. While these data were sometimes incomplete, they generally were reliable for our purposes of addressing frequency of visits and issues with deficiencies. For the third objective, we analyzed our structured interviews and interviews with agency officials to determine how FEMA oversees community implementation of NFIP requirements for conducting substantial damage assessments. Appendix I provides more detail on our methodology.

We conducted this performance audit from October 2018 to May 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

---

## Background

FEMA is the federal agency primarily responsible for assisting state and local governments, private entities, and individuals to prepare for, mitigate, respond to, and recover from natural disasters, including floods. Floods are the most frequent natural disasters in the United States, causing billions of dollars of damage annually.

In 1968, Congress passed the National Flood Insurance Act, which created NFIP, to address the increasing amount of flood damage, the lack of readily available insurance for property owners, and the cost to the taxpayer for flood-related disaster relief.<sup>1</sup> Since its inception, NFIP has served as a key component of FEMA's efforts to minimize or mitigate the damage and financial impact of floods on the public, as well as to limit the need for federal assistance after floods occur.

A primary goal of NFIP is to minimize flood-related property losses by making flood insurance available on reasonable terms and encouraging its purchase by commercial and residential property owners who need flood insurance protection. The program focuses on areas in communities that are at the highest risk of flooding, known as special flood hazard areas. As of November 2019, 22,436 communities across the United

---

<sup>1</sup>Pub. L. No. 90-448, tit. XIII, 82 Stat. 572 (1968).

---

States and its territories voluntarily participated in NFIP by adopting and agreeing to enforce flood-related building codes and floodplain management requirements.

---

## FEMA Reviews of Community Compliance

FEMA uses community assistance visits and community assistance contacts to oversee community enforcement of NFIP requirements. Community assistance visits are on-site assessments of a community's floodplain management program and its knowledge and understanding of NFIP's floodplain management requirements. During the visit, FEMA also helps the community remedy any program deficiencies or violations. Some visits are conducted by FEMA regional office staff and others by state floodplain management personnel, through funding from FEMA's Community Assistance Program (State Support Services Element).<sup>2</sup>

Community assistance contacts are usually done by telephone, and their purpose is to establish or re-establish contact with an NFIP community regarding any existing problems or issues and to offer assistance if necessary. These contacts generally include a broad discussion of the community's floodplain management activities, as well as any outstanding deficiencies and violations and community actions taken to resolve them. NFIP regulations allow FEMA to place a community on probation or to suspend the community from the program if it does not meet or enforce NFIP requirements.

---

## Substantial Damage Assessments

After a flood, local officials in communities that participate in NFIP must determine whether the proposed repairs to a damaged building are above or below FEMA's threshold for substantial improvement or repair of substantial damage. Substantial improvement refers to any reconstruction, rehabilitation, addition, or other improvement of a structure that equals or exceeds 50 percent of the market value of the structure before the start of the construction. Repair of substantial damage means that the cost of restoring the structure to its pre-damage condition equals or exceeds 50 percent of the market value of the structure before the damage occurred.

Substantially improved and substantially damaged buildings must be brought into compliance with NFIP requirements for new construction,

---

<sup>2</sup>NFIP's Community Assistance Program helps to ensure that NFIP communities reduce instances of flood loss. The State Support Services Element of the program provides funds for state floodplain management personnel to support FEMA's regional office staff with NFIP community monitoring, including funding for state staff to conduct community assistance visits.

---

including the requirement that lowest floors be elevated above the level indicated by the current NFIP flood map. These requirements help reduce future flood risk by elevating or otherwise mitigating properties at risk of flooding. FEMA officials generally do not conduct substantial damage assessments themselves but offer communities tools they can use to collect information and perform damage assessments. When a building insured under NFIP suffers a flood loss and is declared substantially damaged, the owner of the building can apply to receive up to \$30,000, on top of any claim payment, to help rebuild according to current NFIP requirements, under a program called Increased Cost of Compliance.

---

## FEMA's Community Rating System

In 1990, FEMA implemented a voluntary rating system to recognize and encourage community floodplain management activities that exceed the minimum NFIP requirements. Communities may apply to join CRS if they are in full compliance with the minimum NFIP floodplain management requirements. As of June 2017, about 5 percent of NFIP communities participated in CRS, and more than 69 percent of all flood insurance policies were written in CRS communities.

Communities are grouped into classes based on their ratings and can move up in ratings by earning CRS credits for activities such as increasing public information about flood risks, preserving open space, taking steps to reduce flood damage, and preparing residents for floods. The three goals of the CRS program are to

- reduce flood damage to insurable property by reducing existing buildings' risk of flood damage and by protecting new buildings from current and future flood hazards;
- strengthen and support the insurance aspects of NFIP, in particular by encouraging communities to implement NFIP flood maps and increasing residents' awareness of flood risk so they purchase and maintain flood insurance policies; and
- foster a comprehensive approach to floodplain management, such as by ensuring that new development does not cause adverse impacts elsewhere in the watershed or on other properties.

As the community earns credits for additional flood-mitigation activities, residents and property owners in special flood hazard areas become eligible for increased NFIP policy premium discounts. Each CRS class improvement produces a 5 percent greater discount on flood insurance premiums for properties in the special flood hazard area, up to a maximum of 45 percent. FEMA contracts with a private company to administer many aspects of the CRS program. This contractor verifies the





activities of communities on a 5-year cycle, though some communities may be visited on a 3-year cycle as their CRS class and discount improve. Communities can lose discounts if they do not sustain their activities.

**NFIP Communities in Texas and Florida**

Communities in Texas and Florida made up 2 percent and 6 percent, respectively, of all NFIP communities nationwide, and their residents purchased almost half of all NFIP policies in force in 2019 (see fig. 1).

**Figure 1: Share of Policies, Premiums, and Participant Communities in National Flood Insurance Program (Florida and Texas versus national), 2019**

	Florida	Texas	National
			
<b>Policies in force</b> (% of national)	1,743,170 (35%)	754,028 (15%)	5,000,000
<b>Amount of premiums</b> (% of national)	\$995,147,080 (27%)	\$456,740,102 (13%)	\$3,623,699,032
			
<b>Number of National Flood Insurance Program communities</b> (% of national)	467 (2%)	1,255 (6%)	22,436
<b>Number of Community Rating System communities<sup>a</sup></b> (% of national)	240 (16%)	68 (5%)	1,506

Sources: GAO analysis of Federal Emergency Management Agency data; MapInfo. | GAO-20-396

<sup>a</sup>The Community Rating System is an incentive program that encourages communities to adopt floodplain management activities that exceed the minimum National Flood Insurance Program requirements.

After Hurricanes Harvey and Irma, property owners in Texas, Florida, and other states made about 98,000 flood insurance claims to NFIP and

---

received a total of almost \$10 billion. According to FEMA, Hurricane Harvey required a disaster response that was the largest in Texas state history. Nearly 80,000 homes had at least 18 inches of floodwater, and 23,000 of those had more than 5 feet. Older homes that were not built to minimum NFIP standards sustained the greatest damage. In Florida, Hurricane Irma caused widespread damage to residential and commercial buildings and infrastructure, and flood damage occurred particularly in low-lying areas.

