

**NOTICE TO BORROWER *IN* SPECIAL FLOOD HAZARD AREA  
NFIP PARTICIPATING COMMUNITY**

Borrower:

Loan #:

Property Location:

This Notice Date is as of:

National Flood Insurance Program (NFIP) Community:

We are giving you this notice to inform you that the building or mobile home securing the loan for which you have applied is or will be located in an area with special flood hazards. The area has been identified by the Administrator of the Federal Emergency Management Agency (FEMA) as a Special Flood Hazard Area (SFHA) using FEMA's Flood Insurance Rate Map (FIRM) or the Flood Hazard Boundary Map (FHBM) for the community cited above. FIRMs and FHBMs are prepared by FEMA in cooperation with the applicable community to identify high flood risk and low-to-moderate flood risk areas. The SFHA has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year. During the life of a 30-year mortgage loan, the risk of a 100-year flood in an SFHA is 26 percent (26%).

Federal law allows a lender and borrower jointly to request the Administrator of FEMA to review the determination of whether the property securing the loan is located in an SFHA. If you would like to make such a request, please contact us for further information. Borrowers may also call a FEMA mapping specialist at (877) 336-2627 to discuss their concerns regarding FEMA flood maps.

The community in which the property securing the loan is located participates in the National Flood Insurance Program (NFIP). Federal law will not allow us to make you the loan that you have applied for if you do not purchase flood insurance. The flood insurance must be maintained for the life of the loan. If you fail to renew or maintain flood insurance on the property, Federal law authorizes and requires us to purchase the flood insurance for you at your expense.

- At a minimum, flood insurance purchased must cover the lesser of: (1) the outstanding principal balance of the loan in addition to the aggregate unpaid balance of any superior liens; or (2) the maximum amount of coverage allowed for the type of building under the NFIP; or (3) the insurable value of the building and contents securing the loan. The market value or land value on which the building is located has no bearing on the insurable value of the building. Lenders may require coverage in an amount greater than the minimum. You are encouraged to consider additional flood insurance beyond your lender's requirements including coverage for personal property not securing the loan.
- Federal disaster relief assistance (usually in the form of a low-interest loan) may be available for damages incurred in excess of your flood insurance if your community's participation in the NFIP is in accordance with NFIP requirements. If you are planning to build a structure or make repairs, contact the local community's chief executive official to determine the building standards for structures within an SFHA.
- Although you may not be required to maintain flood insurance on all structures (whether building or mobile home), you may still wish to do so, and your mortgage lender may still require you to do so to protect the collateral securing the mortgage. If you choose not to maintain flood insurance on a structure and it floods, you are responsible for all flood losses relating to that structure.

**Availability of Private Flood Insurance Coverage:** Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through a Write Your Own (WYO) insurance company that participates in the NFIP. Flood insurance that provides the same level of coverage as an NFIP standard flood insurance policy may be available from private insurers that do not participate in the NFIP. You should compare the flood insurance coverage, deductibles, exclusions, conditions, and premiums associated with flood insurance policies issued on behalf of the NFIP and policies issued on behalf of private insurance companies and contact an insurance agent as to the availability, cost, and comparisons of flood insurance coverage. While flood insurance under the NFIP has been made available in your community, this specific property may not be eligible for NFIP flood insurance due to certain restrictions, such as the designation of the improved property as either Section 1316 under the NFIP or subject to Coastal Barrier Resource Area or Otherwise Protected Area limits.

**Flood Insurance Coverage Subject to Change:** We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount described above. The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood insurance in an amount equal to 100% of the insurable value of the building(s) used as collateral to secure the loan or the maximum available under the NFIP for the particular type of building. You should review your flood risk with your insurance provider, as you may wish to purchase more coverage than your lender requires.

**Escrow Requirement for Residential Loans:** Federal law may require a lender or its servicer to escrow all premiums and fees for flood insurance that covers any residential building or mobile home securing a loan that is located in an area with special flood hazards. If your lender notifies you that an escrow account is required for your loan now or during the term of the loan, then you must pay your flood insurance premiums and fees to the lender or its servicer with the same frequency as you make loan payments for the duration of your loan. These premiums and fees will be deposited in the escrow account, which will be used to pay the flood insurance provider.

\_\_\_\_\_  
Borrower/Applicant Date

\_\_\_\_\_  
Borrower/Applicant Date

\_\_\_\_\_  
Borrower/Applicant Date

\_\_\_\_\_  
Borrower/Applicant Date

\_\_\_\_\_  
Borrower/Applicant Date

\_\_\_\_\_  
Borrower/Applicant Date