

# Notice of Special Flood Hazards and Availability of Federal Disaster Relief Assistance

Borrower Name:

Property Address:

Borrower Name:

City, State, Zip:

Borrower Name:

Certificate Number:

We are giving you this notice to inform you that the building or mobile home securing the loan for which you have applied is or will be located in an area prone to high flood risks, also known as a Special Flood Hazard Area (SFHA).

"The area has been identified by the Director of the Federal Emergency Management Agency (FEMA) as a special flood hazard area using FEMA's Flood Insurance Rate Map or the Flood Hazard Boundary Map for the following community: \_\_\_\_\_  
This area has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year. During the life of a 30-year mortgage loan, the risk of a 100-year flood in a special flood hazard area is 26 percent (26%)."

Federal law allows a lender and a borrower jointly to request the Administrator of FEMA to review the determination of whether the property securing the loan is located in an SFHA. If you would like to make such a request, please contact us for further information. Borrowers may also call a FEMA mapping specialist at (877) 336 2627 to discuss their concerns.

\_\_\_\_\_ The community in which the property securing the loan is located participates in the National Flood Insurance Program (NFIP). Federal law will not allow us to make you the loan that you have applied for if you do not purchase flood insurance on your property. The flood insurance must be maintained for the life of the loan. If you fail to purchase or renew flood insurance on your property, Federal law authorizes and requires us to purchase the flood insurance for you at your expense.

Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through a Write Your Own (WYO) company that has agreed to write and service NFIP policies on Behalf of FEMA. Flood insurance also may be available from private insurers that are not federally backed.

At a minimum, flood insurance purchased must cover the lesser of: (1) the outstanding principal balance of the loan(s); or (2) the maximum amount of coverage allowed for the type of property under the NFIP; or (3) the full replacement cost value (RCV) of the building and/or contents securing the loan. The market value or land value on which the building is located has no bearing on the RCV of the building

Federal disaster relief assistance (usually in the form of a low-interest loan) may be available for damages incurred in excess of your flood insurance if your community's participation in the NFIP is in accordance with NFIP requirements.

\_\_\_\_\_ The community in which the property securing the loan is located does not participate in the National Flood Insurance Program (NFIP). Federal flood insurance is not available. However, private flood insurance may be available on a limited basis in the SFHAs of non-participating communities. Federal financial assistance including disaster assistance grants or loans and flood mitigation grants are not available in SFHAs of non-participating communities. For example, if the non-participating community has been identified for at least a year as containing an SFHA, properties located in the community will not be eligible for Federal disaster relief assistance in the event of a federally declared flood disaster.

Conventional loans, loans that are not federally backed can be made on buildings in SFHAs of non-participating communities, if authorized by the regulatory authority of the lending institution. However, government guaranteed or insured loans (e.g., SBA, VA, and FHA loans) are not permitted to be made in non-participating communities, if secured by structures in SFHAs.

We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender may require coverage greater than the minimum and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement costs value) of the building(s) used as collateral to secure the loan or the maximum allowable under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of your loan closing versus what subsequently the new lender/servicer may require.

Received and acknowledged on this the \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date Mailed to Borrower