---

## NFIP's Requirements Seek to Limit Future Flooding but Communities Described Implementation Challenges

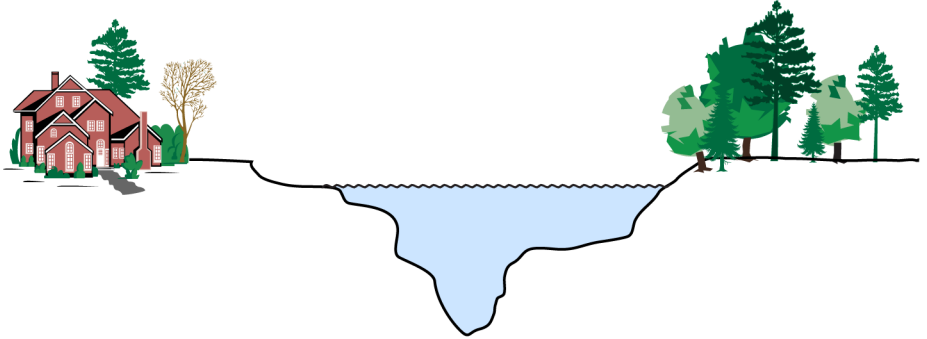
---

### Communities Must Meet Certain Floodplain Management Requirements

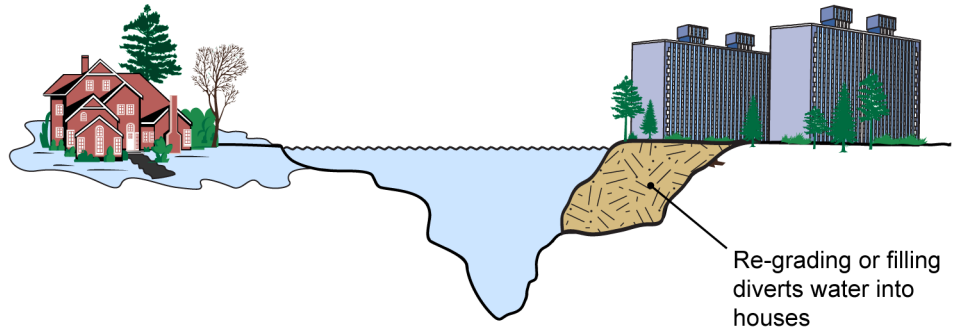
Community participation in NFIP is voluntary, but communities must join NFIP for their residents to purchase flood insurance through the program. To join NFIP, communities must adopt and enforce FEMA-approved building standards, floodplain management strategies, and floodplain management regulations to reduce future flood damage. FEMA relies on the communities to notify it of changing flood hazards and help update flood hazards on NFIP flood maps. (See figure 2 for an example of how development can increase flood risk.) Communities designate a floodplain administrator, who may be a local member of the community, such as a building inspector, community zoning official, engineer, or planner, or an entity contracted by the community, such as a county, regional planning agency, another jurisdiction or authority, or a private firm.

Figure 2: Example of One Way in Which Development Can Increase Flood Risk

Before development



After development



Source: GAO analysis of FEMA data. | GAO-20-396

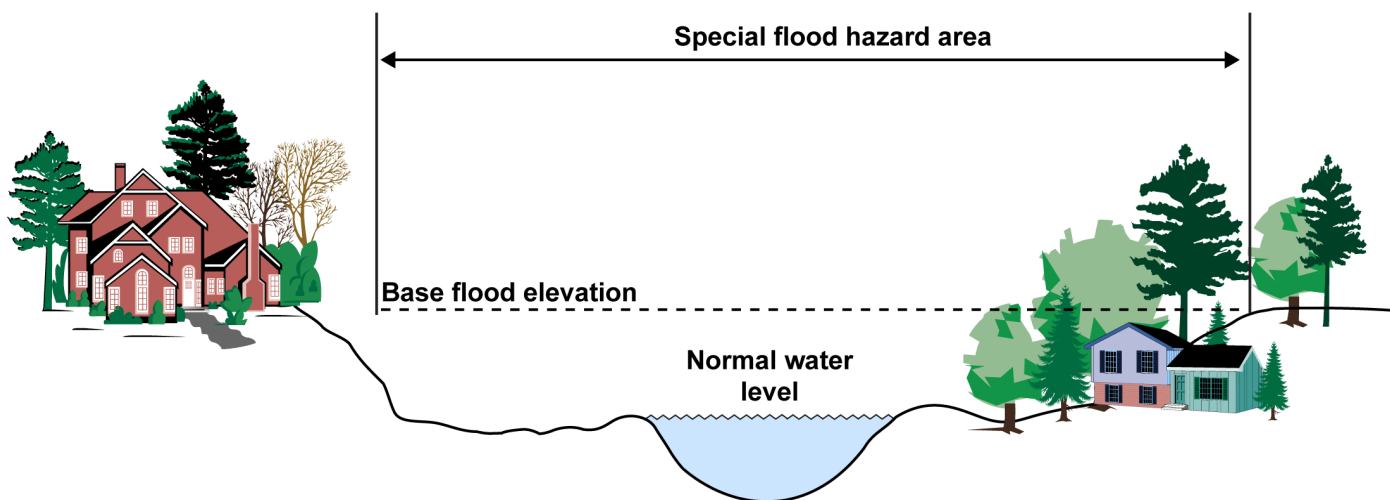
According to NFIP floodplain management requirements, communities that choose to participate in NFIP must meet certain requirements, including the following:

**Communities must use current NFIP flood maps in adopting floodplain management regulations.**<sup>3</sup> The maps show the special flood hazard area, in which residents are required to purchase flood insurance if they have a mortgage from a federally regulated lender, federal agency lenders and loans held by Fannie Mae and Freddie Mac. They also show

<sup>3</sup>44 C.F.R. § 60.2(h).

base flood elevations, or the elevation to which FEMA anticipates floodwater will rise during a flood (see fig. 3).

Figure 3: Special Flood Hazard Area and Base Flood Elevation



Source: GAO analysis of Federal Emergency Management Agency data. | GAO-20-396

**Communities must require permits for all development in special flood hazard areas.**<sup>4</sup> The permit requirement includes both the construction of buildings or other structures and other land operations, such as mining, paving, excavation, or drilling, which can increase the risk of flooding by obstructing floodwater flows.

**Development must not increase the flood hazard on other properties.**<sup>5</sup> NFIP requires communities to regulate development to ensure that new development does not increase the risk of flooding for surrounding properties.

**Elevation standards must be met.**<sup>6</sup> Communities must ensure that newly constructed, substantially improved, or substantially damaged buildings in special flood hazard areas have the lowest occupied floor

<sup>4</sup>44 C.F.R. § 60.3.

<sup>5</sup>FEMA, *NFIP Floodplain Management Requirements: A Study Guide and Desk Reference for Local Officials*.

<sup>6</sup>44 C.F.R. § 60.3.

---

elevated to or above the base flood elevation indicated on the NFIP flood map. FEMA allows elevation on fill; elevation on posts, piers, or columns; or elevation on walls or a crawlspace (see fig. 4).

---

**Figure 4: Examples of How Buildings Can Be Protected From Damage by Building above the Base Flood Elevation**

**Example 1: Building elevated on piers**



**Example 2: Building elevated on a crawlspace with openings**



Source: Federal Emergency Management Agency (FEMA). | GAO-20-396

Some communities set standards higher than what is required by NFIP. For example, Harris County, Texas, and Key West, Florida, require new or substantially improved construction to be elevated 2 feet and 1 foot, respectively, above NFIP's base flood elevation level. In addition, several communities in Florida have cumulative substantial improvement rules. The rules require property owners who make substantial improvements over a period of time to a home built before the community implemented NFIP flood maps to elevate or bring the home into NFIP compliance. Several FEMA studies show that homes that are rebuilt above the base flood elevation suffer less damage in subsequent floods.<sup>7</sup>

---

<sup>7</sup>For example, a study of 23 homes in Jefferson Parish, Louisiana, that were elevated after suffering damage in a 2005 hurricane reported that the homes sustained significantly less damage in a 2012 hurricane. Federal Emergency Management Agency, *FEMA Fact Sheet: Loss Avoidance Study: Jefferson Parish, LA* (Washington, D.C.: January 2017).

---

Communities Cited  
Challenges in  
Implementing  
Requirements, Including  
Difficulty Inspecting  
Buildings after a Flood

Challenges expressed by some community officials whom we interviewed included difficulty enforcing NFIP requirements after a storm, retaining experienced floodplain management staff, and implementing updated NFIP flood maps.

