

Attendee Questions from NFA's Webinar:

Navigating 2024 Flood Map Revisions | July 31, 2024

Question: Given that FEMA has a six [6] month lead time for releasing their FIRM changes, how and when will FEMA communicate these changes to all stakeholders... lenders, property owners, SFHDF vendors, etc.

NFA Answer: Prior to the [Letter of Final Determination \(LFD\)](#), which is issued six (6) months in advance of the map revision date, FEMA coordinates with communities to provide an extensive campaign of public meetings to introduce the proposed changes and review any challenges brought forth by residents and business owners. FEMA also provides online resources, such as their communication toolkit for communities, which is available for download from their website. Within a few months after the LFD is issued, the new maps are posted to [FEMA's Map Service Center](#), which is publicly accessible.

**Note from webinar attendee:* Mohave County Flood Control just did a very similar thing as well - our maps will be changing mid- to late-2025, and we recently held multiple 'Open Houses' for residents and others to advise them of the changes and receive feedback.

Question: How soon before the (flood map) changes are made does FEMA notify the customer?

NFA Answer: FEMA has no process for notifying individual property owners who are impacted by the issuance of new Flood Insurance Rate Maps (FIRMs). FEMA does provide support to affected communities in communicating the changes via public meetings and other media, as described in the prior answer.

Question: Once a lender receives Life of Loan updates/certs, what is the regulatory requirement for notifying their client, i.e. do they have to be notified within 10 business days?

NFA Answer: There is no regulatory timeline for lenders to notify borrowers of a change to their flood insurance requirement; however, Fannie Mae and Freddie Mac have a standard notification period of 120 days from the effective date of the map revision. Flood Zone Determination (FZD) companies have established service level agreements with their lender customers for delivery of updated Life of Loan determinations that will still give the lenders sufficient time to carry out their borrower notification processes, based upon their internal compliance procedures. The industry standard for Life of Loan update notifications to lenders is within 60 days of the effective date of the map revision (so in the case of Fannie’s and Freddie’s 120-day standard, they would then have 60 days left to notify borrowers). Note that the 60-day “industry standard” is just that, but individual contractual agreements may vary.

Question: Can you define what is meant by a flood map "panel"?

NFA Answer: Each mapped community has their mapped area broken down into segments called “panels”. Each panel is numbered and is one of several parts that, when stitched together, form the entire mapped area for that subject community. The Standard Flood Hazard Determination Form (SFHDF), which is provided to lenders to record the flood hazard information for each individual property serving as collateral for a federally backed loan, includes indication of the FIRM panel on which the subject property is located.

Here is an example of a FEMA flood panel:

https://emilms.fema.gov/is_0273/media/183.png

Question: For a property going into the floodplain, is it better for the property owner to obtain flood insurance before the mandatory requirement goes into effect? Or is okay for them to wait until after the mandatory requirement goes into effect? And if they get the flood policy now - will that help keep their premium lower than when being forced to get it? Would caps and/or grandfathering make that worth a property-owner's while?

NFA Answer: Since the implementation of FEMA’s new rating program, Risk Rating 2.0, Grandfathering and Preferred Risk Policies (PRPs) are no longer offered. Risk Rating 2.0 does provide a discount for risks newly mapped to the SFHA; however,

the ultimate amount of the discount is unclear, as discounts are capped and aren't fully shown in the premium information returned from the NFIP's Pivot System (the system utilized by Write Your Own insurers and their vendors to administer the NFIP program).

Here is a link to the FEMA-provided guidance -

https://www.fema.gov/sites/default/files/documents/fema_discount-Explanation-Guide.pdf

Question: Some LOMRs cover a large area and do not include an annotated map. The LOMRs are described with a multi-page, long legal description that is almost impossible to map. Is it possible for FEMA to issue an annotated map for the multi-page legal description area that is impacted?

NFA Answer: NFA's members agree that access to survey data and inclusion of annotated maps with each LOMR would be beneficial. The reason that they are not always included likely stems from budgetary and/or procedural constraints within FEMA. NFA's Data & Mapping Committee continues to work with FEMA to share perspective on the usability of their flood products and encourage improvements to make better data (such as this type of LOMC) more accessible to end users.

Question: Does FEMA ever reconsider a revision they are making? If the communities believe the data is incorrect...is there a process of contestability?

NFA Answer: Prior to the Letter of Final Determination (LFD), there is a 90-day public appeal and comment period. During that time, residents and businesses with supporting technical and scientific information, such as detailed hydraulic or hydrologic data, can appeal the revised flood hazard information on the preliminary maps. Generally, once the maps reach the LFD stage, they are final; however, there have been rare occasions when FEMA has rescinded a planned map revision within the 6-month window between the LFD and the effective revision date.

