



FEMA

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**Mandatory Purchase Book (2007 Revision)
Questions & Answers (where to find)**

Difference between the 1973 Flood Disaster Protection Act and the 1994 National Flood Insurance Reform Act (Page 2 & 3)

Must have a Flood Policy as a condition of closing (Page 5)

Life of Loan (Page 5)

Buildings outside SFHA'S (Page 5)

LOMC and LODR (Page 14)

LOMA'S and LOMR'S (Page 17)

Only building must be in a SFHA (Page 11 & 27)

Determining Building's Location is Responsibility of Lender
(Page 11 & 12)

Ineligible Buildings (Page 20 & 22)

Flood Insurance is required for the term of the loan (Page 24)

Abundance of Caution (Page 23)

Calculating Coverage (Page 27)

Land Loan only or Low Value Building on High Value Land (Page 27 & 29)

Flood Insurance during Construction (Page 30)

(How Do We Do It?) Page 30

Condo's Under Construction (Page 30)

Loans with approved lines of credit (Page 33)



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If 2nd Mortgage, check with 1st mortgage for escrow, and insurance must be purchased for both loans (Page 33)

Notification Requirements (Page 34 & Appendix 4

Small loan exceptions (Page 33 & 43)

Reliance on Previous Loan Determination, Page 37 and Appendix 4-3

Separate Buildings, Same Property (Page 38)

Escrow Requirements (Page 39)

Force Placement of Coverage (Page 40 & 41)

Condominiums (Section D, page 45, 46, 47, 48)

Change of Servicer (Appendix 4-1)

Mortgage Portfolio Protection Program Guidelines & Requirements
(Page 42 & Appendix 7)

Penalties, Page 59

Most common reasons for Civil Monetary Penalties are for failure to send the proper notice and insufficient coverage on the flood insurance.

\$3,010, \$800, \$4500, \$6650 for failure to obtain adequate insurance

\$1200 for failure to provide proper notices

Resources for Lenders (Appendix 5)

Waiting Periods (Appendix 6)

Discrepancies in Flood Zone

SFHDA is supposed to win, If the WYO is challenging this, FEMA will not make a ruling for approximately 2 years. Consider doing a LOMA because it is free, also ask your flood zone determination company to check out their sources again.