**Difficulty inspecting buildings after a flood.** Officials in several communities discussed the challenges related to inspecting buildings for substantial damage after a flood. In one community, inspectors had difficulty assessing flood damage because officials allowed construction to begin immediately and without a building permit. Floodplain officials in two communities said insurance adjustors may pay claims before inspectors have assessed damage, hindering inspectors' ability to determine if repairs will exceed 50 percent of the home's value if the homeowner begins to repair damage before the inspection.

**Challenges retaining floodplain management staff.** In eight of the 19 communities we visited, officials cited difficulties obtaining or retaining sufficient staff to perform work such as conducting substantial damage assessments or fulfilling CRS paperwork requirements. For example, one floodplain official told us that after a major storm, the small floodplain management office was overwhelmed with trying to inspect damaged buildings to determine which would require rebuilding to current NFIP standards. Another community we visited did not have a full-time floodplain manager and relied on its building department, which is responsible for issuing building permits, to implement NFIP requirements. Officials said that retaining floodplain management staff is challenging due to factors such as the overwhelming amount of work that had to be performed after a hurricane and low prioritization of floodplain management in noncoastal communities. Two officials said that floodplain management is a difficult job, which can lead to high turnover of staff.

**Difficulty adopting new NFIP flood maps.** Officials in three communities said the introduction of a new flood map can create difficulties. For example, an official said a new flood map can increase the size of the special flood hazard area and require more property owners to buy flood insurance. Another official said that new maps also can raise the base flood elevation, which can raise the cost of insurance

---

premiums.<sup>8</sup> A community official said that his community has been working with FEMA to revise a map for a few years and noted that some property owners in the community planned to challenge the new maps, further delaying adoption.

---

## FEMA's Oversight Is Hindered by Limited Community Visits and Incomplete Data

### FEMA Uses Community Assistance Visits to Oversee NFIP Community Compliance

FEMA's primary method of verifying community compliance with NFIP requirements is through community assistance visits. These visits, along with community assistance contacts—which are in-depth discussions that can be conducted by telephone—are intended to help FEMA prevent, identify, and mitigate deficiencies in a community's floodplain management.<sup>9</sup>

According to FEMA's guidance, FEMA or state specialists who conduct these visits are to take the following steps (see fig. 5):<sup>10</sup>

- **Prepare for the visit.** Specialists prepare for the visit by learning about the characteristics of the community and its prior history with NFIP in order to identify potential issues.
- **Conduct the visit.** Specialists tour the community, meet with local officials, and inspect files, among other activities. During the tour, specialists make observations, such as noting for later file inspection whether new structures or structures undergoing major repair meet

---

<sup>8</sup>We previously identified options for targeting assistance to subsidize policyholders who may experience difficulty paying full-risk rates for flood insurance. The options included means testing assistance based on the income level of policyholders or geographic areas, setting premium caps, and basing assistance on the cost of mitigating the risk of flood damage to homes. GAO, *National Flood Insurance Program: Options for Providing Affordability Assistance*, [GAO-16-190](#) (Washington, D.C.: Feb. 10, 2016).

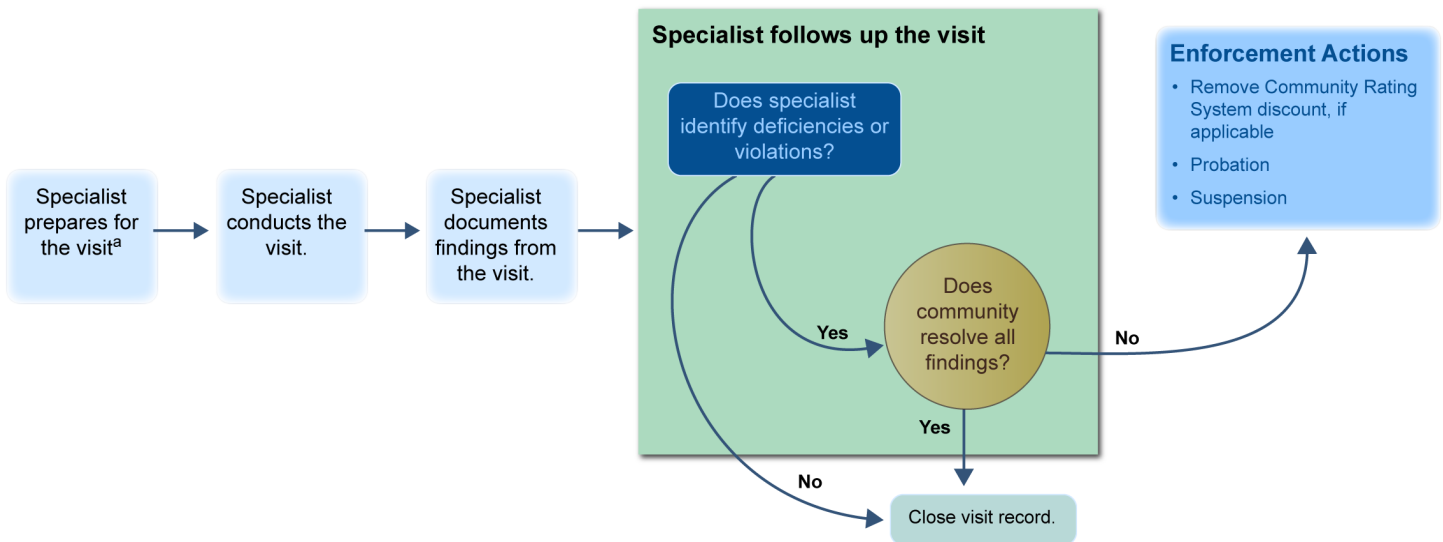
<sup>9</sup>A community assistance visit consists of a comprehensive discussion of several topics regarding the community, including its floodplain management regulations, permit and review process, and potential issues.

<sup>10</sup>Federal Emergency Management Agency, *National Flood Insurance Program (NFIP) Guidance for Conducting Community Assistance Contacts and Community Assistance Visits*, FEMA F-776 (Washington, D.C.: April 2011).

permit documentation and base flood elevation requirements, and whether major new developments will divert flood water from special flood hazard areas. The specialists meet with local officials to assess the community's floodplain management program and to provide technical assistance. Specialists also inspect the community's files to assess the documentation and activities of its floodplain management program.

- **Document findings.** Within 30 days of the visit, the specialists are to enter information obtained from the visit, including specific information on deficiencies and violations, into FEMA's Community Information System.
- **Follow up with the community.** After completing the visit, the specialists who conducted the visit are to ensure that the community resolves deficiencies and violations found during the visit in a timely manner. Specialists are to consider additional action, including enforcement actions, if deficiencies remain.

**Figure 5: Overview of FEMA's Process for Conducting a Community Assistance Visit**



Source: GAO. | GAO-20-396

<sup>a</sup>Specialists are Federal Emergency Management Agency (FEMA) regional office staff and state floodplain management personnel.

In our visits to NFIP communities, officials told us that community assistance visits generally were consistent with the process we found documented in FEMA's guidance. For example, community officials said



---

specialists toured the floodplains to observe structures (such as new construction, renovations, and waterfront developments) and inspected community files, including permits and elevation certificates.<sup>11</sup> The community officials said specialists generally spent from 1 to 7 days on site performing their reviews.

---

### Some High-Risk Communities Were Not Visited Between 2008 and 2019, and Many Were Visited Only Once

Until recently, FEMA's guidance documents stated that its goal was to visit all communities it considered to be high-risk every 5 years. FEMA designated some communities as high-risk based on factors including the community's size, number of flood insurance policies, and number of previously damaged structures. Lower-risk communities were designated to receive a community assistance contact, training, or other contact without regard to time frame.<sup>12</sup> FEMA officials with whom we spoke noted that the risk factors used to designate communities had not been updated since 2010. As a result, according to FEMA officials, in 2019 FEMA began developing a new selection tool that includes updated criteria and focuses on the risk of flooding in a community, the opportunity for a community to improve resilience, and the level of interest a community has in improving its floodplain management. An early version of the tool was released for testing in 2019.

