

Do I Have To Purchase Flood Insurance?

TO: Polk County Resident
FROM: Austin McGuigan, Community Development Director
DATE: September 2022
SUBJECT: Flood Insurance

This flyer is being provided as informational to Polk County residents regarding Polk County's participation in the National Flood Insurance Program (NFIP), and through this participation, property owners are eligible to purchase federally backed flood insurance on eligible buildings and content. The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 mandate the purchase of flood insurance as a condition of Federal or Federally related financial assistance for acquisition and/or construction of buildings in the Special Flood Hazard Area (SFHA) of any community. A SFHA is defined as Flood Zone A or V on a Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM).



When making a new purchase or making changes to an existing federally backed loan, such as refinancing your home, lenders are required to verify whether or not any part of your building is located in a SFHA by reviewing current FEMA FIRM information. If a determination is made that your building is located within a SFHA, the lender must notify the borrower that the purchase of flood insurance is required as a condition of the loan. Even if the entire building is located outside of a SFHA, when mandatory flood insurance wouldn't be required, some lenders may still require you to purchase flood insurance because up to 25% of all NFIP flood losses are within areas outside of the SFHA.

The mandatory flood insurance purchase requirement stipulates that building coverage be purchased equal to the amount of the loan, or other financial assistance, or for the maximum amount available, which is currently \$250,000 for a single family residence and for non-residential (commercial) buildings the maximum is currently \$500,000. Some Federal agencies, such as Freddie Mac and Fannie Mae may have stricter requirements.

Whether or not you are in a high risk flood area, you may want to consider purchasing flood insurance. Flooding is not covered by a standard homeowner's insurance policy. Flood insurance can be purchased even if you are located outside of a SFHA. As stated above, over 25 percent of NFIP claims come from properties identified outside of high risk flood areas. The NFIP offers a separate policy that homeowners and renters can purchase to cover their home and/or contents inside their home. Business owners can purchase policies to protect their buildings and contents as well. You can purchase flood insurance at any time, however there is usually a 30 day waiting period before a policy is effective. You should contact your insurance agent about flood insurance for your home and contents. You may also want to visit the NFIP's website at <https://www.floodsmart.gov> for helpful information about insurance coverage from the NFIP.

The Polk County Community Development Department is available to provide flood hazard information for properties located within the unincorporated areas of Polk County. The County maintains a complete set of FEMA FIRMs, and is available to provide map determinations by phone, in person, or by writing to the county. Information concerning the FIRM zone, map panel number, map date, community number, base flood elevations and SFHA's are available. Polk County has valuable information on its website, <https://www.co.polk.or.us>. You may also want to visit the Flood Protection Information which provides several helpful links and documents for you to view at <https://www.co.polk.or.us/cd/building/be-flood-smart>, along with a webmap program to view property information at <https://geoservices.co.polk.or.us/PCMAPS/index.html>. Another helpful source is FEMA's website at <https://www.fema.gov>.

If you have any questions on floodplain issues, please contact the Community Development Department in person or by calling 503-623-9237. Please have available the location of the property either by Township, Range, Section, and Tax lot, tax account number, or street address. It is always our pleasure to assist you.