



# Joining the National Flood Insurance Program

FEMA 496

*April 2019*



FEMA

# Joining the National Flood Insurance Program

Flooding is the most common and costly natural disaster in the United States, and it affects every State. Flooding can be caused by storms, dams or levees breaking, new development changing how water flows above and below the ground, snowmelt, and much more. The National Flood Insurance Program (NFIP) was established to reduce the financial risk for property owners and renters through insurance; in exchange, communities adopt floodplain management regulations that reduce future flood damages. This Federal program, established with the passage of the National Flood Insurance Act of 1968, has grown to include over 22,000 participating communities and to provide over \$1 trillion in flood insurance coverage.

Your community's decision to join the NFIP is very important. No Federal law requires a community to join— participation is voluntary. When communities join the NFIP, property owners and renters have the opportunity to purchase Federal flood insurance to protect themselves from financial losses. Another consideration is if communities identified by the Department of Homeland Security's Federal Emergency Management Agency (FEMA) as being flood-prone have not joined the NFIP within a year of being notified of that status, they will be sanctioned. See the second page for a description of the sanctions.

FEMA is required by law to identify and map the Nation's flood-prone areas. The identification of flood hazards serves many important purposes. It creates an awareness of the hazard, especially for those who live and work in those areas. The maps provide States, tribal governments and communities with information needed for land use planning to reduce risks to new development in floodplains, and to implement other health and safety codes and regulations. States, tribal governments and communities also use the information for emergency management.

**To participate in the NFIP**, your community must adopt and enforce floodplain management regulations that meet or exceed the minimum requirements of the program. The requirements are intended to prevent loss of life and property and reduce taxpayer costs for disaster relief, as well as minimizing the economic and social hardships that result from flooding.

When FEMA provides flood hazard maps, community officials should carefully review the maps and determine whether flood insurance and floodplain management would benefit their communities and property owners. In deciding whether to join the NFIP, community officials should keep in mind that homeowners' insurance policies generally do not cover flood losses, and many property owners are unaware their property is at risk.

All property owners in communities that participate in the NFIP are able to purchase NFIP flood insurance, regardless of location in or out of the mapped flood hazard area.

When FEMA identifies a community as flood-prone, community officials should be aware that if they choose not to participate in the NFIP, property owners in mapped flood hazard areas will be ineligible for most forms of disaster assistance. This does not affect communities where FEMA has not identified flood hazards.

## **What must my community do to join the NFIP?**

To join the program, a community must submit an application package that includes the following information:

➤ **Application for Participation in the National Flood Insurance Program (FEMA Form 81-64):**

This one-page form asks for the following information:

- Community name
  - Chief Executive Officer
  - Official with overall responsibility for implementing the community's floodplain management program
  - Community repository for public inspection of flood maps
  - Estimates of land area, population, and number of structures in and outside flood-prone areas
- **Resolution of Intent:** Adoption of a resolution of intent indicates an explicit desire to participate in the NFIP and a commitment to recognize flood hazards and carry out the objectives of the NFIP.
- **Floodplain Management Regulations:** Community must adopt and submit floodplain management regulations that meet or exceed the minimum floodplain management requirements of the NFIP.

## IMPORTANT FACTS YOU SHOULD KNOW

- Floods are the most common and most costly natural disaster in the United States.
- Before most forms of Federal disaster assistance can be offered, the President must declare a major disaster.
- Flood insurance claims are paid even when a major disaster has not been declared.
- The most common form of Federal disaster assistance is a loan, which must be paid back with interest.
- There are more than 5.1 million flood insurance policies in more than 22,300 communities across the Nation.

- Over the life of a 30-year mortgage there is a 26% chance that a building in a high-risk zone will experience a flood that equals or exceeds the 1-percent-annual chance flood.
- Since 1969, the NFIP has paid over \$68 billion for flood insurance claims, helping hundreds of thousands of families and businesses recover from flood disasters.
- Approximately 25% of all claims paid by the NFIP are for buildings outside the mapped floodplain.

## Can Your Community Afford Not to Participate?

### What type of regulations can your community adopt?

Community floodplain management regulations may be included in zoning ordinances, building codes, subdivision ordinances, sanitary regulations, or “stand-alone” floodplain management regulations. How your community approaches floodplain management depends on State laws and regulations and how your community chooses to manage its flood hazards.