FEMA officials said that they and the states started using the new tool to select communities for the annual community visit cycle that began in July 2019. FEMA officials said that while they no longer have a goal of visiting high-risk communities once every 5 years, they do not anticipate conducting fewer visits than before. FEMA officials also noted that communities requesting to participate in CRS will be prioritized for a community assistance visit.

From January 2008 through July 2019, FEMA met the 5-year goal for 13 percent of high-risk communities in Florida and 5 percent of such communities in Texas (see fig. 6). FEMA records also indicated that approximately 13 percent of high-risk communities in Florida and 31 percent in Texas did not receive a community assistance visit in that period. However, most high-risk communities in the two states were visited at some point during the overall time period. About 87 percent of

---

<sup>11</sup>An elevation certificate is a documented certification, often conducted by an engineer, that attests that new buildings and substantial improvements in all identified special flood hazard areas are properly elevated and in compliance with the community's floodplain management ordinance.

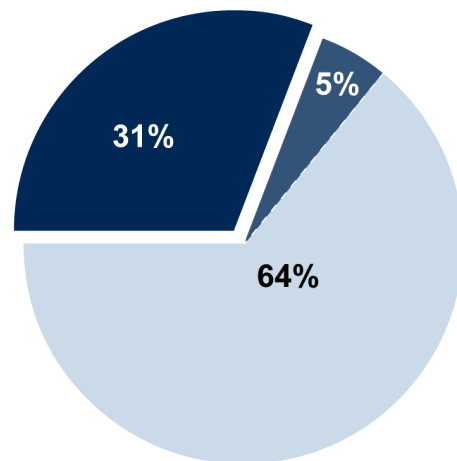
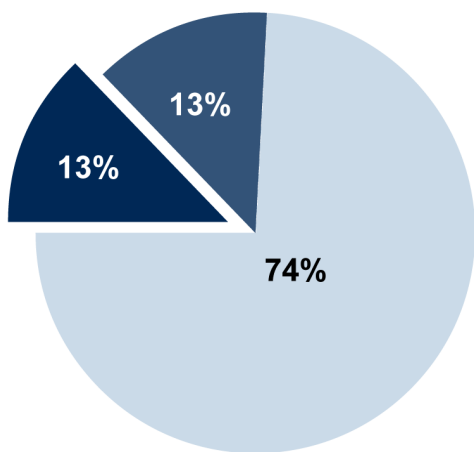
<sup>12</sup>FEMA refers to high-risk communities as Tier 1 and lower-risk communities as Tier 2.

high-risk communities in Florida and about 69 percent in Texas received at least one visit during that period.

**Figure 6: Percentage of High-Risk Communities That FEMA Visited in Florida and Texas, January 2008–July 2019**

**Florida**

**Texas**



- High-risk communities FEMA did not visit
- High-risk communities FEMA visited about 5 years apart
- High-risk communities FEMA visited at least once and, if more than once, over 5 years apart

Source: GAO. | GAO-20-396

Notes: From January 2008 through July 2019, Florida had 156 communities that the Federal Emergency Management Agency (FEMA) designated as Tier 1, or high-risk, and Texas had 177. FEMA designates communities as high-risk based on their size, number of policies in force, and number of previously damaged structures, among other factors. Until 2019, FEMA’s goal was to visit all high-risk communities every 5 years.

FEMA officials said that one reason for the limited number of visits to some high-risk communities is that FEMA resources, including state specialists, can be diverted to assist with disaster recovery efforts. FEMA officials also said that it is a challenge to visit all high-risk communities in states with a large number of NFIP communities, such as Texas and Florida, but they generally do not have the same challenge in states with fewer communities. FEMA officials said that in 2019 they employed about 120 specialists nationally, and that state grants allowed for another 130 state specialists to be divided among all states. Based on our analysis of FEMA’s data for Florida and Texas, FEMA regional staff completed about 20 percent of the visits and state specialists and others completed the remaining 80 percent.

---

A FEMA official told us that the agency has been considering using methods other than community visits (such as checking in with communities 12–18 months after a flood) to verify compliance with NFIP requirements. However, as community assistance visits currently remain FEMA’s primary tool for ensuring compliance, the limited number of visits it has conducted in high-risk communities hinders its ability to provide such oversight. For example, it hinders FEMA’s ability to prevent, identify, and mitigate deficiencies in communities’ implementation of NFIP requirements, which, in turn, can limit their ability to prevent or limit future flood losses.

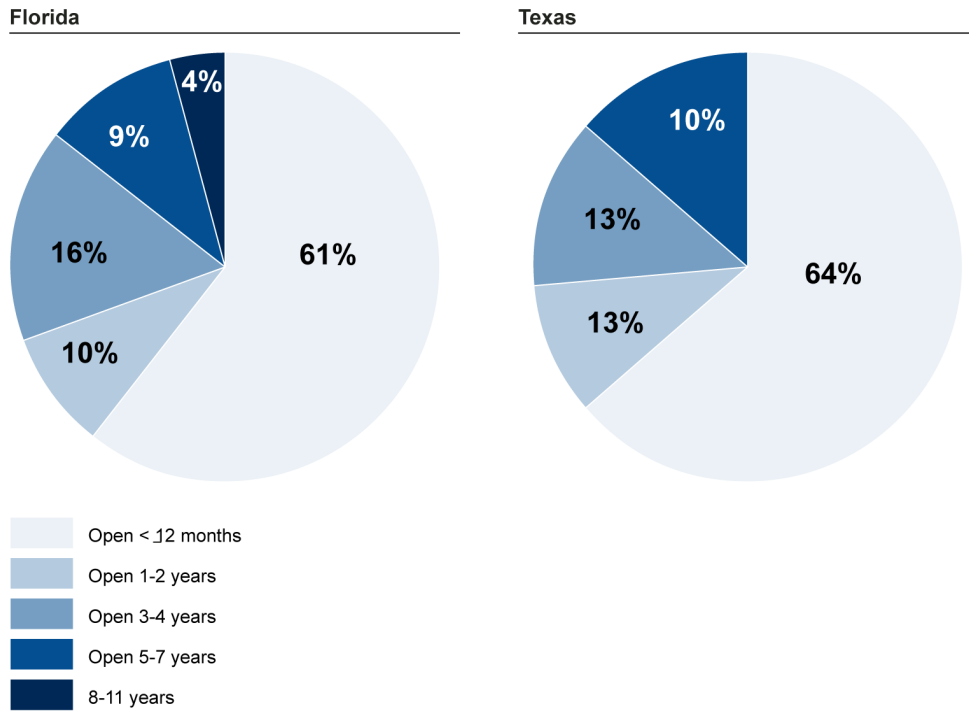
---

**FEMA Officials Were Unsure Whether Open Records of Community Visits Indicated Unresolved Deficiencies or Incomplete Data**

According to FEMA guidance, specialists should document their community assistance visits, including information on any deficiencies and violations found during the visit, in FEMA’s Community Information System within 30 days of the visit. If a deficiency or violation is found, the specialists are to close out the record of the community visit after any deficiencies and violations have been addressed. The guidance further states that during the course of the visit, specialists should collect documentation that thoroughly supports their findings. Such documentation helps monitor a community’s progress toward resolving its floodplain management issues and, if needed, support any enforcement actions.

Our review of FEMA records of community assistance visits in Florida and Texas from 2008 through 2019 showed that about one-third of all records remained open for a year or longer, and in some cases records stayed open for 5 years or more (see fig. 7). For example, around 29 and 23 percent of community assistance visits conducted in Florida and Texas, respectively, remained open for 3 or more years. In Florida, 4 percent remained open for 8 years or more.

**Figure 7: Length of Time Community Assistance Visit Records Remained Open in FEMA’s Community Information System, Florida and Texas, January 1, 2008–July 31, 2019**



Source: Federal Emergency Management Agency (FEMA). | GAO-20-396

Note: Among the data FEMA provided, 166 records from Florida did not have a date showing when the record was closed. For the purposes of our analysis, we assumed a closing date of July 31, 2019. We chose this date to reflect the end date of our data request.

