

NAR FAQs

Executive Order Establishing a new Federal Flood Risk Management Standard

On January 30, 2015, President Obama amended Executive Order 11988 to establish a new Federal Flood Risk Management Standard for the new construction or substantial improvement of federally funded projects.

What is the new Standard?

The Executive Order already requires federal agencies to avoid investing in floodplain development where there are practical alternative locations for the project. The recent amendments would expand the size of the “floodplain” (where alternatives must be considered) by adding: 1) the “best-available climate science,” 2) 2- or 3-feet of freeboard or 3) the 500-year floodplain.

Which projects will be affected?

The amendments do not change the types of “federal actions” subject to the Order. The building or re-building of projects that rely on federal funding (e.g., bridges, levees, military installations, etc.) could be impacted. It may also affect home or business owners taking federal grants or loans to rebuild after a major flood if the property damage is substantial.

Will the Standard impact the National Flood Insurance Program?

Current regulations exempt the NFIP from the Order. FEMA has assured that these amendments will not change this. While not expected to change NFIP rates, it is possible nevertheless that there could be unintended consequences from the Order’s implementation and so NAR met with the White House, raised questions and filed comments.

What is NAR doing to address this issue?

- Met with the White House, FEMA and the local floodplain regulators.
- Participated in several listening sessions held by FEMA on their implementation guidelines.
- Requested written clarification on the full scope of the amendments to the Executive Order.
- Reinforced the need for a legal opinion by the agency, not just assurances by appointed officials.
- Reached out to other federal agencies that provide “assistance” to NAR members and could be subject to the Order.
- Requested and obtained an extension of the deadline for comments on FEMA guidelines.
- Will be submitting additional comments on any proposed agency response that could affect NAR members.
- Reached out and is educating congressional members on our perspectives of the Standard.

What is the process and timeline for implementing this standard?

The comment period for the first round of public comments closed on May 6, 2015. Now each individual agency will develop their own set of implementation plans on whether and to what extent they will incorporate the Standard into agency floodplain investment decisions. Each of these plans will be put out for additional rounds of public comment before implementation begins.