Question: I only deal with California FIRM data, and wonder why 99% of cities and counties have DFIRM's but the cities of West Sacramento (Yolo Co) and Yuba City (Sutter Co) are still on a "paper map" status.

NFA Answer: It is difficult to answer this definitively, as there are a variety of reasons why individual communities may not have DFIRMs, including the results of FEMA's cost/benefit analysis and individual community budget constraints. More information on the process for revising flood maps can be found here:
<https://www.fema.gov/flood-maps/change-your-flood-zone/revision-process>

Question: I would expect that borrowers who receive the notification from their lenders that their properties have been moved into a SFHA and that flood insurance is now required may not be pleased to receive this news. If a borrower wants to dispute the zone change, what actions should be taken and how do flood determination companies support this?

NFA Answer: Borrowers disputing their revised flood zone designations need to discuss the changes and new requirements with their lenders. All Flood Zone Determination (FZD) companies support a dispute process and will provide a full review of contested determinations upon their lender customer's request. Dispute services are included in the flood determination product and FZD companies are happy to take a second look to ensure accuracy and potentially offer solutions through LOMAs for the borrowers.

Question: What about for Citizens? Right now replacement cost that now needs to carry flood is \$600,000 - so if I have someone with lower replacement cost - and they don't need to worry about it till may in a year or 2 - does that affect the rates for them? Like if they get it now before being forced - will their rate increase be lower than someone starting out?

NFA Answer: FEMA's rating methodology considers specific characteristics of a building – the Where, How, and What – to provide a more modern, individualized, and equitable flood insurance rate – which likely wouldn't change in 2 years. However, FEMA updates the various data elements and models used in the rating methodology to develop the rates, so the premium quoted today is likely to be different than the premium quoted 2 years from now. There is a statutory cap on

annual premium increases that also comes into play, which is currently capped at 18%.

Here is a link to the FEMA-provided guidance -

https://www.fema.gov/sites/default/files/documents/fema_rate-explanation-guide.pdf

Question: Some of the Broward County, FL FIRM panels are missing the blue shading for the SFHA. FIRM panels 12011C187J and 12011C0356J are definitely missing the blue SFHA shading in some areas. Attendee response: The digital version is correct, and so the FEMA NFHL should be accurate too. I noticed this, as well, prior to the maps becoming effective.

NFA Answer: As of the date following the webinar, review of the referenced map panels seems to indicate that this issue has been resolved. In general, printed map panels take longer to correct, as they have to be reprinted and redistributed. Correction of digital issues within the NFHL are faster, but still take time. Any identified issues should be submitted to FEMA's Map Service Center Helpline as soon as possible. These can also be brought to the attention of NFA's Data & Mapping Committee by emailing mapping@nfa flood.com. The Committee compiles and tracks FEMA map and product issues that have been submitted for correction to FEMA.

Question: What are the guidelines for backdating the lender placed insurance back to the map date? Example: map date 3/27/24, bank notified 5/30/24, borrower insurance begins 6/2/24.

NFA Answer: Industry believes that the guidance on this matter within the [Interagency Questions and Answers Regarding Flood Insurance](#) are not entirely clear. As a result, NFA and others have asked the Interagency Regulators to opine on this topic the next time they update the document. At present, they have not indicated that an update is forthcoming.

The closest they come to answering the question is in Force Placement 16, which also cross-references Force Placement 1 within the Interagency Q&A, linked here.

<https://www.fdic.gov/sites/default/files/2024-03/pr22040a.pdf>

Question: Any idea when the Davidson County map/info will be available?

NFA Answer: As of the date of the webinar, the NFA has not seen indication of new maps being scheduled for any Davidson County (we are not sure if this question is referencing the county in Tennessee or another state).

Question: Hardly anyone can interpret a LOMR-F for "portion of property" based on the metes and bounds description. This is why a lot of lenders don't accept LOMR-Fs for portions of property.

NFA Answer: This type of LOMR-F must include a description of the portion being removed. The metes and bounds coordinates will then have to be plotted onto the map to determine what portion of the property is actually affected. Flood Zone Determination (FZD) companies have the ability to order the full application file that allows them to accurately determine the intent of the LOMR when the metes and bounds alone are unclear. This type of support service is commonly provided by FZD companies and their clients have come to consider these companies a valuable resource for such challenging analyses.

Question: Why is the NFA conference always in Scottsdale?

NFA Answer: As the NFA is a smaller, non-profit organization with limited resources, we benefit from multi-year hotel contracts to secure event venues and keep our costs as reasonable as possible. We have also received feedback over the years that many of our regular attendees enjoy the various amenities of the area, including golf, hiking, shopping and even MLB Spring Training, and the weather is usually picture-perfect in the spring when NFA's conference is scheduled. The NFA is considering other venues and cities beyond 2025, if they will support our budget and resources.