

MAPPING TODAY'S FLOOD RISK WHAT LENDERS SHOULD KNOW

Important changes to Sarasota County's flood hazard maps are underway. As floodplain boundaries, regulatory flood elevations and vertical datums change, so may how you design and construct your buildings and develop your property, now and in the future.

In December 2014, the Federal Emergency Management Agency (FEMA) released new preliminary flood hazard maps, known as Flood Insurance Rate Maps (FIRMs), for all of Sarasota County. These new maps will become effective on November 4, 2016. The new FIRMs show the extent to which areas of the county are currently at risk for flooding. The remapping effort—part of FEMA's nationwide map modernization effort—was necessary because the flood hazard and risk information shown on the flood maps was outdated. Some of the maps now in force were developed more than 30 years ago. Since then, the drainage patterns have changed, new land development has occurred, and mapping and modeling technology has significantly improved.

The new maps will give owners more up-to-date, reliable, Internet-accessible information about Sarasota County's flood risk on a property-by-property basis. Additional updates are currently underway by FEMA as part of the Risk Mapping, Assessment, and Planning (Risk MAP) Program and also by Sarasota County as part of the watershed program. See more scheduled updates including the Risk MAP coastal study at <https://scginternet.scgov.net/FloodMaps/>.

UNDERSTANDING THE EFFECTS

When the new FIRMs become effective in November 2016, it is important for lenders to understand the effects that these map changes have on flood insurance requirements and what options are available for their clients.

Properties may be mapped into higher risk zones, have changes in their Base Flood Elevation (BFE), be mapped into lower risk zones, or remain in the same zone. These changes may affect closings and existing loans for both residents and business owners throughout the area, so lenders need to be prepared.

NOTIFYING BORROWERS IN A HIGH-RISK FLOOD ZONE

When a real estate secured loan is applied for through a federally regulated or insured lender, the lender must use the effective FIRM to determine the property's flood risk¹. If the property is located in a high-risk area (known as a Special Flood Hazard Area [SFHA] and shown on the flood maps with letters beginning with "A" or "V"), flood insurance is required prior to or at closing.

Before the new FIRMs become effective, originating lenders and borrowers should stay informed about any impending map changes. Lenders or borrowers must determine, prior to closing, what possible changes to the flood risk and Federal flood insurance requirement will occur and when the changes will take effect. This will help ensure that any changes in flood insurance requirements are known in advance and provide for a smoother closing. If flood insurance is required at closing and the insurance agent has determined that the property qualifies for one of the National Flood Insurance Program's (NFIP's) lower-cost rating options, the borrower can provide a policy that is not rated in an "A" or "V" zone.

