

FEMA - Section 42-37
"Flood Damage Prevention"
ORDINANCE NO. 001-024

~~John~~

ATTN: JON ROBINS

DECHERT

4000 BELL ATLANTIC BLVD

1717 ARCH ST.

PHIL. PA.

19103

215-994-2718

GREEN HALEN VILLAGE
APARTMENTS ~~CLUB~~
390 BrookHalen CL
CL

DIRK GURIS DR.
CB RICHARD ELLIS REAL
ESTATE

972-458-4991

~~owner~~
JAMES ELLIS
93-345-9340 ENT. 13
~~JIM GODDARD~~

~~FOR DANA
FIRST CENTRAL
972-241-1272
GREAT 5 APT'S STAY~~
~~APARTMENTS~~

JUSTIN TRAIL
WORKING W/ DIRK GURIS
840-533-7174

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RAMA

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ABATEMENT

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

RESOLUTION OF THE TOWN OF ADDISON INDICATING ITS DESIRE AND INTENT TO PARTICIPATE IN THE NATIONAL FLOOD INSURANCE PROGRAM; INDICATING ITS INTENT TO ADOPT AND ENFORCE FLOOD PLAIN MANAGEMENT REGULATIONS CONSISTENT WITH FEDERAL CRITERIA; AND DIRECTING THE CITY MANAGER TO TAKE APPROPRIATE STEPS TO IMPLEMENT THE INTENT OF THE TOWN COUNCIL, AS OUTLINED IN THIS RESOLUTION

WHEREAS, certain areas of Addison are subject to periodic flooding, causing serious damage to properties within those areas; and

WHEREAS, it is the intent of the Council to require the recognition and evaluation of flood hazards in all official actions relating to land use in areas having such hazards; and

WHEREAS, the Town of Addison has the legal authority to adopt land use and control measures to reduce future flood losses pursuant to Subchapter I, Chapter 16, Texas Water Code; and

WHEREAS, members of the community of Addison are not eligible to purchase flood insurance under the National Flood Insurance Program unless Addison joins the National Flood Insurance Program;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. That it is the desire and intent of the Town of Addison to join the National Flood Insurance Program.

Section 2. That the Town Council of the Town of Addison assures the Federal Emergency Management Agency that it will enact and enforce adequate land use and control measures consistent with the requirements and criteria of the National Flood Insurance Program.

Section 3. That the City Manager or his designee is hereby directed to:

a. assist the Federal Insurance Administrator (Administrator), at the Administrator's request, in the delineation of the limits of the area having special flood hazards;

b. provide such information concerning present uses and occupancy of the floodplain, mudslide (i.e., mudflow) or flood-related erosion areas as the Administrator may request;

c. maintain for public inspection and furnish upon request, for the determination of applicable flood insurance risk premium rates within all areas having special flood hazards identified on a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM), any certificates of floodproofing, and information on the elevation (in relation to mean sea level) of the level of the lowest floor (including basement) of all new construction or substantially improved structures, and include whether or not such structures contain a basement, and if the structure has been floodproofed, the elevation (in relation to mean sea level) to which the structure was floodproofed;

d. cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map and identify floodplain, mudslide (i.e., mudflow) or flood-related erosion areas, and cooperate with neighboring communities with respect to management of adjoining floodplain, mudslide (i.e., mudflow) and flood-related erosion areas in order to prevent aggravation of existing hazards;

e. upon occurrence, notify the Administrator in writing whenever the boundaries of Addison have been modified by annexation or Addison has otherwise assumed or no longer has authority to adopt and enforce floodplain management regulations for a particular area. In order that all FHBM's and FIRM's accurately represent Addison's boundaries, include within such notification a copy of a map of the Town suitable for reproduction, clearly delineating the new corporate limits or new area for which Addison has assumed or relinquished floodplain management regulatory authority; and

f. submit an annual report to the Administrator concerning Addison's participation in the Program, including, but not limited to the development and implementation of floodplain management measures.

Section 4. That the City Manager is further directed to take appropriate steps to implement the intent of the Council, as outlined in this resolution.

Section 5. That the Town Council of the Town of Addison intends to take such other official action as may be reasonably necessary to carry out the objectives of any floodplain management measures adopted.

PASSED AND APPROVED by the Town Council of the Town of Addison, Texas this the _____ day of _____, 2000.

R. Scott Wheeler, Mayor

ATTEST:

APPROVED AS TO FORM:

By: _____
Carmen Moran, City Secretary

By: _____
Ken C. Dippel, City Attorney

TOWN OF ADDISON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 42, "FLOODS," OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING ARTICLE II, "FLOOD DAMAGE PREVENTION," TO ENSURE ELIGIBILITY FOR PARTICIPATION IN THE NATIONAL FLOOD INSURANCE PROGRAM; PROVIDING A SAVING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the flood hazard areas of Addison, Texas are subject to periodic inundation which could result in serious damage to properties within those areas, loss of life and property, health and safety hazards, disruption of commerce and governmental services, and extraordinary public expenditures for flood protection and relief, all of which would adversely affect the public health, safety and general welfare; and

Whereas, such flood losses are created by the cumulative effect of obstructions in floodplains which cause an increase in flood heights and velocities, and by the occupancy of flood hazard areas by uses vulnerable to floods, and hazardous to other lands because they are inadequately elevated, floodproofed or otherwise protected from flood damage; and

WHEREAS, members of the community of Addison are not eligible to purchase flood insurance under the National Flood Insurance Program unless Addison joins the National Flood Insurance Program; and

WHEREAS, Section 16.3145 of the Texas Water Code provides that the governing body of each city shall adopt ordinances or orders necessary for the city to be eligible to participate in the National Flood Insurance Program; and

WHEREAS, The City Council desires to amend Chapter 42, "Floods," of the Code of Ordinances to ensure that the Town's regulations are adequately designed to minimize flood losses and ensure eligibility for participation in the National Flood Insurance Program; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Incorporation of Premises. That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Amendment. That Chapter 42, "Floods," of the Code of Ordinances of the Town of Addison, Texas (the "City") is hereby amended by amending Article II, "Flood Damage Prevention," as set forth in Exhibit A attached hereto and incorporated herein, and all other chapters, sections, subsections, paragraphs, sentences, phrases and words of the Code are not amended but are hereby ratified, verified, approved and affirmed.

Section 3. Savings. That this ordinance shall be cumulative of all other ordinances of the City affecting flooding and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

Section 4. Severability. That the sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have adopted such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 5. Effective Date. That this ordinance shall become effective from and after its date of passage as provided by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this _____ day of _____, 2000.

Mayor Scott Wheeler

ATTEST:

Carmen Moran, City Secretary

APPROVED AS TO FORM:

Ken Dippel, City Attorney

EXHIBIT A

ARTICLE II. FLOOD DAMAGE PREVENTION

DIVISION 1. GENERALLY

Sec. 42-31. Statutory Authorization.

Local governments are authorized by Chapter 16 of the Texas Water Code to adopt regulations designed to minimize flood losses, and to take all necessary and reasonable actions to comply with the requirements and criteria of the National Flood Insurance Program.

Sec. 42-32. Definitions.

Unless specifically defined below, words or phrases used in this article shall be interpreted to give them the meaning they have in common usage and to give this article its most reasonable application. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Alluvial fan flooding means flooding occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flow paths.

Apex means a point on an alluvial fan or similar landform below which the flow path of the major stream that formed the fan becomes unpredictable and alluvial fan flooding can occur.

Area of shallow flooding means a designated AO, AH, or VO zone on the Flood Insurance Rate Map (FIRM) with a one percent or greater annual chance of flooding to an average depth of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

Area of special flood hazard means the land in the floodplain subject to a one percent or greater chance of flooding in any given year. The area may be designated as Zone A on the Flood Hazard Boundary Map (FHBM). After detailed ratemaking has been completed in preparation for publication of the FIRM, Zone A usually is refined into Zone A, AE, AH, AO, A1-99, VO, V1-30, VE or V.

Base flood means the flood having a one percent chance of being equaled or exceeded in any given year.

Basement means any area of the building having its floor sub-grade (below ground level) on all sides.

Critical feature means an integral and readily identifiable part of a flood protection system, without which the flood protection provided by the entire system would be compromised.

Development means any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

Elevated building means a non-basement building (i) built, in the case of a building in Zones A1-30, AE, A, A99, AO, AH, B, C, X, and D, to have the top of the elevated floor, or in the case of a building in Zones V1-30, VE, or V, to have the bottom of the lowest horizontal structure member of the elevated floor elevated above the ground level by means of pilings, columns (posts and piers), or shear walls parallel to the floor of the water and (ii) adequately anchored so as not to impair the structural integrity of the building during a flood of up to the magnitude of the base flood. In the case of Zones A1-30, AE, A, A99, AO, AH, B, C, X, and D, "elevated building" also includes a building elevated by means of fill or solid foundation perimeter walls with openings sufficient to facilitate the unimpeded movement of flood waters. In the case of Zones V1-30, VE, and V, "elevated building" also includes a building otherwise meeting the definition of "elevated building," even though the lower area is enclosed by means of breakaway walls if the breakaway walls meet the standards of Section 60.3(e)(5) of the National Flood Insurance Program regulations.

Existing construction means for the purposes of determining rates, structures for which the "start of construction" commenced before the effective date of the FIRM or before January 1, 1975, for FIRMs effective before that date. "Existing construction" may also be referred to as "existing structures."

Existing manufactured home park or subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the adoption of floodplain management regulations.

Expansion to an existing manufactured home park or subdivision means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

Flood or flooding means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) the overflow of inland or tidal waters; or
- (2) the unusual and rapid accumulation or runoff of surface waters from any source.

Flood insurance rate map (FIRM) means the official map on which the Federal Emergency Management Agency has delineated both the areas of special flood hazards and the risk premium zones.

Flood insurance study means the official report provided by the Federal Emergency Management Agency. The report contains flood profiles, water surface elevation of the base flood, as well as the Flood Boundary-Floodway Map.

Floodplain or flood-prone area means any land area susceptible to being inundated by water from any source (see definition of flooding).

Floodplain management means the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.

Floodplain management regulations means zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as a floodplain ordinance, grading ordinance and erosion control ordinance) and other applications of police power, in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.

Flood protection system means those physical structural works for which funds have been authorized, appropriated and expended, and which have been constructed specifically to modify flooding in order to reduce the extent of the areas subject to a "special flood hazard" and the extent of the depths of associated flooding. Such a system typically includes hurricane tidal barriers, dams, reservoirs, levees or dikes. These specialized flood modifying works are those constructed in conformance with sound engineering standards.

Flood proofing means any combination of structural and non-structural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

Floodway (regulatory floodway) means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

Functionally dependent use means a use that cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Highest adjacent grade means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic structure means any structure that is:

- (1) listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
- (2) certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district; or
- (3) individually listed on the state's inventory of historic places.

Levee means a man-made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control, or divert the flow of water so as to provide protection from temporary flooding.

Levee system means a flood protection system that consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

Lowest floor means the lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure usable solely for parking or vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor; provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirement of Section 60.3 of the National Flood Insurance Program regulations.

Manufactured home means a structure transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle."

Manufactured home park or subdivision means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

Mean sea level means, for purposes of the National Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which base flood elevations shown on the Flood Insurance Rate Map are referenced.

National Flood Insurance Program Regulations means those regulations contained in Chapter 1 of Title 44 of the Code of Federal Regulations (CFR) pertaining to floodplain management.

New construction means, for the purpose of determining insurance rates, structures for which the "start of construction" commenced on or after the effective date of an initial FIRM or

after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures. For floodplain management purposes, "new construction" means structures for which the "start of construction" commenced on or after the effective date of a floodplain management regulation and includes any subsequent improvements to such structures.

New manufactured home park or subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after December 12, 2000.

Recreational vehicle means a vehicle that is:

- (1) built on a single chassis;
- (2) 400 square feet or less when measured at the largest horizontal projections;
- (3) designed to be self-propelled or permanently towable by a light duty truck; and
- (4) designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel, or seasonal use.

Start of construction (for other than new construction or substantial improvements under the Coastal Barrier Resources Act (Pub. L. 97-348) includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure means a walled and roofed building, including a gas or liquid storage tank and a manufactured home, that is principally above ground.

Substantial damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

Substantial improvement means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before "start of construction" of the improvement. This includes structures that

have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:

- (1) any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the building official and which are the minimum necessary conditions; or
- (2) any alteration of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Variance means a grant of relief from the requirements of this article that permits construction or development in a manner that would otherwise be prohibited by this article.

