

# Flood Industry Alert

## Flood Updates

**December 7, 2018**

### **Congress Extends the NFIP as part of Continuing Resolution**

As part of the [Continuing Resolution](#) which funds several government agencies, Congress extended the NFIP for an additional two weeks. With the authority of the NFIP now tied to the federal government appropriations, the discussions in the House and Senate regarding government funding has impact on the NFIP. Congress will need to pass a spending bill, or an additional Continuing Resolution, by December 21 to avoid a lapse in the NFIP. As previously [shared](#), there are standalone bills (including recently announced [S. 3703](#)) that would extend the NFIP's authority but it is uncertain if these will see activity.

### **Extension of Standard Flood Hazard Determination Form**

As a reminder, FEMA [acknowledges](#) that the version of the [Standard Flood Hazard Determination Form](#) with the October 31, 2018 expiration date may continue to be utilized until further notice. FEMA will announce the release of the new version, once available. At that time we will share the new version and inform you of the plan for our transition which will be completed within any established implementation period.

### **Fannie Mae and Freddie Mac Updates**

Fannie Mae recently updated the flood insurance requirement sections of its Selling Guide to integrate content from the Servicing Guide. In addition, Fannie Mae is making a few updates and providing clarification to its requirements.

Among the updates or clarifications described in its [recent bulletin](#), Fannie Mae is—

- No longer requiring that loans on properties in the SFHA and in communities in the Emergency Program must have a private flood insurance policy with coverage up to the amount of the NFIP program limits for communities in the Regular Program, but instead will require only up to the NFIP program limits for the Emergency Program;
- Providing clarification that for a private flood insurance policy to be acceptable that the full policy must be reviewed to confirm the terms are at least equal to those in an NFIP policy;
- Making updates and clarifications to requirements on loans securing units in condo and other project developments.

Freddie Mac [announced](#) updates to its flood insurance requirements on Condominium projects to now require condominium owners' associations to only maintain coverage for the lower of 80% of the building's replacement cost or \$250,000 times the number of residential units in the building. Previously the requirement for buildings within the SFHA was coverage at least to the lower of *the building's replacement cost* or \$250,000 times the number of residential units in the building.

You are encouraged to read the full bulletins and the impacted sections of the respective guides to consider changes to your applicable loan requirements.

If you have questions or comments regarding the information shared in this Industry Alert, please contact us at [floodcompliance@corelogic.com](mailto:floodcompliance@corelogic.com). Feel free to forward this alert to colleagues who may be interested in receiving this information. Individuals may also subscribe to future *Industry Alerts* [here](#).

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