

## Industry Alert

October 19, 2017

### Flood Updates

#### NFIP Updates

The NFIP released [information](#) on future changes as the NFIP continues to implement requirements of BW 12 and HFIAA. Premium increases subject to the requirements and limits established by these laws will occur effective April 1, 2018. Among these is the annual 25% premium increase for pre-FIRM policies written on commercial and non-primary residential properties. Overall, the average increase in premiums for renewals after April 1 will be about 8%, with the same percentage increase for [Preferred Risk Policies](#).

Among the other changes, the NFIP announced that the beginning of the next phase of [Clear Communication](#) will be extended to allow more time for WYOs given the continued focus on customer service and claim handling from the recent hurricanes. Phase 2 of Clear Communication was to begin on October 1, 2017 with renewals of the policies not re-underwritten under Phase 1; however, the NFIP is extending this to permit the phase to not begin until renewals after April 1, 2018. As a reminder, Phase 2 will include policies written on post-FIRM properties in the Special Flood Hazard Area—zones beginning with the letter “A” or “V”.

In furtherance of the directive to clearly communicate risk to policyholders, the [NFIP reminds WYOs](#) of the requirement to verify the flood zone when receiving a policy transferred from another insurer. A completed flood determination, such as one from CoreLogic, can be used for verification of the flood zone and of the eligibility for grandfathering as applicable.

#### Agencies' Update

The [FDIC](#) is accepting public comment until October 30 on a proposed OMB information request related to the Notice requirements under the federal flood regulations, including, among others, the Notice to Borrower in Special Flood Hazards and Notice of the Change of Servicer. Among the information shared is that the Agency estimates compliance with the notice requirements requires one hour per policy including the recordkeeping requirements.

#### Hurricane Update

As you continue to work with affected customers, you may find these resources made available from various agencies to be useful ([FEMA](#), [Fannie Mae](#), [Freddie Mac](#), [FDIC](#), [OCC](#), [NCUA](#), [Federal Reserve](#), [CFPB](#)). In addition, the Mortgage Bankers Association's [Hurricane Relief page](#) offers information for consumers impacted by these recent disasters.

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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