Violation means the failure of a structure or other development to be fully compliant with the Town's floodplain management regulations. A structure or other development without appropriate certifications, or other required evidence of compliance is presumed to be in violation until such time as that documentation is provided.

Water surface elevation means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929 (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

Sec. 42-33. Applicability.

This article applies to all areas of special flood hazard within the jurisdiction of the Town.

Sec. 42-34. Penalties for noncompliance.

No structure or land shall hereafter be constructed, located, extended, converted, or altered, or have its use changed without full compliance with the terms of this article and all other applicable regulations. Violation of the provisions of this article by failure to comply with any of its requirements, including violations of conditions and safeguards established in connection with conditions, shall constitute a misdemeanor. Any person who violates this article or fails to comply with any of its requirements shall upon conviction thereof be fined not more than \$500.00 for each violation in accordance with Section 1-7 of this Code, and in addition shall pay all costs and expenses involved in the case. Nothing contained in this article shall prevent the Town from taking such other lawful action as is necessary to prevent or remedy any violation.

Sec. 42-35. Interpretation.

In the interpretation and application of this article, all provisions shall be:

- (1) considered as minimum requirements;

- (2) liberally construed in favor of the city council; and
- (3) deemed neither to limit nor repeal any other powers granted under state statutes.

Sec. 42-36. Purpose.

It is the purpose of this article to promote the public health, safety and general welfare, and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

- (1) protect human life and health;
- (2) minimize expenditure of public money for costly flood control projects;
- (3) minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (4) minimize prolonged business interruptions;
- (5) minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;
- (6) help maintain a stable tax base by providing for the sound use and development of flood-prone areas in such a manner as to minimize future flood blight areas; and
- (7) ensure that potential buyers are notified that property is in a flood area.

Sec. 42-37. Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Emergency Management Agency in a scientific and engineering report entitled "The Flood Insurance Study for Addison, Texas," dated (date maps will become effective), with accompanying Flood Insurance Rate Maps and Flood Boundary-Floodway Maps (FIRM and FBFM) and any revisions thereto are hereby adopted by reference and declared to be a part of this article. The flood insurance study is on file at 4500 Belt Line Road, Addison, Texas.

Sec. 42-38. Abrogation and greater restrictions.

This article is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this article and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

Sec. 42-39. Methods of reducing flood losses.

In order to accomplish its purposes, this article includes methods and provisions for:

- (1) restricting or prohibiting uses that are dangerous to health, safety or property in times of flood, or that cause excessive increases in flood heights or velocities;
- (2) requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- (3) controlling the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;
- (4) controlling filling, grading, dredging and other development which may increase flood damage; and
- (5) preventing or regulating the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards to other areas.

Sec. 42-40. Warning and disclaimer or liability.

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. On rare occasions greater floods can and will occur and flood heights may be increased by man-made or natural causes. This article does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This article shall not create liability on the part of the Town or any officer or employee thereof for any flood damages that result from reliance on this article or any administrative decision lawfully made under this article.

Secs. 42-41 – 42-55. Reserved.

DIVISION 2. ADMINISTRATION AND ENFORCEMENT

Sec. 42-56. Floodplain administrator.

The Director of Public Works is hereby appointed the Floodplain Administrator to administer and implement this article and other appropriate sections of 44 CFR (National Flood Insurance Program Regulations) pertaining to floodplain management.

Sec. 42-57. Duties & responsibilities of the floodplain administrator.

Duties and responsibilities of the Floodplain Administrator include, but are not limited to, the following:

- (1) Maintaining for public inspection all records pertaining to the provisions of this article.
- (2) Reviewing permit applications to determine whether proposed building sites, including the placement of manufactured homes, will be reasonably safe from flooding.
- (3) Reviewing all applications for development permits required by this article to determine that all permit requirements have been satisfied.
- (4) Reviewing permits for proposed development to determine that all necessary permits have been obtained from those federal, state or local governmental agencies (including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334) from which prior approval is required.
- (5) Making interpretations, where needed, as to the exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions).
- (6) Notifying adjacent communities and the Texas Natural Resource Conservation Commission prior to any alteration or relocation of a watercourse, and submitting evidence of such notification to the Federal Emergency Management Agency.
- (7) Assuring that the flood carrying capacity within the altered or relocated portion of any watercourse is maintained.
- (8) Obtaining, reviewing and reasonably utilizing any base flood elevation data and floodway data available from a federal, state or other source, in order to administer this article, when base flood elevation data has not been provided in accordance with Section 42-37.
- (9) Requiring that no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones A1-30 and AE on the FIRM when a regulatory floodway has not been designated, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the Town.
- (10) Making application under the provisions of 44 CFR Chapter 1, Section 65.12, of the National Flood Insurance Program regulations for a conditional FIRM revision (Conditional Letter of Map Revision) through FEMA, when appropriate

to approve development that increases the water surface elevation of the base flood by more than one foot in Zone A1-30, AE, or AH, on the FIRM.

Sec. 42-58. Development permit – required

A development permit must be obtained before construction or development begins within any area of special flood hazard to ensure conformance with the provisions of this article.

Sec. 42-59. Development permit – procedure.

(a) Application for a Development Permit shall be presented to the Floodplain Administrator on forms furnished by the Administrator and must include, but is not limited to, plans in duplicate drawn to scale showing the location, dimensions, and elevation of proposed landscape alterations, existing and proposed structures, including the placement of manufactured homes, and the location of the foregoing in relation to areas of special flood hazard. Additionally, the following information is required:

- (1) Elevation (in relation to mean sea level), of the lowest floor (including basement) of all new and substantially improved structures.
- (2) Elevation in relation to mean sea level to which any nonresidential structure shall be floodproofed.
- (3) A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure shall meet the floodproofing criteria of Paragraph 2 of Section 42-77.
- (4) A description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of proposed development.

(b) The Administrator must maintain a record of all such information in accordance with Paragraph 1 of Section 42-57.

(c) Approval or denial of a Development Permit by the Floodplain Administrator shall be based on the provisions of this article and the following relevant factors:

- (1) The danger to life and property due to flooding or erosion damage.
- (2) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner.
- (3) The danger that materials may be swept onto other lands to the injury of others.
- (4) The compatibility of the proposed use with existing and anticipated development.

- (5) The safety of access to the property in times of flood for ordinary and emergency vehicles.
- (6) The costs of providing governmental services during and after flood conditions including maintenance and repair of streets and bridges, and public utilities and facilities such as sewer, gas, electrical and water systems.
- (7) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site.
- (8) The necessity to the facility of a waterfront location, where applicable.
- (9) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use.
- (10) The relationship of the proposed use to the comprehensive plan for that area.

Sec. 42-60. Variances.

(a) The building code board of appeals as established by the Town shall hear and decide appeals and requests for variances from the requirements of this article.

(b) The building code board of appeals shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the enforcement or administration of this article. All decisions of the building code board of appeals are final.

(c) In passing upon such applications, the building code board of appeals shall consider all technical evaluations, all relevant factors, standards specified in other sections of this article and:

- (1) The danger that materials may be swept onto other lands to the injury of others;
- (2) The danger to life and property due to flooding or erosion damage;
- (3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
- (4) The importance of the services provided by the proposed facility to the community;
- (5) The necessity to the facility of a waterfront location, where applicable;

- (6) The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
- (7) The compatibility of the proposed use with existing and anticipated development;
- (8) The relationship of the proposed use to the comprehensive plan and floodplain management program of that area;
- (9) The safety of access to the property in times of flood for ordinary and emergency vehicles;
- (10) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
- (11) The cost of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water systems and streets and bridges.

(d) Upon consideration of the factors of this section and the purposes of this article, the building code board of appeals may attach such conditions to the granting of variances as it deems necessary to further the purposes of this article.

(e) The Floodplain Administrator shall maintain a record of all appeal actions, including technical information, and report any variances to the Federal Emergency Management Agency upon request.

(f) Generally, variances may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing the relevant factors in Subsections (c)(1) through (c)(11) of this section have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases.

(g) Variances may be issued for the repair or rehabilitation of historic structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

(h) Variances may be issued for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that:

- (1) the criteria outlined in this section are met, and
- (2) the structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

(i) Variances may be issued for the reconstruction, rehabilitation or restoration of structures listed on the National Register of Historic Places or the State Inventory of Historic Places, without regard to the procedures set forth in the remainder of this section.

(j) Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.

(k) Prerequisites for granting variances:

(1) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(2) Variances shall only be issued upon:

- a. a showing of good and sufficient cause;
- b. a determination that failure to grant the variance would result in exceptional hardship to the applicant, and
- c. a determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(l) Any applicant to whom a variance is granted shall be given written notice that the structure will be permitted to be built with the lowest floor elevation below the base flood elevation, and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

Secs. 42-61-42-75. Reserved.

DIVISION 3. FLOOD HAZARD REDUCTION

Sec. 42-76. General standards.

In all areas of special flood hazards the following standards are required:

- (1) *Anchoring.* All new construction or substantial improvements must be designed (or modified) in such a manner that they are adequately anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy.

- (2) *Construction materials and methods.*
 - a. All new construction or substantial improvements must be constructed by methods and practices that minimize flood damage.
 - b. All new construction or substantial improvements must be constructed with materials resistant to flood damage.
- (3) *Utilities.*
 - a. All new construction and substantial improvements must be constructed with electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities that are designed and located so as to prevent water from entering or accumulating within the components during conditions of flooding.
 - b. All new and replacement water supply systems must be designed to minimize or eliminate infiltration of floodwaters into the system.
 - c. All new and replacement sanitary sewage systems must be designed to minimize or eliminate infiltration of flood waters into the system, and to minimize or eliminate discharge from the systems into flood waters.
 - d. On-site waste disposal systems must be located to avoid impairment to them or contamination from them during flooding.

Sec. 42-77. Specific standards.

In all areas of special flood hazards where base flood elevation data has been provided as set forth in Section 42-37, regarding the basis for establishing the area of special flood hazard, Paragraph 8 of Section 42-57, pertaining to the use of other base flood data, or Paragraph 3 of Section 42-78, pertaining to standards for subdivision proposals, the following provisions are required:

- (1) *Residential Construction.* New construction and substantial improvement of any residential structure must have the lowest floor, including basement, elevated at least two feet above the base flood elevation. A registered professional engineer, architect, or land surveyor shall submit a certification to the Floodplain Administrator that this standard is satisfied. The Administrator shall maintain a record of such certification.
- (2) *Nonresidential Construction.* New construction and substantial improvements of any commercial, industrial or other nonresidential structure must either have the lowest floor, including basement, elevated at least two feet above the base flood elevation, or together with attendant utility and sanitary facilities, be designed so

that below the base flood elevation the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. A registered professional engineer or architect shall develop or review the structural design, specifications, and plans for the construction, and shall certify to the Floodplain Administrator that the design and methods of construction are in accordance with accepted standards of practice as outlined in this article. A record of such certification that includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed must be maintained by the Administrator.

(3) *Enclosures.* New construction and substantial improvements with fully enclosed areas below the lowest floor that are usable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding, must be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:

- a. A minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding must be provided.
- b. The bottom of all openings must be no higher than one foot above grade.
- c. Openings equipped with screens, louvers, valves, or other coverings or devices must permit the automatic entry and exit of floodwaters.

(4) *Manufactured Homes.*

- a. Manufactured homes to be placed within Zone A on the FHBM or FIRM must be installed using methods and practices that minimize flood damage. For the purposes of this requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable State and local anchoring requirements for resisting wind forces.
- b. Manufactured homes that are placed or substantially improved within Zones A1-30, AH, and AE on the FIRM on sites (i) outside of a manufactured home park or subdivision, (ii) in a new manufactured home park or subdivision, (iii) in an expansion to an existing manufactured home park or subdivision, or (iv) in an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as a result of a flood, must be elevated on a permanent

foundation such that the lowest floor of the manufactured home is elevated to or above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

- c. Manufactured homes placed or substantially improved on sites in an existing manufactured home park or subdivision within Zones A1-30, AH and AE on the FIRM that are not subject to the provisions of Paragraph (4)b. of this section must be elevated so that either:
 - i. the lowest floor of the manufactured home is at or above the base flood elevation, or
 - ii. the manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than 36 inches in height above grade and are securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(5) *Recreational Vehicles.* Recreational vehicles placed on sites within Zones A1-30, AH, and AE on the FIRM must either:

- a. be on the site for fewer than 180 consecutive days;
- b. be fully licensed and ready for highway use; or
- c. meet the permit requirements of Section 42-59, and the elevation and anchoring requirements for "manufactured homes" in Paragraph 4 of this section. A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions.