FEMA headquarters officials told us that they were unsure whether individual records remained open due to unresolved deficiencies and violations or because the specialist who conducted the visit failed to close the record. The officials also noted that specialists who enter information into the Community Information System about deficiencies and violations may not understand the importance of noting specific details and, as a result, may exclude details in many cases. As such, the level of detail can vary from one visit record to another depending on the individual entering the data.

FEMA officials told us that turnover of state floodplain specialists and community floodplain managers could be a reason that many records remained open for an extended period. For example, they said turnover among state specialists could result in visit records remaining open

---

because the staff responsible for closing a visit record no longer worked for the state. They also said that turnover among community floodplain managers could result in deficiencies remaining open for extended periods because there was no one in the community to address them. Furthermore, they said that because of the high turnover of community floodplain managers, they want to find other ways of monitoring community compliance with NFIP requirements.

FEMA officials told us that another reason visit records can remain open for longer periods of time is FEMA's approach to community oversight. The officials said that they would rather work with a community to resolve any deficiencies and consider steps such as suspension and probation to be a last resort. As a result, FEMA guidance does not include a maximum number of days a deficiency can remain open before beginning enforcement action, such as probation or suspension.

Standards for internal control in the federal government state that management should use quality information to achieve the entity's objectives.<sup>13</sup> Without appropriate steps to ensure that it has reliable and timely information on community assistance visits, FEMA cannot readily determine if open records indicate a recordkeeping problem, a community deficiency that needs to be addressed, or something else. As a result, FEMA's ability to determine if communities have been following NFIP requirements is hindered and the agency may miss opportunities to prevent future flood losses.

---

## FEMA and Communities Lack Access to Some Data That Would Be Useful in Overseeing and Implementing Post-Flood Requirements

---

<sup>13</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

---

## NFIP Communities Assess Damage to Properties Following a Flood, Sometimes with FEMA Assistance

Immediately after a flood, local floodplain management officials may assess the extent of damage to individual properties and determine whether damage is substantial enough that certain structures must be rebuilt to current NFIP requirements. As stated earlier, a substantially damaged property is one requiring repair work that costs 50 percent or more of a structure's pre-flood market value.<sup>14</sup> Local officials usually assess substantial damage to a property in three stages.

- **Initial assessment.** Local officials conduct initial assessments of flood-damaged properties—typically by driving through affected areas—to gauge the number of buildings affected and extent of damage.<sup>15</sup>
- **Preliminary damage assessments.** These assessments are performed by FEMA or state officials, along with community officials. They are intended to broadly characterize the extent of damage. Local officials charged with performing building inspections and making substantial damage determinations may find the results of these assessments useful for identifying areas where significant damage has occurred and to coordinate their substantial damage inspections.
- **Substantial damage assessment.** Local officials conduct substantial damage assessments on the most severely damaged structures. These assessments are more in depth than the initial review and generally involve identifying damage to a property, estimating the cost

---

<sup>14</sup>Current NFIP regulations do not define market value explicitly. Elsewhere, FEMA documents describe it as “the amount an owner would be willing but not be obliged to accept, and that a buyer would be willing but not compelled to pay” for a structure. NFIP documents stipulate that market value is based only on the value of the structure, not the land, and must always be based on the condition of the structure before damage occurred or improvements were undertaken. Three other acceptable methods to estimate market value are (1) using assessed value developed for property tax assessment purposes, adjusted to approximate market value; (2) using estimates of a structure's actual cash value, including depreciation; or (3) using qualified estimates based on the professional judgment of a local official. Because there is more than one acceptable way to determine costs and market value, FEMA recommends that local officials examine their methodology for reasonableness and accuracy.

<sup>15</sup>Depending on the scope of an event and severity of damage, some communities conduct a rapid evaluation of damaged areas as a preliminary step before detailed evaluations are performed. These evaluations are conducted to identify buildings that appear to be so damaged that they require a permit before they can be repaired or reoccupied.

---

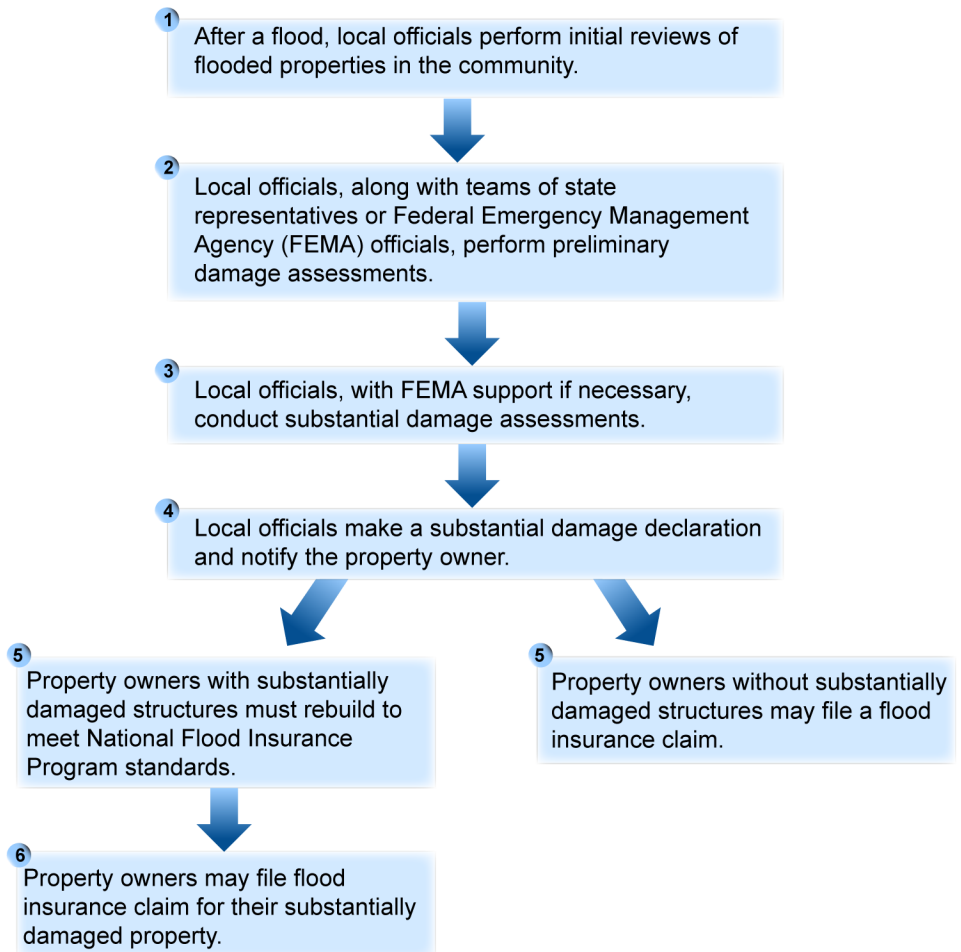
to fix that damage, and determining whether the damaged structure can be classified as substantially damaged.<sup>16</sup>

State and FEMA representatives can assist local officials in performing these assessments, as they did after Hurricanes Harvey and Irma. FEMA also recently began offering communities an updated version of its substantial damage estimator tool, a software template designed to help officials assess damage more quickly and consistently. Figure 8 illustrates the process for declaring properties to be substantially damaged after a flood.

---

<sup>16</sup>Other entities, such as insurance claims adjusters, can perform substantial damage estimates for the purpose of adjusting claims. However, according to FEMA policy, an insurance adjuster's damage estimate cannot be used as the sole basis for an NFIP substantial damage declaration.

