

Did you know...

- ◆ The area of the 100-year floodplain is referred to as a **Special Flood Hazard Area**. In the timespan of a 30-year mortgage, there is a one-in-four chance that a property in a SFHA will experience flooding.
- ◆ **FLOOD INSURANCE** is required for a federally regulated mortgage or loan on property in a Special Flood Hazard Area. Flood insurance is an option—but available—for property that is not mortgaged.
- ◆ Storms in 2008 are evidence that Fond du Lac is not immune to flooding. The visual inspection of damage estimates that approximately 20% of the community was flooded in the June storm event.
- ◆ Disaster experts classify floods according to the likelihood of occurring in a given time period. A 100-year flood is a destructive event that most assume would occur once in a century. Not true! It means there is a 1% chance that such a flood could happen in ANY given year.
- ◆ Flood losses are not typically covered by renter and homeowner insurance policies. There is a 30-day waiting period before flood insurance goes into effect, so don't delay!
- ◆ Floodplain management activities implemented by the City of Fond du Lac qualify policy holders for a 15% discount in the premium cost for National Flood Insurance Program (NFIP) policies issued or renewed in special flood hazard areas.



As a public service the City of Fond du Lac provides the following information:

- ◆ Property location in relation to a Special Flood Hazard Area as shown on the current Flood Insurance Rate Map (FIRM).
- ◆ Flood insurance data for a site, such as the FIRM zone and the base flood elevation or depth, if shown on the FIRM.
- ◆ Information for the mandatory purchase of flood insurance in a Special Flood Hazard Area.
- ◆ Property elevation certificates for construction that occurred in a Special Flood Hazard Area after April 17, 2012.
- ◆ List of FEMA-approved Letters of Map Amendment (LOMA).

For questions or assistance:
Community Development Department
(920) 322-3440



www.fdl.wi.gov

FLOOD *Insurance* INFORMATION



CITY OF FOND DU LAC
COMMUNITY DEVELOPMENT DEPARTMENT

(920) 322-3440

Mandatory Purchase Requirement

The City of Fond du Lac participates in the **National Flood Insurance Program (NFIP)** which makes federally-backed flood insurance available for all eligible buildings and contents, whether the property is in a floodplain or not. The NFIP insures most walled and roofed buildings that are principally above ground on a permanent foundation, including mobile homes and buildings under construction.

The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 made the purchase of flood insurance mandatory for federal or federally related financial assistance for acquisition and/or construction of buildings in a Special Flood Hazard Area (SFHA). The Special Flood Hazard Area is the base (100-year) floodplain mapped on a Flood Insurance Rate Map (FIRM). It is shown as one or more zones that begin with the letter "A" or "V".

The flood insurance requirement applies to mortgage loans from commercial lenders that are regulated, supervised or insured by federal agencies such as the Federal Deposit Insurance Corporation, Farm Credit Administration, Comptroller of Currency, the Office of Thrift Supervision, and the National Credit Union Administration. It also applies to mortgage loans purchased by Fannie Mae or Freddie Mac in the secondary mortgage market. The law also affects federal financial assistance programs including loans and grants from the Department of Veterans Affairs, Farmers Home Administration, Federal Housing Administration, Small Business Administration, and FEMA disaster assistance.



How it works...

Lenders are required to conduct a flood zone determination using the current FEMA Federal Insurance Rate Map (FIRM) to determine if any part of a building is located in a Special Flood Hazard Area (SFHA). If a building is in a Special Flood Hazard Area, the lender is required to provide written notification to the borrower that flood insurance is mandatory as a condition of the loan.

Even though a portion of real property on which a building is located may lie within a SFHA, the flood insurance purchase and notification requirements do not apply unless the building itself—or some part of the building—is in a SFHA. Lenders may, however, choose to require the purchase of flood insurance even if a building is located outside of a SFHA.

Where to find info...

FEMA Flood Insurance Rate Maps are available for review in the Community Development Department. A digital version of the FIRM map may be viewed online in the Fond du Lac County GIS maps: www.fdlco.wi.gov

CITY OF FOND DU LAC
City-County Government Center
160 S Macy Street
Community Development Department
4th Floor
(920) 322-3440

Property owners can purchase building and contents coverage from any local property and casualty insurance agent. To find an insurance agent that writes flood insurance in your area visit:

www.floodsmart.gov

About the Mandatory Purchase of Flood Insurance

The NFIP: The National Flood Insurance Program (NFIP) is a federal program enabling property owners in participating communities to purchase flood insurance on eligible buildings and contents, whether they are in or out of a floodplain. This community participates in the NFIP, making federally backed flood insurance available to its property owners.

The NFIP insures most walled and roofed buildings that are principally above ground on a permanent foundation, including mobile homes, and buildings in the course of construction. Property owners can purchase building and contents coverage from any local property and casualty insurance agent. To find a local insurance agent that writes flood insurance in your area visit www.floodsmart.gov.

Mandatory Purchase Requirement: Pursuant to the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994, the purchase of flood insurance is mandatory for all federal or federally related financial assistance for the acquisition and/or construction of buildings in Special Flood Hazard Areas (SFHAs). An SFHA is defined as any A or V flood zone on a Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM).

The mandatory purchase requirement also applies to secured loans from such financial institutions as commercial lenders, savings and loan associations, savings banks, and credit unions that are regulated, supervised, or insured by federal agencies, such as the Federal Reserve, the Federal Deposit Insurance Corporation, the Comptroller of Currency, the Farm Credit Administration, the Office of Thrift Supervision, and the National Credit Union Administration. It further applies to all loans purchased by Fannie Mae or Freddie Mac in the secondary mortgage market.

Federal financial assistance programs affected by the laws include loans and grants from agencies such as the Department of Veterans Affairs, Farmers Home Administration, Federal Housing Administration, Small Business Administration, and FEMA disaster assistance.

How it Works: When making, increasing, renewing, or extending any type of federally backed loan, lenders are required to conduct a flood zone determination using the most current FEMA FIRM to determine if any part of the building is located in an SFHA. If the building is in an SFHA, the federal agency or lender is required by law to provide written notification to the borrower that flood insurance is mandatory as a condition of the loan. Even though a portion of real property on which a building is located may lie within an SFHA, the purchase and notification requirements do not apply unless the building itself, or some part of the building, is in the SFHA. However, lenders, on their own initiative, may require the purchase of flood insurance even if a building is located outside an SFHA. Up to 25% of all NFIP flood losses arise from outside SFHAs (B, C, and X Zones).

Under federal regulations, the required coverage must equal the amount of the loan (excluding appraised value of the land) or the maximum amount of insurance available from the NFIP, whichever is less. The maximum amount of coverage available for a single-family residence is \$250,000 and for non-residential (commercial) buildings is \$500,000. Federal agencies and regulators, including government-sponsored enterprises, such as Freddie Mac and Fannie Mae, may have stricter requirements.