Sec. 42-78. Standards for subdivision proposals.

- (1) All subdivision proposals, including the placement of manufactured home parks and subdivisions, must be consistent with the need to minimize flood damage.
- (2) All proposals for the development of subdivisions, including the placement of manufactured home parks and subdivisions, must meet Development Permit requirements of this article.
- (3) Base flood elevation data must be provided for subdivision proposals and other proposed development, including the placement of manufactured home parks and subdivisions, that is greater than 50 lots or 5 acres, whichever is less, if not

otherwise provided pursuant to Section 42-37 regarding the basis for establishing the areas of special flood hazard or Paragraph 8 Section 42-57 pertaining to the use of other base flood data.

- (4) All subdivision proposals, including the placement of manufactured home parks and subdivisions, must have adequate drainage provided to reduce exposure to flood hazards.
- (5) All subdivision proposals, including the placement of manufactured home parks and subdivisions, must have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize or eliminate flood damage.

Sec. 42-79. Standards for areas of shallow flooding (AO/AH Zones).

Located within the areas of special flood hazard established in Section 42-37, are areas designated as shallow flooding. These areas have special flood hazards associated with base flood depths of one to three feet where a clearly defined channel does not exist and where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow; therefore, the following provisions apply:

- (1) All new construction and substantial improvements of residential structures must have the lowest floor (including basement) elevated above the highest adjacent grade at least as high as the depth number specified in feet on the FIRM (at least two feet if no depth number is specified).
- (2) All new construction and substantial improvements of non-residential structures must:
 - a. have the lowest floor (including basement) elevated above the highest adjacent grade at least as high as the depth number specified in feet on the FIRM (at least two feet if no depth number is specified);
 - b. together with attendant utility and sanitary facilities be designed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads of effects of buoyancy.
- (3) A registered professional engineer or architect shall submit a certification to the Floodplain Administrator that the standards of this Section are satisfied.
- (4) Within Zones AH and AO, adequate drainage paths must be provided around structures on slopes to guide flood waters around and away from proposed structures.

Sec. 42-80. Floodways

Located within areas of special flood hazard established in Section 42-37, are areas designated as floodways. Since the floodway is an extremely hazardous area due to the velocity of floodwaters that carry debris, potential projectiles and erosion potential, the following provisions apply:

- (1) Encroachments are prohibited, including fill, new construction, substantial improvements and other development, within the adopted regulatory floodway, unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the Town during the occurrence of the base flood discharge.
- (2) If Paragraph (1) of this Section 42-80 is satisfied to permit encroachment, all new construction and substantial improvements must comply with all applicable flood hazard reduction provisions of this article.
- (3) Encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations are prohibited, unless the Floodplain Administrator obtains a conditional FIRM and floodway revision through FEMA.

TOWN OF ADDISON

ORDINANCE NO. 001-005

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 42, "FLOODS," OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING ARTICLE II, "FLOOD DAMAGE PREVENTION," TO ENSURE ELIGIBILITY FOR PARTICIPATION IN THE NATIONAL FLOOD INSURANCE PROGRAM; PROVIDING A SAVING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the flood hazard areas of Addison, Texas are subject to periodic inundation which could result in serious damage to properties within those areas, loss of life and property, health and safety hazards, disruption of commerce and governmental services, and extraordinary public expenditures for flood protection and relief, all of which would adversely affect the public health, safety and general welfare; and

Whereas, such flood losses are created by the cumulative effect of obstructions in floodplains which cause an increase in flood heights and velocities, and by the occupancy of flood hazard areas by uses vulnerable to floods, and hazardous to other lands because they are inadequately elevated, floodproofed or otherwise protected from flood damage; and

WHEREAS, members of the community of Addison are not eligible to purchase flood insurance under the National Flood Insurance Program unless Addison joins the National Flood Insurance Program; and

WHEREAS, Section 16.3145 of the Texas Water Code provides that the governing body of each city shall adopt ordinances or orders necessary for the city to be eligible to participate in the National Flood Insurance Program; and

WHEREAS, The City Council desires to amend Chapter 42, "Floods," of the Code of Ordinances to ensure that the Town's regulations are adequately designed to minimize flood losses and ensure eligibility for participation in the National Flood Insurance Program; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Incorporation of Premises. That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

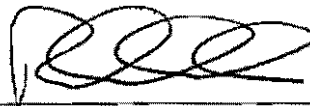
Section 2. Amendment. That Chapter 42, "Floods," of the Code of Ordinances of the Town of Addison, Texas (the "City") is hereby amended by amending Article II, "Flood Damage Prevention," as set forth in Exhibit A attached hereto and incorporated herein, and all other chapters, sections, subsections, paragraphs, sentences, phrases and words of the Code are not amended but are hereby ratified, verified, approved and affirmed.

Section 3. Savings. That this ordinance shall be cumulative of all other ordinances of the City affecting flooding and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those Ordinances are in direct conflict with the provisions of this Ordinance.

Section 4. Severability. That the sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have adopted such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

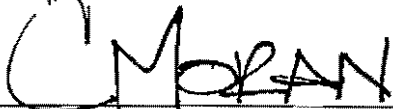
Section 5. Effective Date. That this ordinance shall become effective from and after its date of passage as provided by law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this 9th day of January, 2001.




Mayor Scott Wheeler

ATTEST:



Carmen Moran, City Secretary

APPROVED AS TO FORM:



Ken Dippel, City Attorney

EXHIBIT A

ARTICLE II. FLOOD DAMAGE PREVENTION

DIVISION 1. GENERALLY

Sec. 42-31. Statutory Authorization.

Local governments are authorized by Chapter 16 of the Texas Water Code to adopt regulations designed to minimize flood losses, and to take all necessary and reasonable actions to comply with the requirements and criteria of the National Flood Insurance Program.

Sec. 42-32. Definitions.

Unless specifically defined below, words or phrases used in this article shall be interpreted to give them the meaning they have in common usage and to give this article its most reasonable application. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Alluvial fan flooding means flooding occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flow paths.

Apex means a point on an alluvial fan or similar landform below which the flow path of the major stream that formed the fan becomes unpredictable and alluvial fan flooding can occur.

Area of shallow flooding means a designated AO, AH, or VO zone on the Flood Insurance Rate Map (FIRM) with a one percent or greater annual chance of flooding to an average depth of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

Area of special flood hazard means the land in the floodplain subject to a one percent or greater chance of flooding in any given year. The area may be designated as Zone A on the Flood Hazard Boundary Map (FHBM). After detailed ratemaking has been completed in preparation for publication of the FIRM, Zone A usually is refined into Zone A, AE, AH, AO, A1-99, VO, V1-30, VE or V.

Base flood means the flood having a one percent chance of being equaled or exceeded in any given year.

Basement means any area of the building having its floor sub-grade (below ground level) on all sides.

Critical feature means an integral and readily identifiable part of a flood protection system, without which the flood protection provided by the entire system would be compromised.

Development means any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

Elevated building means a non-basement building (i) built, in the case of a building in Zones A1-30, AE, A, A99, AO, AH, B, C, X, and D, to have the top of the elevated floor, or in the case of a building in Zones V1-30, VE, or V, to have the bottom of the lowest horizontal structure member of the elevated floor elevated above the ground level by means of pilings, columns (posts and piers), or shear walls parallel to the floor of the water and (ii) adequately anchored so as not to impair the structural integrity of the building during a flood of up to the magnitude of the base flood. In the case of Zones A1-30, AE, A, A99, AO, AH, B, C, X, and D, "elevated building" also includes a building elevated by means of fill or solid foundation perimeter walls with openings sufficient to facilitate the unimpeded movement of flood waters. In the case of Zones V1-30, VE, and V, "elevated building" also includes a building otherwise meeting the definition of "elevated building," even though the lower area is enclosed by means of breakaway walls if the breakaway walls meet the standards of Section 60.3(e)(5) of the National Flood Insurance Program regulations.

Existing construction means for the purposes of determining rates, structures for which the "start of construction" commenced before the effective date of the FIRM or before January 1, 1975, for FIRMs effective before that date. "Existing construction" may also be referred to as "existing structures."

Existing manufactured home park or subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the adoption of floodplain management regulations.

Expansion to an existing manufactured home park or subdivision means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

Flood or flooding means a general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) the overflow of inland or tidal waters; or
- (2) the unusual and rapid accumulation or runoff of surface waters from any source.

Flood insurance rate map (FIRM) means the official map on which the Federal Emergency Management Agency has delineated both the areas of special flood hazards and the risk premium zones.

Flood insurance study means the official report provided by the Federal Emergency Management Agency. The report contains flood profiles, water surface elevation of the base flood, as well as the Flood Boundary-Floodway Map.

Floodplain or flood-prone area means any land area susceptible to being inundated by water from any source (see definition of flooding).

Floodplain management means the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.

Floodplain management regulations means zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as a floodplain ordinance, grading ordinance and erosion control ordinance) and other applications of police power, in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.

Flood protection system means those physical structural works for which funds have been authorized, appropriated and expended, and which have been constructed specifically to modify flooding in order to reduce the extent of the areas subject to a "special flood hazard" and the extent of the depths of associated flooding. Such a system typically includes hurricane tidal barriers, dams, reservoirs, levees or dikes. These specialized flood modifying works are those constructed in conformance with sound engineering standards.

Flood proofing means any combination of structural and non-structural additions, changes, or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

Floodway (regulatory floodway) means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

Functionally dependent use means a use that cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Highest adjacent grade means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

Historic structure means any structure that is:

- (1) listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
- (2) certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district; or
- (3) individually listed on the state's inventory of historic places.

Levee means a man-made structure, usually an earthen embankment, designed and constructed in accordance with sound engineering practices to contain, control, or divert the flow of water so as to provide protection from temporary flooding.

Levee system means a flood protection system that consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

Lowest floor means the lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure usable solely for parking or vehicles; building access or storage in an area other than a basement area is not considered a building's lowest floor; provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirement of Section 60.3 of the National Flood Insurance Program regulations.

Manufactured home means a structure transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle."

Manufactured home park or subdivision means a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.

Mean sea level means, for purposes of the National Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which base flood elevations shown on the Flood Insurance Rate Map are referenced.

National Flood Insurance Program Regulations means those regulations contained in Chapter 1 of Title 44 of the Code of Federal Regulations (CFR) pertaining to floodplain management.

New construction means, for the purpose of determining insurance rates, structures for which the "start of construction" commenced on or after the effective date of an initial FIRM or

after December 31, 1974, whichever is later, and includes any subsequent improvements to such structures. For floodplain management purposes, "new construction" means structures for which the "start of construction" commenced on or after the effective date of a floodplain management regulation and includes any subsequent improvements to such structures.

New manufactured home park or subdivision means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after December 12, 2000.

Recreational vehicle means a vehicle that is:

- (1) built on a single chassis;
- (2) 400 square feet or less when measured at the largest horizontal projections;
- (3) designed to be self-propelled or permanently towable by a light duty truck; and
- (4) designed primarily not for use as a permanent dwelling, but as temporary living quarters for recreational, camping, travel, or seasonal use.

Start of construction (for other than new construction or substantial improvements under the Coastal Barrier Resources Act (Pub. L. 97-348) includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Structure means a walled and roofed building, including a gas or liquid storage tank and a manufactured home, that is principally above ground.

Substantial damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

Substantial improvement means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before "start of construction" of the improvement. This includes structures that

have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:

- (1) any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the building official and which are the minimum necessary conditions; or
- (2) any alteration of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure."

Variance means a grant of relief from the requirements of this article that permits construction or development in a manner that would otherwise be prohibited by this article.

Violation means the failure of a structure or other development to be fully compliant with the Town's floodplain management regulations. A structure or other development without appropriate certifications, or other required evidence of compliance is presumed to be in violation until such time as that documentation is provided.

Water surface elevation means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929 (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

Sec. 42-33. Applicability.

This article applies to all areas of special flood hazard within the jurisdiction of the Town.

Sec. 42-34. Penalties for noncompliance.

No structure or land shall hereafter be constructed, located, extended, converted, or altered, or have its use changed without full compliance with the terms of this article and all other applicable regulations. Violation of the provisions of this article by failure to comply with any of its requirements, including violations of conditions and safeguards established in connection with conditions, shall constitute a misdemeanor. Any person who violates this article or fails to comply with any of its requirements shall upon conviction thereof be fined not more than \$500.00 for each violation in accordance with Section 1-7 of this Code, and in addition shall pay all costs and expenses involved in the case. Nothing contained in this article shall prevent the Town from taking such other lawful action as is necessary to prevent or remedy any violation.

