



FEMA



# Understanding Preliminary Flood Hazard Maps

## Releasing Preliminary Flood Hazard Maps

The release of preliminary flood hazard maps, or Flood Insurance Rate Maps (FIRMs), is an important step in the mapping lifecycle for a community. This release provides community officials, the public, and other stakeholders with their first view of the current flood hazards, which include changes that may have occurred in the flood risks throughout the community, or county, since the last flood hazard map was published.

Typically, preliminary flood hazard maps are officially released at a meeting with community officials. This meeting is then followed with a public comment period, or, in some cases, an Appeal Period. After this period flood maps will be made available locally in paper form and some communities may also post the maps on a website, making these preliminary maps more readily accessible to all citizens so they understand how to use the preliminary maps to determine how they may be affected by them.

## Property Owners Can Take Advantage of “Grandfathering”

If a property is mapped into a high-risk area (shown as a zone labeled with letters starting with “A” or “V”) and the owner has a mortgage through a federally regulated or insured lender, flood insurance will be required when the FIRM becomes effective. Lenders do have the option to make the purchase of flood insurance a condition for their loans at any time, and some lenders may institute such requirements in advance of the maps becoming effective.

### WHERE IS YOUR FLOOD MAP?

Please see your community official for more information about where preliminary maps for your area are available for viewing.

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Property owners who obtain flood insurance before the FIRMs become effective and then maintain it may be able to benefit from the National Flood Insurance Program's "grandfathering" insurance rating process and pay a lower premium. Property owners should contact their insurance agent for more information.

If a property is mapped from a high risk zone into a low- or moderate- risk zone (shown as a zone labeled with the letter "X"), it is at the lender's discretion whether or not to require coverage. Property owners should remember that *the flood risk has only been reduced, not eliminated.*

Most property owners can maintain coverage by easily converting their current flood insurance policy to the lower-cost Preferred Risk Policy (PRP), with premiums starting as low as \$129 a year. A PRP offers a significant cost savings while still providing coverage and the benefit of protection.

### **Insurance Agents Can Prepare Their Clients To "Lock-In" Savings**

Insurance agents can compare the existing FIRMs and the preliminary FIRMs to see how their clients may be affected and alert them to any upcoming changes. If a building is going to be mapped into a high-risk zone, the owner should be encouraged to purchase, or maintain a policy immediately and "grandfather" or lock in that zone for rating purposes when the map changes.

If a building will be mapped out of a high-risk area, the property owner's flood insurance policy may be eligible for conversion to a PRP when the preliminary FIRM becomes effective. If this is the case, the owner will receive a refund for the difference in the premium paid with no gap in coverage. Insurance agents should remember that they must always rate flood insurance policies using information from the FIRM that is currently in effect and not from the preliminary flood hazard map.

### **Lenders Can Avoid Closing Delays**

Flood insurance must be in place for a property in a high-risk zone if the mortgage is through a federally regulated or insured lender.

When the preliminary FIRMs are released, lenders (or their flood zone determination company) should not use them to determine the Federal mandatory purchase requirements. Some lenders may choose to require it as part of their internal underwriting of the loan, but it should not be used for complying with the Federal requirement.

As the FIRM effective date nears, local loan originators and mortgage brokers should refer to the preliminary FIRMs to determine whether a property might be mapped into a high-risk area when the maps become effective. In order to reduce delays in loan closing loan originators and mortgage brokers should be sure to inform the borrower of this potential change before a loan is finalized.

### **Real Estate Agents Can Avoid Unpleasant Surprises**

Real estate agents and brokers can use the preliminary FIRMs to determine what zone changes are likely to occur and how that might affect any properties for sale. By determining the zone changes real estate agents and brokers can avoid any surprises at the time of closing that could delay and perhaps jeopardize the purchasing/sale of a property. Real estate agents and brokers should also become familiar with the flood insurance "grandfathering" options that can help keep insurance costs down, including the possible transfer of an existing flood insurance policy to the new owner.

### **Engineers, Developers, and Builders Can Plan for Safer Construction**

The building industry should be aware of the differences between the flood hazard information on the currently effective FIRM and Flood Insurance Study (FIS) versus the updated flood hazard information on the preliminary FIRM and associated FIS. The more conservative data between the two is typically required by the communities and recommended by FEMA to be used for design and permitting purposes. This will remain the case until the FIRMs become effective. Note that even though the preliminary FIRM data may sometimes show less restrictive information for an area it should not be used until it becomes effective.

## Preliminary Flood Hazard Maps:

### A Key Step In Creating Safer Communities

Flood risks can change over time and water flow and drainage patterns can change dramatically because of surface erosion, land use, and natural forces. Thus, preliminary flood maps help inform public officials, floodplain managers, industry stakeholders, and the public about how the community's flood risks have changed.

The preliminary DFIRMs are an important step in helping a community protect lives and reduce property damage as a result of flooding. Builders and developers, for example, can choose safer locations and start building at safer elevations while property owners can see if their flood risk has increased and choose to purchase flood insurance to start protecting themselves before the map changes. Lenders are able to review how their portfolio of loans or new loans coming up for closing might be affected and be better prepared to take action when the maps become effective and real estate agents and insurance agents can determine their client's risk of flooding and the options available before or after the preliminary flood maps become effective.

The Department of Homeland Security's Federal Emergency Management Agency (FEMA) is responsible for administering the National Flood Insurance Program (NFIP). FEMA and its partners provide flood hazard data and maps in support of the NFIP. Up-to-date flood hazard information and maps are needed to support the purchase and rating of flood insurance, enable community-based floodplain management, and increase the Nation's flood hazard awareness.