### What happens if your community is identified as flood-prone but does not join the NFIP?

The following sanctions apply when a community does not qualify for participation in the NFIP within a year after FEMA has identified it as flood-prone:

- Property owners will not be able to purchase NFIP flood insurance policies.
- Federal grants or loans for development will not be available in identified flood hazard areas under programs administered by agencies such as the Department of Housing and Urban Development, Environmental Protection Agency, and Small Business Administration.
- Federal disaster assistance for flood damage will not be provided to repair insurable private and public buildings in identified flood hazard areas.
- Federal mortgage insurance or loan guarantees, such as those written by the Federal Housing Administration and the Department of Veteran Affairs, will not be provided in identified flood hazard areas.
- Federally insured or regulated lending institutions, such as banks and credit unions, are allowed to make conventional loans for insurable buildings in flood hazard areas in nonparticipating communities. However, lenders must notify applicants that properties are in flood hazard areas and the properties are not eligible for Federal disaster assistance. Some lenders may voluntarily choose not to make these loans.

Communities that FEMA has not identified as flood-prone may choose to participate in the NFIP. These sanctions do not apply if those communities decide not to participate.

Please contact your FEMA Regional Office or the NFIP State Coordinating Agency for information about joining. These offices can provide the application, a sample resolution, and a model floodplain management ordinance. (See “For Assistance” on the back page for contact information)

### What requirements must your community adopt?

The NFIP requirements are designed to ensure that new buildings and substantially improved buildings in flood-prone areas are protected from flood damage. The minimum NFIP floodplain management requirements are listed in *Title 44 of the Code of Federal Regulations (44 CFR), Section 60.3*. The specific requirements depend on the type of flood hazard data that FEMA has provided to the community.

In addition to meeting the requirements of the NFIP, a community’s floodplain management regulations must be legally enforceable. This means the regulations meet applicable provisions of State enabling laws that authorize communities to enact and enforce land use regulations and are adopted through a process that meets applicable State and local due process procedures.

The authority for floodplain management varies from State to State. Some States require communities to regulate floodplains to a higher standard than the minimum NFIP requirements for certain aspects of floodplain management. Some States require communities submit floodplain management regulations to the State for approval. Communities should contact the State NFIP Coordinating Agency for assistance with specific State requirements.

## HELPFUL LINKS

<https://www.fema.gov/participation-national-flood-insurance-program>

This page includes relevant information on the NFIP including regulation, guidance, definitions of key words, etc.

<https://www.fema.gov/media-library/assets/documents/9438>

This page includes the form that is used to enroll communities into the NFIP.

## FOR ASSISTANCE

If your community needs assistance to join the NFIP, you can contact the FEMA Regional Office (see below for address and telephone number). You can also contact your State Coordinating Agency for the NFIP. You can go to <https://www.fema.gov/fema-regional-contacts> for a listing of the FEMA Regional Offices or <http://www.floods.org/index.asp?menuID=274&firstlevelmenuID=185&siteID=1> for the NFIP State Coordinating Agencies.

### REGION I

CT, ME, MA, NH, RI, VT  
99 High Street  
Boston, MA 02110  
(877) 336-2734

### REGION II

NJ, NY, PR, VI  
26 Federal Plaza, Suite 1307  
New York, NY 10278  
(800) 611-6122

### REGION III

DE, DC, MD, PA, VA, WV  
615 Chestnut Street  
One Independence Mall, 6<sup>th</sup> Floor  
Philadelphia, PA 19106  
(215) 931-5500

### REGION IV

AL, FL, GA, KY, MS, NC, SC, TN  
3003 Chamblee Tucker Road  
Atlanta, GA 30341  
(770) 220-5200

### REGION V

IL, IN, MI, MN, OH, WI  
536 South Clark Street, 6<sup>th</sup> Floor  
Chicago, IL 60605  
(312) 408-5500

### REGION VI

AR, LA, NM, OK, TX  
FRC 800 North Loop 288  
Denton, TX 76209  
(940) 898-5399

### REGION VII

IA, KS, MO, NE  
11224 Holmes Road  
Kansas City, MO 64131  
(816) 283-7061

### REGION VIII

CO, MT, ND, SD, UT, WY  
Denver Federal Center  
Building 710, Box 25267  
Denver, CO 80225  
(303) 235-4800

### REGION IX

AZ, CA, HI, NV, American Samoa,  
Guam, Marshall Islands,  
and Northern Mariana Islands  
1111 Broadway, Suite 1200  
Oakland, CA 94607  
(800) 611-6122

### REGION X

AK, ID, OR, WA  
Federal Regional Center  
130 – 228<sup>th</sup> Street, Southwest  
Bothell, WA 98021  
(425) 487-4600