Sec. 42-35. Interpretation.

In the interpretation and application of this article, all provisions shall be:

- (1) considered as minimum requirements;

- (2) liberally construed in favor of the city council; and
- (3) deemed neither to limit nor repeal any other powers granted under state statutes.

Sec. 42-36. Purpose.

It is the purpose of this article to promote the public health, safety and general welfare, and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

- (1) protect human life and health;
- (2) minimize expenditure of public money for costly flood control projects;
- (3) minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
- (4) minimize prolonged business interruptions;
- (5) minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;
- (6) help maintain a stable tax base by providing for the sound use and development of flood-prone areas in such a manner as to minimize future flood blight areas; and
- (7) ensure that potential buyers are notified that property is in a flood area.

Sec. 42-37. Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Emergency Management Agency in a scientific and engineering report entitled "The Flood Insurance Study for Addison, Texas," with accompanying Flood Insurance Rate Maps and Flood Boundary-Floodway Maps (FIRM and FBFM), dated July 30, 1999, and any revisions thereto are hereby adopted by reference and declared to be a part of this article. The flood insurance study is on file at 4500 Belt Line Road, Addison, Texas.

Sec. 42-38. Abrogation and greater restrictions.

This article is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this article and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

Sec. 42-39. Methods of reducing flood losses.

In order to accomplish its purposes, this article includes methods and provisions for:

- (1) restricting or prohibiting uses that are dangerous to health, safety or property in times of flood, or that cause excessive increases in flood heights or velocities;
- (2) requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- (3) controlling the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;
- (4) controlling filling, grading, dredging and other development which may increase flood damage; and
- (5) preventing or regulating the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards to other areas.

Sec. 42-40. Warning and disclaimer or liability.

The degree of flood protection required by this article is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. On rare occasions greater floods can and will occur and flood heights may be increased by man-made or natural causes. This article does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This article shall not create liability on the part of the Town or any officer or employee thereof for any flood damages that result from reliance on this article or any administrative decision lawfully made under this article.

Secs. 42-41 – 42-55. Reserved.

DIVISION 2. ADMINISTRATION AND ENFORCEMENT

Sec. 42-56. Floodplain administrator.

The Director of Public Works is hereby appointed the Floodplain Administrator to administer and implement this article and other appropriate sections of 44 CFR (National Flood Insurance Program Regulations) pertaining to floodplain management.

Sec. 42-57. Duties & responsibilities of the floodplain administrator.

Duties and responsibilities of the Floodplain Administrator include, but are not limited to, the following:

- (1) Maintaining for public inspection all records pertaining to the provisions of this article.
- (2) Reviewing permit applications to determine whether proposed building sites, including the placement of manufactured homes, will be reasonably safe from flooding.
- (3) Reviewing all applications for development permits required by this article to determine that all permit requirements have been satisfied.
- (4) Reviewing permits for proposed development to determine that all necessary permits have been obtained from those federal, state or local governmental agencies (including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334) from which prior approval is required.
- (5) Making interpretations, where needed, as to the exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions).
- (6) Notifying adjacent communities and the Texas Natural Resource Conservation Commission prior to any alteration or relocation of a watercourse, and submitting evidence of such notification to the Federal Emergency Management Agency.
- (7) Assuring that the flood carrying capacity within the altered or relocated portion of any watercourse is maintained.
- (8) Obtaining, reviewing and reasonably utilizing any base flood elevation data and floodway data available from a federal, state or other source, in order to administer this article, when base flood elevation data has not been provided in accordance with Section 42-37.
- (9) Requiring that no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones A1-30 and AE on the FIRM when a regulatory floodway has not been designated, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the Town.
- (10) Making application under the provisions of 44 CFR Chapter 1, Section 65.12, of the National Flood Insurance Program regulations for a conditional FIRM revision (Conditional Letter of Map Revision) through FEMA, when appropriate

to approve development that increases the water surface elevation of the base flood by more than one foot in Zone A1-30, AE, or AH, on the FIRM.

Sec. 42-58. Development permit – required

A development permit must be obtained before construction or development begins within any area of special flood hazard to ensure conformance with the provisions of this article.

Sec. 42-59. Development permit – procedure.

(a) Application for a Development Permit shall be presented to the Floodplain Administrator on forms furnished by the Administrator and must include, but is not limited to, plans in duplicate drawn to scale showing the location, dimensions, and elevation of proposed landscape alterations, existing and proposed structures, including the placement of manufactured homes, and the location of the foregoing in relation to areas of special flood hazard. Additionally, the following information is required:

- (1) Elevation (in relation to mean sea level), of the lowest floor (including basement) of all new and substantially improved structures.
- (2) Elevation in relation to mean sea level to which any nonresidential structure shall be floodproofed.
- (3) A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure shall meet the floodproofing criteria of Paragraph 2 of Section 42-77.
- (4) A description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of proposed development.

(b) The Administrator must maintain a record of all such information in accordance with Paragraph 1 of Section 42-57.

(c) Approval or denial of a Development Permit by the Floodplain Administrator shall be based on the provisions of this article and the following relevant factors:

- (1) The danger to life and property due to flooding or erosion damage.
- (2) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner.
- (3) The danger that materials may be swept onto other lands to the injury of others.
- (4) The compatibility of the proposed use with existing and anticipated development.

- (5) The safety of access to the property in times of flood for ordinary and emergency vehicles.
- (6) The costs of providing governmental services during and after flood conditions including maintenance and repair of streets and bridges, and public utilities and facilities such as sewer, gas, electrical and water systems.
- (7) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site.
- (8) The necessity to the facility of a waterfront location, where applicable.
- (9) The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use.
- (10) The relationship of the proposed use to the comprehensive plan for that area.

Sec. 42-60. Variances.

(a) The building code board of appeals as established by the Town shall hear and decide appeals and requests for variances from the requirements of this article.

(b) The building code board of appeals shall hear and decide appeals when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the enforcement or administration of this article. All decisions of the building code board of appeals are final.

(c) In passing upon such applications, the building code board of appeals shall consider all technical evaluations, all relevant factors, standards specified in other sections of this article and:

- (1) The danger that materials may be swept onto other lands to the injury of others;
- (2) The danger to life and property due to flooding or erosion damage;
- (3) The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
- (4) The importance of the services provided by the proposed facility to the community;
- (5) The necessity to the facility of a waterfront location, where applicable;

- (6) The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
- (7) The compatibility of the proposed use with existing and anticipated development;
- (8) The relationship of the proposed use to the comprehensive plan and floodplain management program of that area;
- (9) The safety of access to the property in times of flood for ordinary and emergency vehicles;
- (10) The expected heights, velocity, duration, rate of rise and sediment transport of the floodwaters and the effects of wave action, if applicable, expected at the site; and
- (11) The cost of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical and water systems and streets and bridges.

(d) Upon consideration of the factors of this section and the purposes of this article, the building code board of appeals may attach such conditions to the granting of variances as it deems necessary to further the purposes of this article.

(e) The Floodplain Administrator shall maintain a record of all appeal actions, including technical information, and report any variances to the Federal Emergency Management Agency upon request.

(f) Generally, variances may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing the relevant factors in Subsections (c)(1) through (c)(11) of this section have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases.

(g) Variances may be issued for the repair or rehabilitation of historic structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

(h) Variances may be issued for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that:

- (1) the criteria outlined in this section are met, and
- (2) the structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

(i) Variances may be issued for the reconstruction, rehabilitation or restoration of structures listed on the National Register of Historic Places or the State Inventory of Historic Places, without regard to the procedures set forth in the remainder of this section.

(j) Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.

(k) Prerequisites for granting variances:

(1) Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

(2) Variances shall only be issued upon:

- a. a showing of good and sufficient cause;
- b. a determination that failure to grant the variance would result in exceptional hardship to the applicant, and
- c. a determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(l) Any applicant to whom a variance is granted shall be given written notice that the structure will be permitted to be built with the lowest floor elevation below the base flood elevation, and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

Secs. 42-61-42-75. Reserved.

DIVISION 3. FLOOD HAZARD REDUCTION

Sec. 42-76. General standards.

In all areas of special flood hazards the following standards are required:

- (1) *Anchoring.* All new construction or substantial improvements must be designed (or modified) in such a manner that they are adequately anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy.

(2) *Construction materials and methods.*

- a. All new construction or substantial improvements must be constructed by methods and practices that minimize flood damage.
- b. All new construction or substantial improvements must be constructed with materials resistant to flood damage.

(3) *Utilities.*

- a. All new construction and substantial improvements must be constructed with electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities that are designed and located so as to prevent water from entering or accumulating within the components during conditions of flooding.
- b. All new and replacement water supply systems must be designed to minimize or eliminate infiltration of floodwaters into the system.
- c. All new and replacement sanitary sewage systems must be designed to minimize or eliminate infiltration of flood waters into the system, and to minimize or eliminate discharge from the systems into flood waters.
- d. On-site waste disposal systems must be located to avoid impairment to them or contamination from them during flooding.

Sec. 42-77. Specific standards.

In all areas of special flood hazards where base flood elevation data has been provided as set forth in Section 42-37, regarding the basis for establishing the area of special flood hazard, Paragraph 8 of Section 42-57, pertaining to the use of other base flood data, or Paragraph 3 of Section 42-78, pertaining to standards for subdivision proposals, the following provisions are required:

- (1) *Residential Construction.* New construction and substantial improvement of any residential structure must have the lowest floor, including basement, elevated at least two feet above the base flood elevation. A registered professional engineer, architect, or land surveyor shall submit a certification to the Floodplain Administrator that this standard is satisfied. The Administrator shall maintain a record of such certification.
- (2) *Nonresidential Construction.* New construction and substantial improvements of any commercial, industrial or other nonresidential structure must either have the lowest floor, including basement, elevated at least two feet above the base flood elevation, or together with attendant utility and sanitary facilities, be designed so

that below the base flood elevation the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. A registered professional engineer or architect shall develop or review the structural design, specifications, and plans for the construction, and shall certify to the Floodplain Administrator that the design and methods of construction are in accordance with accepted standards of practice as outlined in this article. A record of such certification that includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed must be maintained by the Administrator.

(3) *Enclosures.* New construction and substantial improvements with fully enclosed areas below the lowest floor that are usable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding, must be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:

- a. A minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding must be provided.
- b. The bottom of all openings must be no higher than one foot above grade.
- c. Openings equipped with screens, louvers, valves, or other coverings or devices must permit the automatic entry and exit of floodwaters.

(4) *Manufactured Homes.*

- a. Manufactured homes to be placed within Zone A on the FHBM or FIRM must be installed using methods and practices that minimize flood damage. For the purposes of this requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable State and local anchoring requirements for resisting wind forces.
- b. Manufactured homes that are placed or substantially improved within Zones A1-30, AH, and AE on the FIRM on sites (i) outside of a manufactured home park or subdivision, (ii) in a new manufactured home park or subdivision, (iii) in an expansion to an existing manufactured home park or subdivision, or (iv) in an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as a result of a flood, must be elevated on a permanent

foundation such that the lowest floor of the manufactured home is elevated to or above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

- c. Manufactured homes placed or substantially improved on sites in an existing manufactured home park or subdivision within Zones A1-30, AH and AE on the FIRM that are not subject to the provisions of Paragraph (4)b. of this section must be elevated so that either:
 - i. the lowest floor of the manufactured home is at or above the base flood elevation, or
 - ii. the manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than 36 inches in height above grade and are securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(5) *Recreational Vehicles*. Recreational vehicles placed on sites within Zones A1-30, AH, and AE on the FIRM must either:

- a. be on the site for fewer than 180 consecutive days;
- b. be fully licensed and ready for highway use; or
- c. meet the permit requirements of Section 42-59, and the elevation and anchoring requirements for "manufactured homes" in Paragraph 4 of this section. A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only by quick disconnect type utilities and security devices, and has no permanently attached additions.

Sec. 42-78. Standards for subdivision proposals.

- (1) All subdivision proposals, including the placement of manufactured home parks and subdivisions, must be consistent with the need to minimize flood damage.
- (2) All proposals for the development of subdivisions, including the placement of manufactured home parks and subdivisions, must meet Development Permit requirements of this article.
- (3) Base flood elevation data must be provided for subdivision proposals and other proposed development, including the placement of manufactured home parks and subdivisions, that is greater than 50 lots or 5 acres, whichever is less, if not

otherwise provided pursuant to Section 42-37 regarding the basis for establishing the areas of special flood hazard or Paragraph 8 Section 42-57 pertaining to the use of other base flood data.