**Figure 8: National Flood Insurance Program Process for Declaring Properties Substantially Damaged after a Flood**



Source: GAO. | GAO-20-396

While FEMA may provide assistance in conducting damage assessments, NFIP guidance documents state that community floodplain management officials are responsible for estimating the cost to repair and the market value of the structure, determining which properties are substantially damaged, and notifying property owners of their determination. As noted earlier, NFIP requires property owners to bring any substantially damaged buildings located in a special flood hazard area into compliance with minimum NFIP requirements, if they choose to rebuild. This could mean elevating their structure to reduce the risk of future flood damage or losses. For example, several officials from NFIP



---

communities we visited commented that properties raised to or built at higher elevations following floods prior to 2017 received less flood damage during the events of 2017.

Commercial and residential property owners with NFIP flood insurance who wish to rebuild a property that has been declared substantially damaged must work with the insurance company through which they purchased their NFIP policy to process their NFIP claim, and then must obtain permits from their community for repair work. As noted previously, these policy holders may be eligible to receive additional funding through NFIP's Increased Cost of Compliance program—currently up to \$30,000 beyond the claim payment—to help with the cost of bringing their home into compliance with current NFIP standards.

---

## FEMA Does Not Have Ready Access to Community Data on Substantial Damage Assessments

FEMA does not have ready access to data on substantial damage assessments outside of community assistance visits, which we noted above are FEMA's primary mechanism for NFIP community oversight. For example, we requested data from FEMA on the number of substantial damage assessments performed after Hurricane Harvey in Texas and Hurricane Irma in Florida in 2017. FEMA headquarters officials said that the data were not readily available and they would have to reach out to the regional offices to provide the figure, which took several months.

In addition, FEMA regional officials said in August 2019 that they were still assessing the total number of properties that were substantially damaged in Texas in 2017 and that it would take approximately 12 to 24 months to collect these data. They estimated that local NFIP officials and state contractors in Texas performed 27,000 substantial damage assessments with FEMA assistance after Hurricane Harvey.<sup>17</sup> FEMA regional officials also said that following Hurricane Irma, FEMA floodplain management specialists helped train local officials for, or assisted local communities in conducting, 20,206 substantial damage assessments in Florida. According to FEMA, as of December 2019, approximately 2,232 properties had been declared substantially damaged as a result of Hurricane Irma, 86 percent of which had been brought into compliance with NFIP regulation.

FEMA officials could not tell us how many substantial damage assessments were conducted in Texas after Hurricane Harvey almost 2

---

<sup>17</sup>According to FEMA officials, this figure does not include the total number of substantial damage assessments from NFIP communities that did not request FEMA assistance after Hurricane Harvey.

---

years after the hurricane in part because FEMA does not have ready access to community data on substantial damage assessments. To access data on substantial damage assessments, FEMA headquarters officials first need to ask FEMA regional officials to request data from NFIP communities, and then wait for the communities to compile and send the data to the regional offices. FEMA officials also can review data on individual substantial damage assessments during community assistance visits. FEMA officials said they have not centralized or automated their collection of information on substantial damage assessments for several reasons. FEMA officials said that, in their view, the community is responsible for gathering and maintaining this information as a condition of its NFIP participation, and they consider the communities to be owners of those data. Furthermore, they said that centralized collection of substantial damage data would involve data privacy issues and be a drain on limited resources for disaster relief. However, FEMA officials expressed concern that some communities might not be consistently maintaining documentation of the substantial damage assessments.

FEMA officials told us that they have two initiatives underway to help NFIP communities and FEMA staff collect data on substantial damage assessments:

- **Substantial damage estimator tool.** Updates to the substantial damage estimator tool, discussed earlier, should help communities collect data more consistently and better document assessments, according to FEMA officials. Community officials can use the tool to evaluate flood damage to residential and nonresidential structures and enter information such as structure type and address. The tool also includes a square-footage calculator and now allows photographs or other files to be attached to the completed assessment.
- **Staff guidance.** New staff guidance, which officials said will be implemented sometime in 2020, explicitly outlines for NFIP floodplain managers and FEMA staff the information NFIP communities should collect and maintain when performing substantial damage assessments. The guidance was created to address what FEMA officials believed were shortcomings in existing guidance to communities, which may have made some NFIP communities reluctant to conduct substantial damage assessments and enforce the requirements for those deemed substantially damaged. The new guidance also establishes time frames for data collection at the NFIP community level.

---

While these steps may improve the quality of FEMA's data on substantial damage assessments, federal internal control standards state that management should obtain relevant data from reliable sources in a timely manner based on the identified information requirements and obtain data on a timely basis so that they can be used for effective monitoring.<sup>18</sup>

If FEMA headquarters and regional offices do not have ready access to such data beyond the data collected during community assistance visits, they will be hindered in their ability to evaluate community compliance with NFIP requirements. FEMA also may be hindered in its ability to measure the effectiveness of substantial damage assessments, such as the extent to which substantially damaged homes are rebuilt according to NFIP requirements. It is especially important for FEMA to monitor community compliance with the process for assessing substantially damaged properties because this is the system FEMA uses to mitigate flooded properties and reduce the risk of future losses. If FEMA does not know how effectively this process operates, it could miss opportunities to use the process to reduce the financial exposure of NFIP.

---

### FEMA Has Not Clarified How Communities Can Access NFIP Claims Data That Could Help Them after a Flood

NFIP communities that we visited reported varying levels of access to NFIP claims data and information. According to FEMA guidance, the agency should provide local officials with information on their community that includes the number of flood insurance policies in force, dollar amount of coverage, and the number of claims. NFIP communities also can access information on publicly available data on claims payouts.

Officials in some communities we visited were able to access claims data while officials in other communities were not. Some officials with whom we spoke were unsure whether access was permissible. For example, an NFIP community official in Texas said that FEMA told his office they could not provide him with the data when he asked for it. Another Texas official said that typically the communities do not have access to data on flood losses and claims paid. In Florida, an official said that she was able to access some data on NFIP claims in her area as long as the community did not use the data to make substantial damage determinations.

Community officials told us that it would be helpful for them to access NFIP claims data after a flood. For example, a number of community floodplain managers told us that having NFIP claims information from FEMA would benefit their flood recovery efforts because it would allow

---

<sup>18</sup>[GAO-14-704G](#).

---

them to better target their substantial damage assessments and make that process more efficient. Officials from other NFIP communities that we visited stated that claims data could help them identify property owners who were likely to start to rebuild and ensure they obtained permits, which can be difficult to determine otherwise. Another group of community officials said that claims data for their community indicated NFIP paid out more than the community's own estimated value of the insured homes in their community, indicating there may have been more substantially damaged homes than they identified.

FEMA officials acknowledged confusion among communities concerning their access to NFIP claims data and said they have been working to address it, noting that they must ensure compliance with the Privacy Act of 1974, under which the agency can share certain data only with organizations that have a programmatic need for the information.<sup>19</sup> Officials also said they have been working to streamline the process through which NFIP communities can request claims data. For example, they said they have been considering the most efficient methods for sharing data with local communities that require post-disaster flood information while protecting the privacy of the data. In addition, FEMA officials said they have been drafting guidance—which they expect to be issued in 2020—and a new form for community data requests. They said their intent is that once communities are approved for access to a certain type of data, they would not have to reapply for subsequent requests. FEMA officials said the guidance will provide communities with access to NFIP claims data on a property-by-property basis.

Federal standards for internal control state that management should externally communicate necessary quality information to achieve the agency's objectives and address related risks.<sup>20</sup> While FEMA has taken positive steps toward reducing confusion surrounding communities' access to claims data, at the time of our review FEMA had not yet finalized new guidance. As a result, we were unable to evaluate the potential of these tools to effectively resolve communities' confusion over appropriate access to claims information. Until FEMA clarifies the process for communities to access claims data on properties within their community, FEMA may be missing an opportunity to provide communities

---

<sup>19</sup> U.S.C. § 552a.

<sup>20</sup> [GAO-14-704G](#).

---

with data that they would find helpful in the substantial damage assessment process.