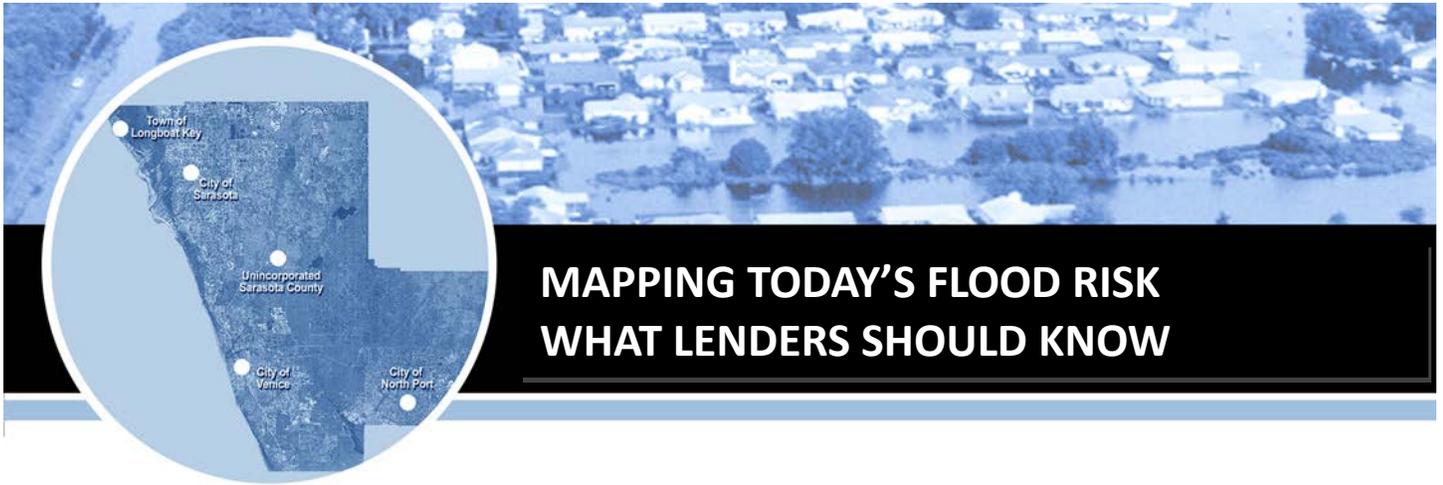
NOTIFYING BORROWERS MAPPED INTO A MODERATE- OR LOW- RISK ZONE

When the FIRMs become effective, some properties may be mapped into a lower risk flood zone where flood insurance is not required². While the requirement has been removed, the risk has not; it has only been reduced. When lenders notify the borrower of this change, they are encouraged to urge the borrower to consider maintaining coverage. Many borrowers, through their insurance agent, can easily convert their existing coverage to a lower-cost Preferred Risk Policy.

¹ This requirement also applies when increasing, renewing, or extending a loan.

² Lenders have the right to continue to require flood insurance, even if it is not federally required.





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STAY INFORMED

Knowing when and where map changes are occurring allows the lender to be properly prepared to educate current and prospective borrowers on what the flood risk is (or what the changes may be), the related insurance requirements, and that there are insurance options (an insurance agent can always provide greater detail on coverages and costs). This information will allow both parties to be better prepared at closing and avoid delays.

To stay informed about local map changes, local lenders should stay in contact with community officials as Sarasota County goes through the remapping process.

WHERE TO VIEW THE MAPS

View preliminary and current effective FIRMS and Flood Insurance Study (FIS) reports online on the FEMA Map Service Center web site <http://msc.fema.gov/>.

See Sarasota County's FEMA Flood Zone Locator at <https://ags2.scgov.net/sarcoflood/> to identify your flood risk on the upcoming FIRM.

Please be advised the files are best viewed with a high-speed internet connection. View various flood map fact sheets at <https://scginternet.scgov.net/FloodMaps/>.

MAPPING MILESTONES

December 2014 – Preliminary Map Modernization digital flood maps released.

January - April 2015 - 90-day public comment period for due process. Community submitted Appeals & Comments.

December 2015 – FEMA resolved Appeals & Comments

May 4, 2016 - Letter of Final Determination (LFD) from FEMA to community initiates a mandatory six (6) month compliance and adoption period.

November 4, 2016 - Six month compliance and adoption period ends and FEMA Digital Flood Maps are effective.

Late 2018* - Preliminary maps planned for FEMA Risk MAP coastal study

2016* - County studies for Phillippi Creek and Little Sarasota Bay Watersheds to be submitted to FEMA

2017* - County studies for Dona Bay and Lemon Bay Watersheds to be submitted to FEMA

** Date subject to change.*

FOR MORE INFORMATION:

Visit www.scgov.net/floodmapupdates to learn more about the mapping process and public meetings.

For general information, call the Sarasota County Contact Center at 941-861-5000, Monday through Friday (except holidays) from 8 am. to 5 p.m.

For technical flood map information, call the FEMA Map Information eXchange (FMIX) at 1-877-336-2627 or their website at www.floodmaps.fema.gov/fhm/fmx_main.html. The FMIX hours of operation are Monday through Friday, 8:00 am through 6:30 pm Eastern Standard Time.