- (4) All subdivision proposals, including the placement of manufactured home parks and subdivisions, must have adequate drainage provided to reduce exposure to flood hazards.
- (5) All subdivision proposals, including the placement of manufactured home parks and subdivisions, must have public utilities and facilities such as sewer, gas, electrical and water systems located and constructed to minimize or eliminate flood damage.

Sec. 42-79. Standards for areas of shallow flooding (AO/AH Zones).

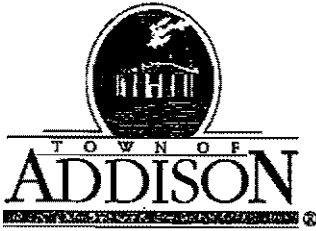
Located within the areas of special flood hazard established in Section 42-37, are areas designated as shallow flooding. These areas have special flood hazards associated with base flood depths of one to three feet where a clearly defined channel does not exist and where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow; therefore, the following provisions apply:

- (1) All new construction and substantial improvements of residential structures must have the lowest floor (including basement) elevated above the highest adjacent grade at least as high as the depth number specified in feet on the FIRM (at least two feet if no depth number is specified).
- (2) All new construction and substantial improvements of non-residential structures must:
 - a. have the lowest floor (including basement) elevated above the highest adjacent grade at least as high as the depth number specified in feet on the FIRM (at least two feet if no depth number is specified);
 - b. together with attendant utility and sanitary facilities be designed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads of effects of buoyancy.
- (3) A registered professional engineer or architect shall submit a certification to the Floodplain Administrator that the standards of this Section are satisfied.
- (4) Within Zones AH and AO, adequate drainage paths must be provided around structures on slopes to guide flood waters around and away from proposed structures.

Sec. 42-80. Floodways

Located within areas of special flood hazard established in Section 42-37, are areas designated as floodways. Since the floodway is an extremely hazardous area due to the velocity of floodwaters that carry debris, potential projectiles and erosion potential, the following provisions apply:

- (1) Encroachments are prohibited, including fill, new construction, substantial improvements and other development, within the adopted regulatory floodway, unless it has been demonstrated through hydrologic and hydraulic analyses performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the Town during the occurrence of the base flood discharge.
- (2) If Paragraph (1) of this Section 42-80 is satisfied to permit encroachment, all new construction and substantial improvements must comply with all applicable flood hazard reduction provisions of this article.
- (3) Encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations are prohibited, unless the Floodplain Administrator obtains a conditional FIRM and floodway revision through FEMA.



PUBLIC WORKS DEPARTMENT

Post Office Box 9010 Addison, Texas 75001-9010

(972) 450-2871

16801 Westgrove

August 21, 2001

Mr. Dale R. Hoff
Program Compliance
Federal Emergency Management Agency
Mitigation Division
Region VI, Federal Center
800 North Loop 288
Denton, Texas 76201-3698

Re: Ordinance Amendment

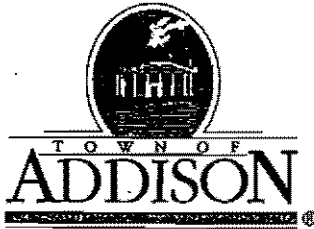
Dear Mr. Hoff:

Attached is a certified copy of the Town of Addison Ordinance No. 001-024, which was passed on August 14, 2001. This ordinance adopts FEMA's revised flood insurance rate and flood boundary-floodway maps and the effective date of August 23, 2001.

Should you have any questions, please call me at 972-450-2886. Thank you.

Sincerely,

Steven Z. Chutchian, P.E.
Assistant City Engineer



Post Office Box 9010 Addison, Texas 75001-9010

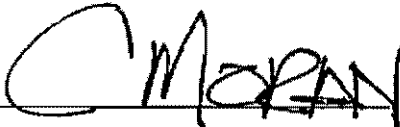
5300 Belt Line Road

(972) 450-7000
FAX (972) 450-7043

TO WHOM IT MAY CONCERN

Please be advised that the attached document is a true and correct copy of Ordinance No. 001-024, duly passed by the Addison City Council on the 14th day of August, 2001.

Duly certified by Carmen Moran, City Secretary for the Town of Addison on the 21th day of August, 2001.



City Secretary

ATTEST:

SEAL

TOWN OF ADDISON

ORDINANCE NO. 001-024

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 42, "FLOODS," OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING SECTION 42-37 OF ARTICLE II, "FLOOD DAMAGE PREVENTION," BY ADOPTING THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S NEWLY REVISED FLOOD INSURANCE RATE AND FLOOD BOUNDARY-FLOODWAY MAPS; PROVIDING A SAVING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in order to more effectively prevent flood damage within the Town of Addison and to maintain eligibility to participate in the National Flood Insurance Program, the City Council desires to adopt the Federal Emergency Management Agency's newly revised Flood Boundary-Floodway Map and newly revised Flood Insurance Rate Map; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Incorporation of Premises. That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Amendment. That Section 42-37 of Article II, "Flood Damage Prevention," of Chapter 42, "Floods," of the Code of Ordinances of the Town of Addison, Texas (the "City") is amended to read as follows:

Sec. 42-37. Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Emergency Management Agency in a scientific and engineering report entitled "The Flood Insurance Study for Addison, Texas," with accompanying Flood Insurance Rate Maps and Flood Boundary-Floodway Maps (FIRM and FBFM) dated August 23, 2001, and any revisions thereto are hereby adopted by reference and declared to be a part of this article. The flood insurance study is on file at 16801 Westgrove, Addison Texas.


Section 3. Savings. That this ordinance shall be cumulative of all other ordinances of the City affecting flooding and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this ordinance.

Section 4. Severability. That the sections, paragraphs, sentences, phrases, clauses and words of this ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this ordinance or application thereof to any person or circumstance is held invalid or

unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance, and the City Council hereby declares that it would have adopted such remaining portions of this ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 5. Effective Date. That this ordinance shall become effective August 23, 2001.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this 14th day of August, 2001.



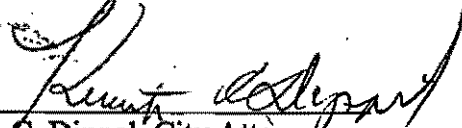
Mayor Scott Wheeler

ATTEST:



Carmen Moran, City Secretary

ATTESTED AS TO FORM:



Ken C. Dippel, City Attorney

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

June 12, 2001

Mr. Jim Pierce
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Ordinance Amending Flood Damage Prevention Regulations

Dear Jim:

Pursuant to your request, enclosed for your review is a draft ordinance amending the Flood Damage Prevention Regulations to adopt the newly revised FEMA maps. Because a certified copy of the ordinance must be submitted to FEMA's Regional Office no later than August 23, 2001, yet the maps are not effective until that date, I have inserted August 23, 2001, as the effective date of the ordinance. If you have any questions, please give me a call.

Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c: Mr. Steve Chutchian, w/Town
Mr. Ken Dippel, w/firm
Mr. John Hill, w/firm

DRAFT

TOWN OF ADDISON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 42, "FLOODS," OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING SECTION 42-37 OF ARTICLE II, "FLOOD DAMAGE PREVENTION," BY ADOPTING THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S NEWLY REVISED FLOOD INSURANCE RATE AND FLOOD BOUNDARY-FLOODWAY MAPS; PROVIDING A SAVING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in order to more effectively prevent flood damage within the Town of Addison and to maintain eligibility to participate in the National Flood Insurance Program, the City Council desires to adopt the Federal Emergency Management Agency's newly revised Flood Boundary-Floodway Map and newly revised Flood Insurance Rate Map; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF TH TOWN OF ADDISON, TEXAS:

Section 1. Incorporation of Premises. That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Amendment. That Section 42-37 of Article II, "Flood Damage Prevention," of Chapter 42, "Floods," of the Code of Ordinances of the Town of Addison, Texas (the "City") is amended to read as follows:

Sec. 42-37. Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Emergency Management Agency in a scientific and engineering report entitled "The Flood Insurance Study for Addison, Texas," with accompanying Flood Insurance Rate Maps and Flood Boundary-Floodway Maps (FIRM and FBFM) dated August 23, 2001 ~~July 30, 1999~~, and any revisions thereto are hereby adopted by reference and declared to be a part of this article. The flood insurance study is on file at 4500 Belt Line Road, Addison Texas.

Section 3. Savings. That this ordinance shall be cumulative of all other ordinances of the City affecting flooding and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this ordinance.

Section 4. Severability. That the sections, paragraphs, sentences, phrases, clauses and words of this ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this ordinance or application thereof to any person or circumstance is held invalid or

DRAFT

unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance, and the City Council hereby declares that it would have adopted such remaining portions of this ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 5. Effective Date. That this ordinance shall become effective August 23, 2001.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this _____ day of _____, 2001.

Mayor Scott Wheeler

ATTEST:

Carmen Moran, City Secretary

ATTROVED AS TO FORM:

Ken C. Dippel, City Attorney

COWLES & THOMPSON

A Professional Corporation

ATTORNEYS AND COUNSELORS



ANGELA K. WASHINGTON
214.672.2144
AWASHINGTON@COWLESTHOMPSON.COM

June 12, 2001

Mr. Jim Pierce
Town of Addison
P.O. Box 9010
Addison, TX 75001-9010

RE: Ordinance Amending Flood Damage Prevention Regulations

Dear Jim:

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Sincerely,

Angela K. Washington

AKW/yjr
Enclosure

c: ✓ Mr. Steve Chutchian, w/Town
Mr. Ken Dippel, w/firm
Mr. John Hill, w/firm

DRAFT

TOWN OF ADDISON

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AMENDING CHAPTER 42, "FLOODS," OF THE CODE OF ORDINANCES OF THE CITY BY AMENDING SECTION 42-37 OF ARTICLE II, "FLOOD DAMAGE PREVENTION," BY ADOPTING THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S NEWLY REVISED FLOOD INSURANCE RATE AND FLOOD BOUNDARY-FLOODWAY MAPS; PROVIDING A SAVING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in order to more effectively prevent flood damage within the Town of Addison and to maintain eligibility to participate in the National Flood Insurance Program, the City Council desires to adopt the Federal Emergency Management Agency's newly revised Flood Boundary-Floodway Map and newly revised Flood Insurance Rate Map; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF TH TOWN OF ADDISON, TEXAS:

Section 1. Incorporation of Premises. That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

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Sec. 42-37. Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Emergency Management Agency in a scientific and engineering report entitled "The Flood Insurance Study for Addison, Texas," with accompanying Flood Insurance Rate Maps and Flood Boundary-Floodway Maps (FIRM and FBFM) dated August 23, 2001 ~~July 30, 1999~~, and any revisions thereto are hereby adopted by reference and declared to be a part of this article. The flood insurance study is on file at 4500 Belt Line Road, Addison Texas.

Section 3. Savings. That this ordinance shall be cumulative of all other ordinances of the City affecting flooding and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this ordinance.

Section 4. Severability. That the sections, paragraphs, sentences, phrases, clauses and words of this ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this ordinance or application thereof to any person or circumstance is held invalid or

DRAFT

unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance, and the City Council hereby declares that it would have adopted such remaining portions of this ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 5. Effective Date. That this ordinance shall become effective August 23, 2001.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, this _____ day of _____, 2001.

Mayor Scott Wheeler

ATTEST:

Carmen Moran, City Secretary

ATPROVED AS TO FORM:

Ken C. Dippel, City Attorney

Federal Register

Friday
March 1, 1991

Part V

Federal Emergency Management Agency

Mortgage Portfolio Protection Program; Notice

Attached to this reprint is the Notice published in the Federal Register (57 FR 19040-19041) on May 1, 1992, which updated the list of Write Your Own companies participating in the Mortgage Portfolio Protection Program.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Mortgage Portfolio Protection Program

AGENCY: Federal Insurance Administration, Federal Emergency Management Agency.

ACTION: Notice.

SUMMARY: The Federal Insurance Administration (FIA), the Directorate within the Federal Emergency Management Agency (FEMA) responsible for the administration of the National Flood Insurance Program (NFIP), has developed a Mortgage Portfolio Protection Program (MPPP). The MPPP is intended for use by mortgage lenders in securing flood insurance protection for those properties that are part of the lending institution's mortgage portfolio when such properties:

- (1) Have been determined to be located within special flood hazard areas,
- (2) Are located within a community that is participating in the NFIP, and
- (3) Are not covered by a flood insurance policy even after required notices have been given to the property owner (mortgagor) by the lending institution of the requirement for obtaining and maintaining such coverage, but the mortgagor has failed to respond.

