

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL HOUSING SERVICE

**NOTICE OF SPECIAL FLOOD HAZARDS, FLOOD INSURANCE PURCHASE REQUIREMENTS, AND AVAILABILITY OF FEDERAL DISASTER RELIEF ASSISTANCE**

<b>Date:</b>	<b>Mailing Address:</b>
<b>Applicant's or Borrower's Name</b>	<b>Re: Property Address</b>
	<b>Loan #</b>

**I. Notice of Special Flood Hazard**

We are giving you this notice to inform you that the building or manufactured home, proposed as security for the loan for which you have applied, is or will be located in an area that has been identified by the Director of the Federal Emergency Management Agency (FEMA) as a special flood hazard area. Refer to FEMA's *Flood Insurance Rate Map* or the *Flood Hazard Boundary Map* for the following community: \_\_\_\_\_. This area has at least a I -percent chance of being flooded in any given year. The risk of exceeding the I -percent chance increases with time periods longer than one year. For example, during the life of a 30-year mortgage, the risk of a flood in a special flood hazard area is at least 26 percent.

Federal law allows a lender and applicant or borrower to jointly request the Director of FEMA to review the determination of whether the property proposed as security for the loan is located in a special flood hazard area. If you would like to make such a request, please contact us for further information.

**II. Flood Insurance Purchase Requirements**

Federal law will not allow us to provide federal financial assistance in special flood hazard areas in communities which are not participating in the National Flood Insurance Program (NFIP). However, the property you have proposed as security for the loan is located in a community which does participate in the NFIP. Federal law will allow us to make your loan, if you purchase flood insurance. The flood insurance must be maintained for the life of the loan.

Flood insurance coverage under the NFIP may be purchased through an insurance agency who will obtain the policy either directly through the NFIP or through an insurance company that participates in the NFIP.

At a minimum, flood insurance purchased must cover the *lesser of*. (1) The outstanding principal amount of the loan; or (2) The maximum amount of coverage allowed for the type of property under the NFIP.

If, at any time during the term of the loan, it is determined that the building or manufactured home and any personal property securing the loan is not covered by flood insurance or is covered by less than the required amount of insurance, you shall be notified to obtain such insurance at your expense. If you fail to purchase such insurance within 45 days, such insurance shall be purchased on your behalf and you may be charged for the cost of premiums and fees incurred in the purchase of the insurance.

**III. Federal Disaster Relief Assistance**

Federal disaster relief assistance (usually in the form of a low interest loan) may be available for damages incurred if your community's participation in the NFIP is in accordance with NFIP requirements. However, if your community's participation in the NFIP is discontinued, properties located in the community will not be eligible for Federal disaster relief assistance in the event of a Federally declared flood disaster.

Notice Prepared By: \_\_\_\_\_ Date: \_\_\_\_\_  
Date Mailed: \_\_\_\_\_ By: \_\_\_\_\_

**Acknowledgment of Receipt of Notice**

I/We acknowledge receipt of the above completed notice and certify that I/we have read and understand the contents of such notice.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return an executed copy of this notice in the envelope provided. If you have any questions, please call your loan official promptly.

*According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*