---

## Conclusions

FEMA relies on communities participating in NFIP to follow its floodplain management requirements, which are designed to reduce the risk of flood damage and the resulting cost to taxpayers. Community assistance visits are the agency's primary tool for ensuring that communities implement these requirements. However, in Texas and Florida FEMA often has not conducted such visits to high-risk communities and lacks complete data on the results. As a result, FEMA's ability to ensure that the communities follow NFIP requirements is limited. In addition, FEMA does not have ready access to data on substantially damaged properties and the related documentation, which hinders its ability to determine if an NFIP community has followed NFIP substantial damage assessment procedures and correctly identified all substantially damaged homes. This, in turn, limits FEMA's ability to evaluate NFIP's effectiveness. Finally, confusion exists among some NFIP communities regarding their access to NFIP claims data, potentially limiting the benefit such data could provide to those communities in identifying substantially damaged properties and ensuring all repairs of flood damage are done to NFIP community standards.

---

## Recommendations for Executive Action

We are making a total of four recommendations to FEMA:

The Administrator of FEMA should assess different approaches, in addition to community assistance visits, for using existing resources to ensure communities' compliance with NFIP requirements. This should include analyzing alternatives to community assistance visits. (Recommendation 1)

The Administrator of FEMA should identify appropriate steps to ensure it has complete, up-to-date, and reliable records of community assistance visits, including information on why some visit records remain open for a significant period of time. (Recommendation 2)

The Administrator of FEMA should ensure that communities are consistently collecting data on their substantial damage assessments and that FEMA has a way to readily access those data to evaluate community compliance with NFIP requirements for rebuilding substantially damaged properties. (Recommendation 3)

---

The Administrator of FEMA should clarify with NFIP communities its policies on sharing data on NFIP claims and provide such information to those communities as needed. (Recommendation 4)

---

## Agency Comments

We provided a draft of this report to the Department of Homeland Security for review and comment. In its comments, the Department of Homeland Security concurred with our recommendations. FEMA also provided technical comments, which we incorporated, as appropriate.

---

We are sending copies of this report to the appropriate congressional committees, the Acting Secretary of Homeland Security, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-8678 or [cackleya@gao.gov](mailto:cackleya@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.



Alicia Puente Cackley  
Director  
Financial Markets and Community Investment

---

*List of Requesters*

The Honorable Michael B. Enzi Chairman  
Committee on the Budget  
United States Senate

The Honorable Ron Johnson  
Chairman  
The Honorable Gary C. Peters  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Marco Rubio  
Chairman  
Committee on Small Business and Entrepreneurship  
United States Senate

The Honorable Rand Paul, M.D.  
Chairman  
Subcommittee on Federal Spending Oversight  
and Emergency Management  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services House of Representatives

The Honorable Bennie G. Thompson  
Chairman  
Committee on Homeland Security  
House of Representatives

The Honorable Carolyn Maloney  
Chairwoman  
The Honorable Jim Jordan  
Ranking Member  
Committee on Oversight and Reform  
House of Representatives

---

The Honorable Nydia Velázquez  
Chairwoman  
Committee on Small Business  
House of Representatives

The Honorable Peter DeFazio  
Chairman  
The Honorable Sam Graves  
Ranking Member  
Committee on Transportation and Infrastructure  
House of Representatives

The Honorable Al Green  
Chairman  
Subcommittee on Oversight and Investigations  
Committee on Financial Services  
House of Representatives

The Honorable Peter T. King  
Ranking Member  
Subcommittee on Emergency Preparedness, Response  
and Recovery  
Committee on Homeland Security  
House of Representatives

The Honorable Emanuel Cleaver, II  
House of Representatives

The Honorable Michael McCaul  
House of Representatives

The Honorable Gary Palmer  
House of Representatives

The Honorable Ann Wagner  
House of Representatives



---

# Appendix I: Objectives, Scope, and Methodology

---

This report (1) describes the requirements that communities participating in the National Flood Insurance Program (NFIP) must meet and the challenges they face in doing so, (2) examines the extent to which the Federal Emergency Management Agency (FEMA) uses community visits to ensure communities follow requirements, and (3) examines how FEMA oversees community implementation of NFIP requirements for conducting substantial damage assessments. This report focuses on NFIP communities in Florida and Texas that were affected by Hurricanes Irma and Harvey in 2017.

For all three objectives, we reviewed FEMA guidance and regulations for communities participating in NFIP and in FEMA's Community Rating System. We interviewed officials from FEMA's Federal Insurance and Mitigation Administration, as well as officials in two FEMA regional offices in Georgia and Texas. We also visited 18 communities in Texas and Florida, and an additional community in Louisiana, that were affected by flooding in the 2017 hurricanes. We conducted structured interviews with officials in these communities. We selected these communities to represent a mix of large and small communities and because they participate in FEMA's Community Rating System. The officials we interviewed included floodplain managers, emergency management coordinators, watershed managers, and representatives of homebuilder associations. We also interviewed representatives of four national and state floodplain associations, and three additional experts—two academic experts and a city official—with significant knowledge of NFIP and flooding issues. For our first objective, we analyzed the responses of these officials to identify the most commonly cited challenges.

For our second objective, we analyzed data on community assistance visits in Florida and Texas from FEMA's Community Information System from January 1, 2008, through July 30, 2019, and spoke with FEMA and community officials. To determine whether FEMA carries out the community assistance visits in accordance with its own guidance, we reviewed FEMA's guidance for specialists to prepare for, conduct, and follow up on the visits. We also spoke with FEMA and other officials about their experience with the visits to determine whether FEMA and state specialists generally followed FEMA's guidance. To determine the extent to which FEMA met its goal of visiting high-risk communities once every 5 years, we compared the data in the Community Information System on community visits against the lists of Tier 1 (high-risk) and Tier 2 (lower-risk) communities provided by FEMA. We also analyzed the data to determine the length of time that records from the community visits were left open, and whether the records were complete. While we noted that

the data in the Community Information System were at times incomplete, we found the data reliable enough to identify the frequency of community assistance visits and issues with data entry.

For our third objective, to examine how FEMA oversees community implementation of NFIP requirements for conducting substantial damage assessments, we reviewed FEMA policies and guidance, including NFIP Floodplain Management Requirements outlined in 44 C.F.R. Parts 59 and 60. We also reviewed FEMA's Substantial Improvements Substantial Damage Desk Reference (FEMA 758-P) and FEMA flood-mitigation requirements. We examined FEMA's NFIP post-flood processes and procedures related to substantial damage assessments. We reviewed FEMA data on the number of substantial damage assessments performed in Florida and Texas after Hurricanes Irma and Harvey as well as the number of damaged properties that received increased cost of compliance funding. We discussed with community officials their experiences conducting substantial damage assessments and the challenges they faced in doing so. We also reviewed literature to identify actions taken by NFIP communities after a flood, and we reviewed FEMA documentation to determine the actions taken by FEMA and NFIP communities after a flood. We also compared FEMA's practices for collecting data for effective monitoring and communication against federal standards for internal controls.

We conducted this performance audit from October 2018 to May 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Comments from the U.S. Department of Homeland Security

U.S. Department of Homeland Security  
Washington, DC 20528



April 21, 2020

Alicia Puente Cackley  
Director, Financial Markets and Community Investment  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Re: Management Response to Draft Report GAO-20-396, "NATIONAL FLOOD INSURANCE PROGRAM: FEMA Can Improve Community Oversight and Data Sharing"

Dear Ms. Cackley:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

The Department is pleased to note GAO's recognition that the National Flood Insurance Program (NFIP)'s requirements seek to limit future flooding on private and public structures. The NFIP:

- (1) Provides affordable insurance to property owners, renters and businesses,
- (2) Requires participating communities to adopt and enforce floodplain management regulations,
- (3) Reduces the socio-economic impact of disasters by promoting the purchase and retention of general risk and flood insurance,
- (4) Establishes minimum requirements for flood hazard resistant development in flood prone areas, and
- (5) Reaches more than 22,000 communities across the United States and territories, covering \$1.3 trillion in property.

DHS and the Federal Emergency Management Agency (FEMA) remain committed to increasing NFIP effectiveness through improved community oversight and data sharing.