Thus, the MPPP is a mechanism by which lending institutions, mortgage servicing companies, and others servicing mortgage loan portfolios can bring their mortgage loan portfolios into compliance with the flood insurance purchase requirements of the Flood Disaster Protection Act of 1973.

EFFECTIVE DATE: January 1, 1991.

FOR FURTHER INFORMATION CONTACT: H. Joseph Coughlin, Jr., Federal Emergency Management Agency, Federal Insurance Administration, 500 C Street, SW., Washington, DC 20472; telephone (202) 646-2780.

SUPPLEMENTARY INFORMATION: The Federal Insurance Administration (FIA) has developed the Mortgage Portfolio Protection Program (MPPP) as a mechanism to be used as a last resort and at the option of a lending institution for securing flood insurance coverage for properties which are part of the lending institution's mortgage portfolio. The goals of the MPPP are, through the MPPP notification process, to encourage property owners whose structures are potentially susceptible to flood damage to purchase a conventional NFIP flood insurance policy, or, failing that, have

the lending institution obtain an MPPP policy on the structure.

It is expected that the MPPP notification process will result in a greater number of conventional NFIP Standard Flood Insurance Policies being written. Thus, the MPPP will benefit the lending community by providing a vehicle through which lending institutions can bring their mortgage portfolios into compliance with Federal law as well as protect the collateral security for such loans. The MPPP will also benefit: (1) The policyholder who will have financial protection against loss in the event of flood damage, (2) the taxpayers, since those policyholders will not need to apply for disaster assistance related to damages for which their policies will respond and they will not need to write off uninsured casualty losses on their taxes, both of which positively impact the Federal budget, and (3) all NFIP policyholders, since the greater number of policies-in-force will result in a greater spread of the risk which should mean that the overall cost of the insurance will hold steady or even possibly be lowered depending upon the magnitude of the insurance reserves.

Background

The National Flood Insurance Act of 1968 (42 U.S.C. 4001, *et seq.*), as amended, created the NFIP to provide federally backed flood insurance to property owners whose properties are located within communities which have become eligible to participate in the NFIP. Such communities establish their eligibility by adopting and enforcing floodplain management measures to regulate new construction and substantial improvement within their special flood hazard areas so as to eliminate or minimize future flood damage. A special flood hazard area is defined as the area within the flood plain having a one percent or greater chance of flood occurrence in any given year (also known as the 100-year [or base] flood). Special flood hazard areas are delineated on maps issued by the Federal Emergency Management Agency (FEMA) for individual communities.

The NFIP was amended by the Flood Disaster Protection Act of 1973, Public Law 93-234, to require the purchase of flood insurance as a condition of receipt of federal and federally related financing for acquisition and construction purposes in flood hazard areas of participating communities and to require Federal Instrumentalities to direct lenders regulated by them, or whose deposits are insured by them, to require flood insurance protection for any improved real property located in a

special flood hazard area of a participating community when such real property serves as security for any loan.

The term "Federal Instrumentality" is defined in section 3(a)(5) of the 1973 Act as the "Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board (currently, Office of Thrift Supervision), the Federal Savings and Loan Insurance Corporation (whose responsibilities have been taken over by the Federal Deposit Insurance Corporation), and the National Credit Union Administration."

The FIA does not have any statutory or regulatory authority over lending institutions nor does the 1973 Act, by itself, require or prohibit activities on the part of lenders directly. Rather, the Act directs the Federal Instrumentalities to adopt regulations requiring lenders subject to their jurisdiction to compel borrowers to purchase flood insurance protecting any "improved real estate or mobile home" located within a special flood hazard area of a community participating in the NFIP, if the building or mobile home (and any personal property securing such loan) were to be used as security for the loan. Lenders should follow the interpretation of the particular Federal Instrumentality or Agency to whose regulations they are subject for authoritative guidance.

The history of the NFIP since the enactment of the 1973 Act indicates that lenders have not consistently required the purchase and/or renewal of flood insurance policies as required by regulations issued by the Federal Instrumentalities and Agencies. The less compliance there is in conjunction with loan origination, the greater the problem for servicers of loan portfolios. Therefore, over the past two and a half years, FIA has been working with interested parties to develop a program to help lenders and mortgage servicers meet their statutory duty to ensure that properties in their mortgage portfolios comply with Federal law related to flood insurance. This collaboration has resulted in the introduction of the MPPP.

Implementation

The MPPP will be available to all lending institutions and Write Your Own (WYO) companies which elect to participate by signing an agreement to adhere to the MPPP criteria and requirements, including specific multiple notices to a borrower whose property is in a special flood hazard area as delineated on the appropriate FEMA map concerning the need to purchase and maintain a flood insurance policy

for the duration of the mortgage loan and encouraging the borrower to obtain a Standard Flood Insurance Policy (SFIP) from the borrower's local insurance agent.

The MPPP cannot be used in connection with new loan transactions but can be used only in connection with a lender's efforts to bring its mortgage portfolio into compliance with the flood insurance purchase requirements of Federal law. A flood insurance policy under the MPPP can be purchased only from a WYO company and only as a last resort for those properties where the borrower, after having been given the required notices of the need to purchase a flood insurance policy, has not done so.

A policy purchased under the MPPP (1) will be written covering the interest of both the mortgagee and the mortgagor, (2) will be rated using special high rates, reflecting the uncertainty as to the degree of risk due to the limited underwriting data required, and (3) will be for a policy term of one year only (subject to renewal after a special renewal notification process). Both building and contents coverage will be available under the MPPP. The coverage limits available under the Regular Program will be those available to single-family buildings and their contents, i.e., \$185,000 for building coverage and \$60,000 for contents. The higher limits that are available under the conventional SFIP to other occupancy types such as small business, other residential, or non-residential, can be provided under the MPPP policy only if the occupancy type can be identified on the application. If the mortgaged property is located in a community participating in the Emergency phase of the NFIP, then the covered limits available will be the lower limits available in that phase, i.e., \$35,000 for building coverage and \$10,000 for contents. Again, if the higher Emergency phase limits are desired for other types of property, then the building occupancy type must be provided at the inception of the policy or when that information may become available, but it must be prior to any loss.

The current SFIP Dwelling Form and General Property Form will be used, depending upon the type of structure insured. In the absence of building occupancy information, the Dwelling Form will be used. The current NFIP rules will apply with respect to the waiting period and effective dates of coverage. With respect to the premium payment, the lender or mortgage servicer (or Payor) has the option of

following its usual business practices so long as the NFIP rules are followed.

The rates (per \$100 of insurance) are as follows:

Zone	Building	Contents
A Zone—All building/occupancy types.....	\$1.25	\$1.25
V Zone—All building/occupancy types.....	\$3.00	\$3.00

In the event of a loss, the policy will have to be reformed if the wrong rate has been applied for the zone in which the property is located. The amount of coverage may be changed if the building occupancy supports a greater amount than the amount of insurance in force but this must be done prior to a loss. Further, since the underwriting information available at the policy's inception may be limited, it will be the WYO company's responsibility (acting on behalf of the mortgage lender) to notify the mortgagor of all coverage limitations at the inception of coverage and to impose any applicable limitations (e.g., the coverage restrictions in basements) at the time of loss adjustment.

The WYO companies which have so far agreed to participate in the NFIP-MPPP are as follows:

American Bankers Insurance Company of Florida, Miami, FL
 American Loyalty Insurance Company, Gahanna, OH
 American Modern Home Insurance Company, Cincinnati, OH
 American Road Insurance Company, Dearborn, MI
 Bankers Insurance Company, St. Petersburg, FL
 Bankers & Shippers Insurance Company, Burlington, NC
 Colonial Penn Insurance Company, Philadelphia, PA
 Consolidated Insurance Group, Inc. (American Centennial Insurance Co.) (Weaco Insurance Company), Wilmington, DE
 Empire Fire and Marine Insurance Company, Omaha, NE
 First Colonial Insurance Company, Jacksonville, FL
 Florida Fire & Casualty Insurance Co., Ft. Lauderdale, FL
 Great Pacific Insurance Company, San Bruno, CA
 Independent Fire Insurance Company, Jacksonville, FL
 Island Insurance Company, LTD, Honolulu, HI
 Minnesota Mutual Fire & Casualty, Minnetonka, MN
 Omaha Property and Casualty Company, Omaha, NE
 Pan American Insurance Company, Hato Rey, PR
 Patrons Mutual Insurance Company of Connecticut, Glastonbury, CT

Redland Insurance Company, Council Bluffs, IA
 Regency Insurance Company, Hallandale, FL
 Unisun Insurance Company, Charleston, SC
 U.S. Security Insurance Company, Miami, FL

The Mortgage Portfolio Protection Program Write Your Own Company Guidelines and Requirements, as referenced in this document, is reproduced in its entirety as appendix A to this notice.

Dated: February 22, 1991.

C. M. "Bud" Schauerte,
 Federal Insurance Administrator.

Appendix A—Federal Emergency Management Agency, Federal Insurance Administration, National Flood Insurance Program; Mortgage Portfolio Protection Program, Write Your Own Company Guidelines and Requirements

December 14, 1990.

Background

The Mortgage Portfolio Protection Program (MPPP) will be introduced on January 1, 1991 as an additional tool, provided by the Federal Insurance Administration (FIA), to assist the mortgage lending and servicing industries, in response to their requests of the past few years, in bringing their mortgage portfolios in compliance with the flood insurance requirements of the Flood Disaster Act of 1973.

The MPPP is not intended to act as a substitute for the need for mortgagees to review all mortgage loan applications at the time of loan origination and comply with flood insurance requirements as appropriate.

It is expected that the proper implementation of the various requirements of this MPPP will result in mortgagees, following their notification of the need for flood insurance will either show evidence of such a policy, contacting their local insurance agent or appropriate Write Your Own (WYO) company and purchasing the necessary coverage. It is also intended that flood insurance policies be written under the MPPP only as a last resort, and only on mortgages whose mortgagors have failed to respond to the various notifications required by this MPPP.

The following represents the criteria and requirements that must be followed by all parties engaged in the sale of flood insurance under the National Flood Insurance Program's Mortgage Portfolio Protection Program:

Requirements for Participating in the MPPP

1. General

a. All mortgagors notified, in conjunction with this Program, of their need to purchase flood insurance, must be encouraged to obtain a Standard Flood Insurance Policy (SFIP) from their local agent.

b. When, as a result of a mortgage portfolio review, properties are determined to be in an SFHA, the mortgagee/mortgage servicing company has no evidence of flood insurance on these properties and the mortgagors have failed to respond to notices requesting flood insurance, the MPPP provides a vehicle for lending institutions to obtain (force place) the required flood insurance coverage. The MPPP process can be accomplished with limited underwriting information and with special flat rates.

c. In the event of a loss, the policy will have to be reformed if the wrong rate has been applied for the zone the property is located in. Also, the amount of coverage may have to be changed if the building occupancy does not support that amount.

d. It will be the WYO companies' responsibility to notify the mortgagor of the coverage limitations at the inception of coverage and to impose those limitations at the time of loss adjustment.

2. WYO Arrangement Article III—Fees

a. With the implementation of the MPPP there is no change in the method of WYO company allowance from that which is provided in the Financial Assistance/Subsidy Arrangement for all flood insurance written for an initial period of two years.

b. The allowance level percentage referenced by the Arrangement will be used for the first two years while the success of the MPPP is being measured. One of the measures of success will be the level of policies written through MPPP that remain rated as such, versus the expected greater number of policies generated in the conventional NFIP as a result of the MPPP notification process.

3. Use of WYO Company Fees for Lenders/Serviceors or Others

a. No portion of the allowance that WYO companies retain under the WYO Financial Assistance/Subsidy Arrangement for the MPPP may be used to pay, reimburse or otherwise remunerate a lending institution, mortgage servicing company, or other similar type of company that the WYO company may work with to assist in their flood insurance compliance efforts.

b. The only exception to this is a situation where the lender/servicer may be actually due a commission on any flood insurance policies written on any portion of the institution's portfolio because it was written through a licensed property insurance agent on their staff or through a licensed insurance agency owned by the institution or servicing company.

