



FEMA

## National Flood Insurance Program (NFIP) Frequently Asked Questions for Property Owners



### 1. What is the purpose of the National Flood Insurance Program (NFIP)?

The NFIP is a federal program that can provide communities and property owners the following:

- Federally backed flood insurance for property owners and renters.
- Access to various federal loan and grant programs.
- Flood disaster assistance.

### 2. Why is flood insurance important?

Floods are the costliest and most common disasters in the U.S., and most property and renters' insurance policies don't cover flooding. Any eligible building in an NFIP participating community can be covered by flood insurance through the NFIP.

### 3. What is the mandatory purchase requirement?

The Flood Disaster Protection Act of 1973 mandates that lenders require property owners in the floodplain with federally backed mortgages to purchase flood insurance.

### 4. How do communities join in the NFIP?

Communities can join the NFIP by agreeing to manage their floodplains according to national standards.

### 5. What is floodplain management?

Floodplain management is a community-based effort to prevent or reduce the risk of flooding. Floodplain management regulations may be found in zoning codes, building codes, and local ordinances.

### 6. Is NFIP participation mandatory?

Participation in the NFIP is a voluntary agreement between a community and FEMA, working together to identify and manage flood risk. The benefits of the NFIP aren't available to a community unless they join the NFIP and continuously manage their floodplains.

### 7. What are flood maps and how are they used?

Flood maps (also known as Flood Insurance Rate Maps or FIRMs) are maps of the areas along a river or stream that have a 1% chance of flooding each year, also known as the 100-year floodplain. These maps are made by following FEMA's established standards and methods. Flood maps aren't just for flood insurance, they are also used by:

- Emergency managers to identify vulnerable roads or bridges for disaster preparedness.
- Community planners to help guide growth and development.
- County sanitarians to determine septic placement requirements.

### 8. Why are flood maps updated?

The flood risk along a river or stream changes over time, due to factors such as natural migration of the channel or development in the watershed. The ability to map flood risk also improves over time as better data is collected and technology improves. As part of participating in the NFIP, a community agrees to regularly update its flood risk information. Because updating flood maps is a big technical and financial commitment, communities can request support from FEMA and state partners such as Montana's Department of Natural Resources and Conservation to update their maps.

### 9. What happens if the flood map changes on someone's property?

**Previously out of floodplain, now in:** If a building on the property has been added to the floodplain and has a federally backed mortgage, lenders will require the owner to purchase and maintain flood insurance for the



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building. Lenders typically contact property owners after a new flood study is completed to notify them of the requirement. In some cases, a survey performed by a licensed surveyor can be submitted to FEMA to verify that the building is above the floodplain, removing the mandatory insurance requirement.

**Previously in floodplain, now out:** The policy premium may be updated at its next renewal to reflect the revised flood zone and decreased risk. If the property owner has a loan, the lender may also remove its flood insurance requirement. Note that the property's flood risk is reduced, but not zero, and flood insurance can still be obtained through the NFIP.

### 10. How can property owners mitigate their flood risk?

Mitigation can include elevating or relocating buildings, elevating home machinery and equipment (water heaters, air conditioners, etc.), or installing flood vents in crawl spaces.

### 11. What should someone do if they think the new flood maps are incorrect?

Technical information that shows an error or inaccuracy in new flood maps can be submitted to FEMA by the local floodplain administrator during a formal 90-day appeal period. The dates for this appeal period are specific to each map update and are communicated primarily to the community's floodplain administrator.

### 12. What happens when a participating NFIP community chooses not to adopt new flood maps?

When a community joins the NFIP they agree to regularly update flood risk information. If a community chooses to not adopt new floodplain maps, the community will be suspended from the program. When a community is suspended, some consequences for property owners include:

- Flood insurance cannot be purchased or renewed.
- Federal grants or loans won't be available in identified flood hazard areas.
- Federal disaster assistance will be limited.
- Federal mortgage insurance or loan guarantees won't be provided in flood hazard areas.
- Some lenders may choose to not offer loans, or to close on existing home loans if disaster assistance or flood insurance is not available.