Understanding Preliminary Flood Hazard Maps

Releasing Preliminary Flood Hazard Maps

The release of the Preliminary flood hazard map, or Flood Insurance Rate Map (FIRM), 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 updated flood hazard information, which includes flood risk changes throughout the community or county that may have occurred since the last FIRM and accompanying Flood Insurance Study (FIS) report were published.

The Preliminary FIRM is officially released at a meeting with community officials and ensuing open house(s) for the public. The meeting and open house(s) are followed by an appeal period. During this period, the FIRM and FIS report are made available locally in paper form and digitally through the FEMA Flood Map Service Center (https://hazards.fema.gov/femaportal/prelimdownload/). Some communities also may post the Preliminary FIRM and FIS report on their own websites, making them readily accessible to all citizens and helping them understand how they may be affected by the flood hazard information shown on the Preliminary FIRM and FIS report.

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 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 before the new FIRM becomes effective.

Property owners who obtain flood insurance before the new FIRM becomes effective and maintain it may be able to benefit from the National Flood Insurance Program “grandfathering” insurance rating

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 FIRMs help inform public officials, floodplain managers, industry stakeholders, and the public about how the community’s flood hazards and risks have changed.

The Preliminary FIRM is an important tool in helping a community protect lives and reduce property damage caused by 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 FIRM changes.

Lenders are able to review their portfolio of existing loans or new loans coming up for closing, to see how they might be affected and can be better prepared to take action when the FIRM becomes effective.

Real estate agents and brokers and insurance agents can help determine their clients’ risk of flooding and the options available before or after the new FIRM becomes effective.

Where To Find Your Flood Hazard Map

Please contact your community floodplain administrator for more information about where the Preliminary FIRM for your area is available for viewing. For contact information for floodplain administrators, please visit the “Coastal Study Contacts” page on the FEMA Coastal Analysis and Mapping Web Portal: www.southeastcoastalmaps.com/Pages/coastal_contacts.aspx.

To view or download digital versions of the Preliminary FIRM and FIS report, please visit: https://hazards.fema.gov/femaportal/prelimdownload/
process and pay a lower insurance premium. Property owners should contact their insurance agents for more information. If a property is mapped from a high-risk zone into a low- or moderate-risk zone (labeled with the letter “X”), it is at the lender’s discretion whether to require flood insurance coverage. Property owners should remember that the flood risk in these areas has only been reduced, not eliminated.

Some property owners in this situation can maintain coverage by converting their current “Standard Flood Insurance Policy” to the lower-cost “Preferred Risk Policy”, or PRP. A PRP may offer a significant cost savings from a Standard Flood Insurance Policy while still providing coverage and the benefit of protection.

**Insurance Agents Can Prepare Their Clients to “Lock-In” Savings**

Insurance agents can compare the Preliminary FIRM to the current effective FIRM to see how their clients may be affected and can alert their clients to any upcoming changes. If a structure is going to be mapped into a high-risk zone, the owner should be encouraged to purchase a policy immediately or maintain an existing policy to “grandfather” or lock in that zone for rating purposes when the new FIRM becomes effective.

If a structure 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 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 FIRM.

**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 FIRM is 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 insurance as part of their internal underwriting of the loan, but the Preliminary FIRM cannot be used for complying with the Federal requirement.

As the FIRM effective date nears, local loan originators and mortgage brokers should refer to the new FIRM to determine whether a property might be mapped into a high-risk area when the new FIRM becomes effective. To reduce delays in loan closings, loan originators and mortgage brokers should inform the borrower of this potential change before the loan is finalized.

**Real Estate Agents Can Avoid Unpleasant Surprises**

Real estate agents and brokers can use the Preliminary FIRM to determine what zone changes are likely to occur and how that might affect properties for sale. By identifying the areas of zone changes, real estate agents and brokers can avoid any surprises at closing that could delay and perhaps jeopardize the purchase/sale of a property. Real estate agents and brokers should also become familiar with the “grandfathering” options that can help keep insurance costs down, including the possible transfer of existing flood insurance policies to new owners.

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

The building industry should be aware of any differences between the flood hazard information shown on the current effective FIRM and FIS report and the updated flood hazard information on the Preliminary FIRM and FIS report. 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 FIRM becomes effective.

Even though the flood hazard information shown on the Preliminary FIRM and FIS report may be less restrictive for an area, that flood hazard information should not be used until the FIRM and FIS report become effective.