4. Notification

a. *WYO Company/Mortgagee*—Any WYO Company participating in the MPPP must notify the lender or servicer, for which it is providing the MPPP capability, of the requirements of the MPPP. The WYO company must obtain signed evidence from each such lender or servicer indicating their receipt of this information, and keep a copy in their files. An example of such evidence of receipt follows as Addendum #5.

b. *Mortgagee to Mortgagor*—In order to participate in the MPPP, the lender (or its authorized representative, which will typically be the WYO company providing them the coverage through the MPPP) must notify the borrower of the following, at a minimum:

- (1) The requirements of the Flood Disaster Protection Act of 1973.
- (2) The flood zone location of their property.
- (3) The requirement for flood insurance.
- (4) The fact that the lender has no evidence of the borrower having flood insurance.
- (5) The amount of coverage being required and its cost under the MPPP, and
- (6) The options of the borrower for obtaining conventionally underwritten flood insurance coverage and the potential cost benefits of doing so.

A more detailed discussion of the notification requirements is made a part of this program document in both Section 15 and as Addendums 1&2.

5. Eligibility

a. *Type of Use*—The MPPP will be allowed only in conjunction with mortgage portfolio reviews and the servicing of those portfolios by lenders and mortgage servicing companies. The MPPP is not allowed to be used in conjunction with any form of loan origination.

b. *Type of Property*—The standard NFIP rules apply, and all types of property eligible for coverage under the NFIP will be eligible for coverage under the MPPP.

6. Source of Offering

The force placement capability will be offered by the WYO companies only

and not by the NFIP Servicing Agent (CSC).

7. Dual Interest

The policy will be written covering the interest of both the mortgagee and the mortgagor. The name of the mortgagor must be included on the Application Form. It is not, however, necessary to include the mortgagee as a named insured because the Mortgage Clause (Article VIII.O of the Dwelling Form and Article VII.M of the General Property Form) affords building coverage to any mortgagee named as mortgagee on the Flood Insurance Application. If contents coverage for the mortgagee is desired, the mortgagee should be included as a named insured.

8. Term of Policy

NFIP policies written under the MPPP will be for a term of one year only (subject to the renewal notification process).

9. Coverage Offered

Both building and contents coverage will be available under the MPPP. The coverage limits available under the Regular Program will be \$185,000 for building coverage and \$60,000 for contents. If the WYO company wishes to provide higher limits that are available to other occupancy types such as small business, other residential, or non-residential, it may do so only if it can indicate that occupancy type as appropriate. If the mortgaged property is in an Emergency Program Community, then the coverage limits available will be \$35,000 for building coverage and \$10,000 for contents. Again, if the higher limits are desired for other types of property, then the building occupancy type must be provided at the inception of the policy or when that information may become available, but it must be prior to any loss.

10. Policy Form

The current SFIP Dwelling Form and General Property Form will be used, depending upon the type of structure insured. In the absence of building occupancy information, the Dwelling Form should be used.

11. Waiting Period

The current NFIP rules for the waiting period and effective dates apply to the MPPP.

12. Premium Payment

The current rules applicable to the NFIP will apply. The lender or servicer (or Payor) has the option to follow its usual business practices regarding

premium payment, so long as the NFIP rules are followed.

13. Underwriting—Application

a. The MPPP will require less underwriting data than is normally required under the standard NFIP rules and regulations. The MPPP data requirements for rating, processing and reporting are, at a minimum:

- (1) Name and mailing address of insured (mortgagor—also see Dual Interest),
- (2) Address of insured (mortgaged) property,
- (3) Community information (complete NFIP map panel number and date; program type, Emergency or Regular) countywide maps,
- (4) Occupancy type (so statutory coverage limits are not exceeded. This data may be difficult to obtain. Also see Coverage Offered.),
- (5) NFIP flood zone where property is located (lender must determine, in order to determine if flood insurance requirements are necessary and to use the MPPP),
- (6) Amount of coverage,
- (7) Name and address of mortgage,
- (8) Mortgage loan number,
- (9) Policy number.

b. No elevation certificates will be required as there will be no elevation rating.

c. For more detailed information regarding reporting requirements, see the WYO TRRP Plan.

14. Rates (per \$100 of insurance)

Zone	Building	Contents
A Zone: All building/occupancy types.....	\$1.25	\$1.25
V Zone: All building/occupancy types.....	\$3.00	\$3.00

15. Policy Declaration Page Notification Requirements

In addition to the routine information, such as, amounts of coverage, deductibles and premiums, that a WYO company may place on the Policy Declarations Page issued to each insured under the NFIP, the following messages are required:

a. This policy is being provided for you as it is required by Federal law as has been mentioned in the previous notices sent to you on this issue. Since your mortgage company has not received proof of flood insurance coverage on your property in response to those notices, we provide this policy at their request.

b. The rates charged for this policy may be considerably higher than those that may be available to you if you contact your local

insurance agent (or the WYO company at * * *)"

c. The amounts of insurance coverage provided in this policy may not be sufficient to protect your full equity in the property in the event of a loss.

d. You may contact your local insurance agent (or WYO company at * * *) to replace this policy with a conventionally underwritten Standard Flood Insurance Policy, at any time, and typically at a significant savings in premium.

The WYO company may add other messages to the Declarations Page and make minor editorial modifications to the language of these messages if it believes any are necessary to conform to the style or practices of that WYO company, but any such additional messages or modifications may not change the meaning or intent of the above messages.

Since the amount of underwriting data obtained at the time of policy inception will typically be limited, the extent of any coverage limitations, such as, when replacement coverage is not available or coverage is limited if the building has a basement or is considered an elevated building with an enclosure. It is, therefore, the responsibility of the WYO company to notify the mortgagor/insured of any coverage limitations at the inception of coverage and impose them at the time of the loss adjustment.

16. Policy Reformation—Policy Correction

Article VIII F 2. of the Dwelling Policy and Article VII E 2. of the General Property Policy will apply as appropriate.

Examples of circumstances under which reformation or correction might be needed would be:

Policy Reformation—The wrong flat rate was applied for the zone in which the property was actually located.

Policy Correction—The amount of coverage exceeds the amount available under the NFIP for the type of building occupancy that represents the building insured. In such case, the amount of coverage would have to be adjusted to the amount available and any appropriate premium adjustments made.

17. Coverage Basis—ACV or Replacement Cost

There are no changes from the standard practices of the NFIP for these provisions. The coverage basis will depend on the type of occupancy of the building covered and the amount of coverage carried.

18. Deductible

Only the Standard Deductible of \$500 is permitted for policies written under the MPPP.

19. Expense Constant

There is no change from the standard practice. The Expense Constant in effect at the time the MPPP policy is written must be used.

20. Renewability

The MPPP policy is a one-year policy. Any renewal of that policy can occur only following the full notification process spelled out in Addendum #2 that must take place between the lender (or their authorized representative) and the insured/mortgagor, when the insured/mortgagor has failed to provide evidence of obtaining a substitute flood insurance policy.

21. Cancellations

a. **Existing Policy**—When the mortgagor provides evidence of a flood insurance policy, from any source, that is currently in effect and has been in effect prior to the effective date of the MPPP policy, the MPPP policy may be cancelled flat with a full refund on premium, provided that the policy in effect is acceptable to the mortgagee. If the existing policy is an NFIP policy (WYO or direct business), the NFIP rules require that one of the NFIP policies must be cancelled. The full premium, including the expense constant will be returned to the payor. The WYO servicing allowance is not earned by the WYO company.

b. **New Flood Insurance Policy**—When the mortgagor/borrower purchases a flood insurance policy, from any source, following notification of the need for the policy, the MPPP policy may be cancelled but on a pro-rata basis. Any premium refund may be calculated with or without the pro rata share of the expense constant, depending on the company's normal business practice.

c. **Other**—The NFIP Insurance Manual rules for Cancellation/Nullification Notices are to be followed, when applicable.

d. See the WYO TRRP Plan for further premium refund instructions.

22. Endorsement

An MPPP policy may not be endorsed to convert it directly to a conventionally underwritten SFIP. Rather a new policy application, with a new policy number, must be completed according to the underwriting requirements of the SFIP, as contained in the NFIP Insurance Manual. The MPPP policy may be endorsed to assign it under rules of the NFIP. It may also be endorsed for other reasons such as, increasing coverage.

23. Assignment to a Third Party

Current NFIP rules remain unchanged, therefore an MPPP policy may be assigned to another mortgagor or mortgagee. Any such assignment must be through an endorsement, however.

24. Article XIII—Restrictions Other Flood Insurance

ARTICLE XIII of the Arrangement is also applicable to the MPPP and, as such, does not allow a company to sell other flood insurance that may be in competition with NFIP coverage. This restriction, however, applies solely to policies providing flood insurance. It also does not apply to insurance policies provided by a WYO company in which flood is only one of several perils provided, or when the flood insurance coverage amounts are in excess of the statutory limits provided under the NFIP or when the coverage itself is of such a nature that it is unavailable under the NFIP, such as blanket portfolio coverage.

Mortgage Portfolio Protection Program (MPPP) Guidelines and Requirements—Addendum #1

Initial Portfolio Review Letter Notification Process

Once it has been determined by the lender/servicer or its representative, that flood insurance is needed on mortgages in their portfolio, and there is no evidence of flood insurance, and it decides to use FIA's MPPP to assist in bringing the lender's portfolio into compliance with flood insurance, then the following notification process must be used.

This process will consist of three initial notification letters. Each letter will contain certain messages, at a minimum in the body of the letter. The lender/servicer (or their authorized representative) may add their own messages, make minor editorial modifications to the messages to conform to the style and practice of the WYO company or lender and structure the letter to their liking, but they may not alter the meaning or intent of the messages listed here for any of the letters.

Each letter will contain mandatory messages on one or more of the following items: (1) The requirements of the Flood Disaster Protection Act of 1973, (2) reminding the insured of the previous letters sent that resulted in the current flood insurance policy, (3) the high premiums on the current policy, (4) potentially inadequate coverage limits, (5) coverage limitations, if any, and (6) the options available to the insured.

Initial Notification Letter to Mortgagor

The first letter is to be issued after the review of the lender's portfolio reveals the need for the flood insurance coverage and the absence of it. This letter must contain, at a minimum the following messages:

1. The Flood Disaster Protection Act of 1973, a Federal law, requires that flood insurance be purchased and maintained on mortgage loans for buildings (and their contents, if appropriate) for the life of the loan for buildings located in a Special Flood Hazard Area shown on a map published by FIA. This applies to such loans from lending institutions that are under the jurisdiction of a Federal regulatory agency or instrumentality.

2. We have determined that your property (building), on which we hold the mortgage loan, is located in a SFHA and, therefore, you are required by law to have a policy of flood insurance on that property.

* This letter must then include language advising the mortgagor that in the event they wish to challenge the zone determination, they should provide written factual evidence supporting their challenge obtained from a community official, registered engineer, architect or surveyor, stating the specifics of the location of the building and the reason for their challenge.

* The lender/servicer is reminded that since the Act places the responsibility of determining the flood zone location of each mortgaged property on the lender/servicer, he cannot discharge that responsibility by simply obtaining some form of self certification from the mortgagor. If the lender wishes to change its original determination on the location of the mortgagor's property based upon information submitted by the mortgagor, the lender/servicer must convince itself, after reviewing that submission, that its original determination was in error and make any such change based on that review. He should not simply accept unsubstantiated allegations, from whatever source, as to the building's flood zone location. The ultimate responsibility for making such determinations under the status rests with the mortgagee, not the mortgagor.

3. There is no evidence in your mortgage loan file of your having a flood insurance policy on your property. In case this information is in error, please contact us at

4. If you do not have a flood insurance policy on this property, you may wish to contact your local insurance agency (or WYO company at * * *).

5. If you do not respond within 45 days of this letter, either providing evidence of a flood insurance policy in effect on this property, or requesting that we provide you with such coverage, the necessary flood insurance coverage will be provided for you. In that event, since certain insurance underwriting information about your property that is necessary to determine the appropriate flood insurance rate for your policy would not have been obtained, due to your not responding, the Federal government's Mortgage Portfolio Protection Program's flood insurance rates will have to

be used. These rates may be considered higher than those that could be obtained for you if you respond to this notice.

This letter, or an attachment, must also include such other information as: (1) The name of the lender/servicer, (2) the mortgage loan number, (3) the address of the property in question, (4) the flood zone in which the property has been determined to be located, (5) the amount of flood insurance being required, and (6) coverage limitations (if any).

The Second Initial Notification Letter

This letter will be sent 30 days following the first initial notification letter if no response has been received from the mortgagor. It will contain, at a minimum, the following messages:

1. About a month ago you were notified that Federal law requires all mortgages, such as yours, on properties determined to be located in a Special Flood Hazard Area, must be covered by a policy of flood insurance.

