



Flood Industry Alert

September 23, 2019

House Passes Legislation with Short Term NFIP Extension

With one week left before the NFIP could lapse, the House passed [H.R. 4378](#) which would extend funding of the government through November 21. The bill, which is now before the Senate, includes a provision to extend the NFIP as well. ABA sent out a [reminder](#) to banks about steps to consider when preparing for a possible NFIP lapse.

We encourage you to work with your Government Affairs teams and applicable trade associations to advocate for Congress to take action in advance of the September 30 expiration.

Need for Flood Insurance Evident with Active Tropical Storm Season

Many along the Texas Gulf Coast find themselves facing the need to repair from heavy rainfall and flooding from tropical storm Imelda reminiscent for some of 2017 when Hurricane Harvey stalled over the region. According to the [National Hurricane Center](#), there are currently five named storms in the Atlantic and Pacific. With two more months in this year's tropical storm season, this season may end up more active than predicted (see "[Hurricane Season Begins](#)"). For the latest on recent natural disasters, visit CoreLogic [Hazard HQ](#).

Flood insurance is the best way for property owners or business owners to recover from the financial consequences of a flood. An NAIC campaign [#YourRiskIsReal](#) hopes to educate consumers on the risk of flooding and the benefits of purchasing flood insurance whether through the NFIP or the private insurance market. You are encouraged to take the "[What the Flood](#)" online quiz and share it with your customers. With more options for consumers for flood insurance, banks may begin to see more private flood insurance policies provided by borrowers at origination or during the servicing of a loan. If so, the recently released [examination procedures](#) should provide additional insight on handling of these policies presented to satisfy the mandatory purchase requirement.

Quiet July 2019 for Life of Loan Notifications Due to January 2019 Government Shutdown

We have received questions from some of you regarding the reduced volume of life of loan notifications related to July 2019 FEMA flood map activity. In fact, no communities received new flood maps as part of FEMA's physical map revision process during July 2019; as a result, we did not generate the typical volume of life of loan notifications during this month.

The government shutdown began December 22 and ended on January 25. The impact of the shutdown on FEMA was mixed, including the [unexpected shutdown](#) of NFIP operations until [December 28](#), and the interruption of FEMA's Letter of Final Determination (LFD) process which caused the interruption of FEMA's physical map revision process six months later.

FEMA's process for [physical map revisions](#) is a multi-year process which includes the opportunity for map appeals and public reviews and which culminates in the release of an LFD which establishes the effective date of the new flood map six months after the date of the LFD. In other words, an LFD dated April 18, 2019 lists the communities that will receive new flood maps effective on October 18, 2019. Therefore, given that FEMA did not issue any LFDs in January 2019 due to the government shutdown, FEMA did not issue any new flood maps for communities under the physical map revision process six months later in July. Any life of loan notifications you received in July resulted from recently issued flood maps, Letters of Map Amendment or Revision, or other activity.

Extension of Standard Flood Hazard Determination Form

As a continued 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 applicable implementation period set by the Agencies.

If you have questions or comments regarding the information shared in this Industry Alert, please contact us at 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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