---

**Appendix II: Comments from the U.S.  
Department of Homeland Security**

---

The draft report contained four recommendations, with which the Department concurs. Attached find our detailed response to each recommendation. DHS previously submitted technical comments under a separate cover for GAO's consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

JIM H  
CRUMPACKER  Digitally signed by JIM H  
CRUMPACKER  
Date: 2020.04.21 13:16:08  
-04'00'

JIM H. CRUMPACKER, CIA, CFE  
Director  
Departmental GAO-OIG Liaison Office

Attachment

**Attachment: Management Response to Recommendations  
Contained in GAO-20-396**

GAO recommended that the Administrator of FEMA:

**Recommendation 1:** Assess different approaches, in addition to community assistance visits, for using existing resources to ensure communities' compliance with NFIP requirements. This should include analyzing alternatives to community assistance visits.

**Response:** Concur. FEMA's Federal Insurance and Mitigation Administration (FIMA) is currently undertaking an effort informally titled, "CAV Re-imagining," which includes an assessment of current Community Assistance Visit (CAV) performance, as well as considering what FIMA intends to accomplish with CAVs and how those goals are best achieved. In addition, FIMA will consider the purpose and process for Community Assistance Contacts (CACs) and what changes must take place with CACs to achieve the goal of supporting NFIP communities with implementing effective Flood Plain Management programs. Ultimately, FIMA will update "Guidance for Conducting Community Assistance Contacts and Community Assistance Visits" with findings from these efforts to guide FEMA regional and State staff in the performance of CAVs and CACs. FIMA anticipates completing the: (1) CAV re-imagining by December 2020, (2) CAC review by May 2021, and (3) manual update by December 2021.

Estimated Completion Date (ECD): December 31, 2021.

**Recommendation 2:** Identify appropriate steps to ensure it has complete, up-to-date, and reliable records of community assistance visits, including information on why some visit records remain open for a significant period of time.

**Response:** Concur. The Community Information System (CIS) is currently FIMA's NFIP Floodplain Management system of record for participating communities. However, the NFIP is transitioning to a new system of record that will include both NFIP insurance information and Floodplain Management community information management, titled "NFIP Pivot." NFIP Pivot is a web-based system that will consolidate NFIP records, while also providing a significant technological upgrade from the current CIS. As the system is designed and developed over the next one-to-two years, FIMA plans to hold a series of expedited planning sessions (Sprints) with FEMA and external users to identify system needs for our program, including those related to community compliance tracking. In addition to building a system to better meet information tracking needs, FIMA will also develop clear standard operating procedures (SOPs) for regional and state staff use of the system, including data entry and reporting expectations.

FIMA acknowledges that CAVs that are open for multiple years can sometimes inadvertently misrepresent the nature of FEMA's interaction with communities and should better define when compliance actions should be considered opened, closed, or resolved. Along with the CAV re-imagining efforts mentioned in response to Recommendation 1, FIMA will consider the goals of a CAV and other compliance actions and will specifically discuss parameters and expectations around how long compliance actions should remain open and what the appropriate triggers are for closure.

ECD: December 31, 2021 (more detailed interim milestones will be provided in the statutorily-required letter sent to Congress and the Office of Management and Budget (OMB) 180 days after the publication of GAO's final report).

**Recommendation 3:** Ensure that communities are consistently collecting data on their substantial damage assessments and that FEMA has a way to readily access those data to evaluate community compliance with NFIP requirements for rebuilding substantially damaged properties.

**Response:** Concur. FIMA has several focused efforts to address community Substantial Damage (SD) compliance. For example, in September 2019, FIMA completed an initial version of the SD Playbook, which details expectations of the disaster workforce, regions and headquarters when personnel provide long term community support post-disaster, as well as when tracking compliance and community accountability in SD enforcement. FIMA piloted components of this methodology in disaster response work in Florida after Hurricane Irma (2017), North Carolina after Hurricane Florence (2018) and Texas after Tropical Storm Imelda (2019). The methods described in the Playbook will be used by the FIMA Hazard Mitigation Disaster Workforce moving forward, particularly for large-scale, declared flood events. As part of the long-term community support model outlined in the SD Playbook, FIMA will work closely with communities to help them track SD compliance and report findings periodically during the recovery process up to the FEMA region and to FEMA headquarters. This process increases FEMA's immediate post-disaster insight into communities' SD efforts and helps establish expectations for community compliance early during recovery, while also supporting the communities' efforts over a sustained period. FEMA expects within two years to have records of SD compliance results catalogued from Hurricanes Irma and Florence, Tropical Storm Imelda and potentially other events that may occur over the next six months to one year.

FEMA's Office of Response and Recovery, with support from FIMA, is also working on a policy addressing the Disaster Recovery Reform Act Section 1206, which allows Public Assistance grants to post-disaster communities for floodplain management activities including SD enforcement.

Currently, FIMA is developing an SOP for data analytics methods to identify areas of likely SD and needed community support, to be used for enforcement and compliance

accountability.

It is important to note, however, that FIMA does not collect or maintain full sets of community floodplain management program records for the more than 22,000 communities participating in the NFIP. The NFIP requires communities to implement floodplain management regulations at the local level, including the requirement to preserve SD determination data. FIMA and NFIP State Coordinator Offices serve in a technical assistance, monitoring, and compliance oversight role. Collection and maintenance of community permitting, and SD determination records, are functions that rest at a community level of responsibility. Communities provide any requested floodplain data during CAVs, including SD assessment data, which FIMA uses to evaluate community compliance with NFIP requirements for rebuilding substantially damaged properties. The SD Playbook, once fully implemented, will greatly enhance FEMA's ability to analyze participating community SD data in terms of compliance rebuilding substantially damaged property.

ECD: December 31, 2021 (more detailed interim milestones will be provided in the statutorily-required letter sent to Congress and OMB 180 days after the publication of GAO's final report).

**Recommendation 4:** Clarify with NFIP communities its policies on sharing data on NFIP claims with those communities and provide such information to those communities as needed.

**Response:** Concur. As the NFIP Flood Insurance System of Record transitions to NFIP Pivot, there will be system limitations preventing each individual NFIP community from having direct access to claims data. Over the past two years, FIMA identified concerns with how claims data was traditionally shared with external users, including NFIP communities. Therefore, the NFIP Federal Insurance Directorate and Mitigation Directorate Floodplain Management Division will continue to work on making claims data available to NFIP communities while recognizing the requirement to adhere fully to the Privacy Act. FIMA anticipates the need to heavily leverage its relationship with NFIP State Coordinators as part of these efforts. The NFIP will develop a SOP for claims data sharing with communities within 18 months.

ECD: December 31, 2021 (more detailed interim milestones will be provided in the statutorily-required letter sent to Congress and OMB 180 days after the publication of GAO's final report).

---

# Appendix III: GAO Contact and Staff Acknowledgments

---

## GAO Contact

Alicia Puente Cackley, (202) 512-8678 or [cackleya@gao.gov](mailto:cackleya@gao.gov).

---

## Staff Acknowledgments

In addition to the contact named above, Patrick Ward (Assistant Director), Leah DeWolf (Analyst in Charge), Audrey Blumenfeld, Tarik Carter, Anar Jessani, Angela Pun, Jessica Sandler, Jennifer Schwartz, and Jena Sinkfield made key contributions to this report. William Chatlos and Yann Panassie provided technical assistance.



---

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its [website](#) newly released reports, testimony, and correspondence. You can also [subscribe](#) to GAO's email updates to receive notification of newly posted products.

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).  
Subscribe to our [RSS Feeds](#) or [Email Updates](#). Listen to our [Podcasts](#).  
Visit GAO on the web at <https://www.gao.gov>.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/fraudnet/fraudnet.htm>

Automated answering system: (800) 424-5454 or (202) 512-7700

---

## Congressional Relations

Orice Williams Brown, Managing Director, [WilliamsO@gao.gov](mailto:WilliamsO@gao.gov), (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

---

## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548

