

## **FLOOD INSURANCE**

**NFIP:** This community participates in the National Flood Insurance Program (NFIP). The NFIP makes federally backed flood insurance available for all buildings, whether they are in a floodplain or not. Flood insurance covers direct losses caused by surface flooding, including a river flowing over its banks, overflow of inland or tidal water, and local drainage problems, etc.

The NFIP insures buildings, including mobile homes, with two types of coverage: structural and contents. Structural coverage is for the walls, floors, insulation, furnace, and other items permanently attached to the structure. Contents coverage may be purchased separately provided the contents are in an insurable building.

**Mandatory Purchase Requirement:** The mandatory purchase requirement applies to all forms of federal or federally related financial assistance for buildings located in a Special Flood Hazard Area (SFHA). This requirement affects loans and grants for the purchase, construction, repair, or improvement of any publicly or privately owned building in the SFHA, including machinery, equipment, fixtures, and furnishings contained in such buildings.

Financial assistance programs include loans and grants from agencies such as the Department of Veterans Affairs, Farmers Home Administration, Federal Housing Administration, Small Business Administration, and Federal Emergency Management Agency. The requirement also applies to secured mortgage loans from financial institutions, such as commercial lenders, savings and loan associations, savings banks, and credit unions that are regulated, supervised or insured by Federal agencies such as the Federal Deposit Insurance Corporation and the Office of Thrift Supervision. It also applies to all mortgage loans purchased by Fannie Mae or Freddie Mac in the secondary mortgage market.

**How it Works:** Before a person can receive a loan or other financial assistance from one of the affected agencies or lenders, there must be a check to see if the building is in a SFHA. The SFHA is the base (100-year) floodplain mapped on a Flood Insurance Rate Map (FIRM). It is shown as one or more zones that begin with the letter "A" or "V".

Copies of the FIRM are available for review in most local government buildings or planning departments. Many lenders and insurance agents also have copies. It is the agency's or the lender's responsibility to check the FIRM to determine if the building is in a SFHA, although many communities provide assistance.

If the building is in a SFHA, the agency or lender is required by law to require the recipient to purchase a flood insurance policy on the building. The requirement is for structural coverage equal to the amount of the loan (or other financial assistance) or the maximum amount available, whichever is less. The maximum amount available for a single-family house is \$250,000.

Prince George's County offers a floodplain map information service. Information can be obtained by contacting Salman U. Babar at [subabar@co.pg.md.us](mailto:subabar@co.pg.md.us) or 301-636-2063. Mr. Babar will prepare a form with the necessary FEMA and County flood zone information for those who inquire.

Prince George's County also maintains a number of Elevation Certificates that provide detailed elevations for buildings in the floodplain. To access these Elevation Certificates or for more information about the NFIP and related programs, visit our web site at <http://www.princegeorgescountymd.gov> and navigate to the Department of the Environment, Sustainable Initiatives Division, Flood Management page. If you do not have access to the internet, and would like to receive a copy of an elevation certificate, please contact us at (301) 883-5834.

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