

The National Flood Insurance Program (NFIP)
Preferred Risk Policy (PRP) Eligibility Extension

Fact Sheet for Community Officials

The Basics

- 1) Flood risks are dynamic, and change over time due to community development and natural changes to the topography. The Flood Insurance Rate Maps (FIRMs) are being updated throughout the Nation to better reflect a property's flood risk.
- 2) Map revisions can result in properties currently located in moderate-low risk flood areas being newly designated into high-risk flood zones.
- 3) Flood insurance policy premiums can decrease or increase significantly as a result of map changes.
- 4) Some property owners will find themselves in the position where their lender will require flood insurance when they didn't before. This is the result of the Mandatory Purchase requirement, a statute whereby property owners are required to purchase flood insurance if their mortgage is federally backed or regulated and their properties are located in high-risk flood zones (zones beginning with the letters A and V).

What You Need to Know

- 1) The NFIP PRP is a low-cost policy used to insure properties at moderate-low risk of flooding. To qualify for a PRP, flood loss history criteria must also be met.
- 2) The PRP Eligibility criteria have been expanded to include properties newly mapped into a high risk area for up to two years after the map revision. This PRP Eligibility Extension was created to help ease the financial transition of property owners whose properties are newly designated as high-risk and who would have no longer qualified for the low-cost PRP under the old rules.
- 3) Property owners insured under a PRP in the past lost the PRP premium (at policy renewal) as a result of their property being newly mapped into a high-risk area.
- 4) The NFIP is extending the eligibility for the PRP for two years following the effective date of a map revision that has occurred on or after January 1, 2011. Property owners newly mapped into a high risk area by a map revision that occurred on or after October 1, 2008, will also be eligible for the PRP for two years beginning with policies effective on or after January 1, 2011.
- 5) To qualify for the PRP Eligibility Extension, property owners must prove that their property is currently or was previously zoned as moderate-low flood risk (located in flood zones B, C or X).
- 6) You may be asked to provide the property owner with documentation that will assist insurers in determining a property's eligibility for the PRP extension. Points are awarded towards CRS credits for providing this service.

Acceptable Documentation

Note: You are not required to provide documentation. However, any assistance to the property owner is appreciated.

- 1) A signed and dated letter from a local community official indicating the address, flood zone, map panel and map effective date.
- 2) A copy of the current or previous (historic) FIRM indicating the exact location of the property. Property owners can be referred to FEMA's Map Service Center to view and print a "FIRMette" of these maps at www.msc.fema.gov.
- 3) An Elevation Certificate (EC), indicating the address and flood zone of the building that is signed by a certified surveyor, engineer, architect, or local community official (as indicated on the EC).
- 4) A flood zone determination that guarantees the accuracy of the information.
- 5) A Letter of Map Amendment (LOMA).
- 6) A Letter of Map Revision (LOMR).
- 7) A Letter of Determination Review (LODR).

Note: For LOMAs, LOMRs, and LODRs, property owners can be referred to a FEMA Map Specialists at femamapspecialist@mapmodteam.com or at 1-877-336-2627.