2. That letter mentioned that if you did not respond positively within 45 days from that letter, it would be necessary to obtain a policy of flood insurance for you.

3. This is to remind you that since you have not responded to the earlier notice as yet, and if you do not respond within the next fifteen days (or the actual expiration date), flood insurance, as mentioned previously, will be obtained on your property, on your behalf.

4. In the event that you do not respond and the coverage must be obtained as mentioned, the cost of that coverage may be significantly higher than the premium that you could obtain if you were to contact your local insurance agent (or WYO company at * * *).

Third and Final Initial Notification Letter

This letter must be sent to the mortgagor accompanying the flood insurance policy Declaration Page.

This letter must be sent as soon after the end of the 45 day notification period as possible, if no positive response has been received to the two previous notification letters. It must contain the following messages, at a minimum:

1. This letter is to inform you that a policy of flood insurance has been obtained on your behalf, to cover the mortgage on your property, as required by the Flood Disaster Protection Act of 1973.

2. You have been notified on two previous occasions explaining the circumstances surrounding your need to have flood insurance coverage and explaining your options, but to date no response has been received.

3. Attached is the flood insurance policy purchased on your behalf and its accompanying Declarations Page that explains: the amount of coverage purchased on your behalf, its cost, some limitations to that coverage, and the options you may still

wish to exercise to obtain similar coverage, but typically at a significantly lower cost.

4. If you purchase another flood insurance policy and notify us, or contact us to request that we purchase a substitute policy under the NFIP for you, we will cancel this policy and issue you a refund for the unearned portion of the premium, if we deem that the other policy is acceptable to satisfy the requirements.

Mortgage Portfolio Protection Program (MPPP) Guidelines and Requirements—Addendum #2

MPPP Renewal/Expiration Notification Process

When an MPPP policy has been purchased and the expiration date of that policy is approaching the end of its one year term, and the insured has not requested or produced a substitute policy of flood insurance, the following notification process will be followed.

This process will consist of a total of three renewal MPPP letters. Each letter will contain certain required messages within the body of the letter. The lender/servicer (or their authorized representative) may add their own messages, make minor editorial modifications to the messages to conform to the style and practice of the WYO company or lender and structure the letter to their liking, but they may not alter the meaning or intent of the messages listed here for any of the letters.

Each letter will contain mandatory messages on one or more of the following items: (1) Reminding the insured of the previous letters sent that resulted in the current flood insurance policy that is about to expire; (2) the requirements of the Flood Disaster Protection Act of 1973; (3) the high premiums on the current policy; (4) potentially inadequate coverage limits; (5) coverage limitations, if any; and (6) the options available to the insured.

First MPPP Renewal/Expiration Notice (Letter)

The first MPPP renewal letter will be sent to the insured/mortgagor at least 45 days prior to the renewal/expiration of the MPPP policy. It will, at a minimum, contain the following messages:

1. This letter is to notify you that the flood insurance policy that was required to be purchased on your property about a year ago is about to expire.

2. When you were originally notified of the need for this coverage, it was explained that the Flood Disaster Protection Act of 1973, a Federal law, requires that flood insurance be purchased and maintained for the life of the loan, on mortgage loans for buildings (and their contents, if appropriate) located in a Special Flood Hazard Area shown on a map

produced by the Federal Emergency Management Agency.

3. The premium on the flood insurance policy currently in effect and written on your behalf, and due to expire, may be considerably higher than would be the case if you had responded to the suggestions contained in the previous notices sent you, recommending that you contact your local insurance agent (or the WYO company) to obtain a conventionally underwritten Standard Flood Insurance Policy.

4. As has been mentioned in previous notices, you may wish to replace this policy with a conventionally underwritten Standard Flood Insurance Policy now, and benefit from rates that potentially are significantly lower than the rates being used with this policy.

5. Failure to respond to this notice within 45 days (or by [date]) will result in this policy being renewed, and at rates that are most likely to be much higher than are otherwise available.

Second MPPP Renewal/Expiration Notice (Letter)

The second renewal notice will be sent out at least 30 days after the first notice, but at least 15 days prior to expiration of the MPPP policy. It will contain the following messages:

1. About a month ago (or on [date]) you were sent a notice that your flood insurance policy was about to expire.

2. Since you have not responded, you are again being reminded that your flood insurance policy will expire within 15 days (or on [date]).

3. As has been previously mentioned, you have the option of contacting your local insurance agent (or WYO company name and #) to obtain a conventionally underwritten Standard Flood Insurance Policy (SFIP) at potentially significant savings.

4. Failure to respond by [date], submitting evidence that you have purchased or wish to purchase a substitute flood insurance policy or a conventionally underwritten SFIP, will result in the current policy being written again, and most likely at much higher rates than could be obtained with a conventionally underwritten SFIP.

Third MPPP Renewal/Expiration Notices (Letter)

The third and final notice will be sent out as part of the renewed MPPP policy. The notice containing the following required messages may be sent as a cover letter or an attachment to the Policy Declaration Page and policy itself, or the required messages may be included on the Declaration page that accompanies the renewal policy. It must contain the following messages:

1. Since you have not responded to our previous notices that your flood insurance policy, which is required by Federal law, was about to expire, we have renewed that policy for the next year.

2. As has been previously explained, the Flood Disaster Protection Act of 1973, a Federal law, requires that flood insurance be

purchased and maintained on mortgage loans for buildings (and their contents, if appropriate) for the life of the loan, for property located in a Special Flood Hazard Area shown on a map produced by the Federal Emergency Management Agency.

3. The premium on this flood insurance policy just renewed may be considerably higher than would be the case if you had contacted your local insurance agent (or WYO company at * * *), which you may still do, to obtain a conventionally underwritten Standard Flood Insurance Policy.

4. If you purchase another flood insurance policy and notify us, or contact us to request that we purchase a substitute policy under the NFIP for you, we will cancel this policy and issue you a refund for the unearned portion of the premium, if we deem that the other policy is acceptable to satisfy the requirements.

National Flood Insurance Program Mortgage Portfolio Protection Program (MPPP)—Addendum #3

Portfolio Review Considerations for Lenders/Servicers Prior to Participating in the MPPP—Questions and Answers

November 16, 1990.

1. Q. What is the MPPP and who is this Q & A aimed at?

A. WYO companies, lender/servicers participating in the MPPP, Federal regulatory agencies and other interested parties.

2. Q. What is the first step in using the MPPP.

A. The MPPP is only intended to be utilized when the lender (or its representative) has reviewed its portfolio and determined which of the loans are on buildings located in a Special Flood Hazard Area (SFHA), and, therefore, in need of flood insurance.

3. Q. What source of information should the MPPP participant, or their authorized representative, be using in reviewing a loan portfolio, to determine flood zone location of the properties in question?

A. The flood insurance maps published by the Federal Emergency Management Agency (FEMA), augmented by other official documentation available from local officials or other sources, as may be deemed necessary.

The Flood Disaster Protection Act of 1973, which imposes the flood insurance requirement, makes specific reference to "areas identified by the Secretary (since changed to Director [of FEMA] as an area having special flood hazards". The National Flood Insurance Act of 1968 charged the Federal Insurance Administration with the responsibility of identifying areas which have special flood hazards. Therefore, the official source of information that serves as the

basis for identifying such areas is the maps published by FEMA.

4. Q. What if a source of information other than the FEMA maps is used as the basis for determining the flood zone location of properties?

A. The lender may be risking erroneous determinations, thereby potentially placing the lender in a position of a liability exposure, bad customer relations and/or problems with their Federal regulatory agency or worse.

5. Q. Does it mean that if the system used to make these flood zone determinations is not based on the FEMA maps that it should not be used?

A. Due to the potential for problems as mentioned above, the lender must be careful as to the basis behind the system it uses to make these flood zone determinations. Also, since the lender must keep evidence of the determination in every mortgage file, if that evidence doesn't reflect the map panel used to make the determination, the lender may have difficulty proving to their Federal regulatory agency, or in court if the need arose, that the lender is complying with the law.

6. Q. What flood zone determination information should the lenders keep in each mortgagor's file to indicate evidence of compliance?

A. Lenders should keep, at a minimum, the ten digit flood insurance map panel number, suffix and date. The first six digits of that number represent an identification code for the community. Since most flood insurance maps contain multiple pages or panels, the full ten digit number is necessary in order for an examiner (or anyone else) to be able to know which panel was used. The community number (six digit) alone would not be sufficient when the ten digit number exists.

7. Q. Are all FEMA flood insurance maps ten digit maps?

A. No. Some are in the old format, are 11" x 17" and have only the single six digit identifying number and date, with possible suffix for the entire map regardless of the number of pages or panels. The great bulk of the maps published since the mid 1970's in which mortgage activity occurs, however, have been converted to this ten digit format.

8. Q. What version of the flood map should be used in conjunction with the MPPP portfolio review?

A. The provisions of the Flood Disaster Protection Act of 1973 require that the flood zone determination be made at the time of, and in conjunction with, the loan origination or any new making, such as, a home equity loan, second mortgage, etc.

9. Q. Doesn't the fact that the MPPP was designed to assist lenders/servicers in bringing their portfolios into compliance with flood insurance requirements mean that they will be dealing with loans that can range from being very new to being many years old, and that the maps that may have been in effect at the time of the loan origination might not be readily available now.

A. Yes. However, as a practical matter, the users of the MPPP will probably use the flood maps and related information that they have available to them at the time of the review which reflect current information but not that which was in effect at the time of the loan origination.

10. Q. Could the use of current flood maps and related flood zone information in conjunction with portfolio review, cause any problems?

A. That may depend on a number of factors, such as:

- How many loans in the portfolio are older than the maps being used to make the current determination, or

- Whether the map information source being used for the review reflects a different flood zone than the one in effect at the time of loan origination.

- Whether the mortgagor raises the issue that the map being used to make the current flood zone determination was not the one in effect at the time of loan origination.

11. Q. What if only a few loans in the portfolio are older than the maps being used today to make the determination?

A. Then the issue may not surface.

12. Q. Might a borrower challenge the notice it received from the lender/servicer (or its representative) using the MPPP and if so, what would be the reason?

A. Yes, there could be several reasons such as:

- The map used to make the determination is different from the one in effect at the time of the loan origination (which was either non-existent or showed the property outside the SFHA).

- The loan origination date preceded 3/1/1974 (the effective date of the 1973 Act), or the initial flood insurance map for the community.

- The language in the mortgagor's contract does not mention a flood insurance requirement.

13. Q. What should a lender/servicer do if challenged on these issues?

A. The lender has different options to consider depending on the basis for the challenge and should consider the following:

Challenge(s) based on:

- The date of the map used to make the determination—If the date of the

mortgage precedes the date of the map used, the lender will have to decide whether to determine which version of the map was in effect at the time of origination and attempt to obtain a copy of that map, or drop the requirement on that mortgagor. The lender could also, following a review of the language of that mortgagor's mortgage contract, determine whether it (lender) had been granted sufficient authority by that language to impose flood insurance on that mortgage at any time during the life of that contract.

- The date of mortgage precedes the 1973 Act and/or date of map—If the mortgage contract provides the lender with the authority to impose broad-base hazard insurance requirements at any time during the life of the loan, then the lender must decide whether it wishes to invoke this authority regardless of the date of the mortgage/map date.

- The mortgage contract language doesn't mention flood insurance—Many mortgage contracts written prior to the late 1970s contained language that either mentioned property insurance requirements by referring to fire and extended coverage (windstorm & hail) or mentioned fire and other hazards. Since most of this language preceded the availability of flood insurance, it typically meant the windstorm hazard, but may not be limited to just that peril. It was many lenders intent, in those days, to give themselves the option of imposing other forms of hazard insurance that might become available and/or be deemed necessary to protect the interests of the mortgagee (and mortgagor) from that peril. If the lender believes that the language in the mortgage contract of the mortgagor raising the issue is sufficiently broad to allow it to impose the flood insurance requirement at any time during the life of that mortgage contract, then it may wish to do so, without regard to whether or not there was a flood insurance map in effect at the time of loan origination.

Lender/servicers are advised to consider these issues and decide in advance, what response(s) it will provide its mortgagors if they present these issues.

14. Q. Once the lender/servicer's portfolio has been reviewed and determinations have been made as to which properties need flood insurance, is there anything critical that the lender (or its representative) should consider before beginning the process of mailing the initial notices to their mortgagors?

A. Yes, how the mailing will be handled and the results of that mailing. There is a strong likelihood that once the mailings begin, that a certain

percentage of the mortgagors' recipients of those notices will challenge the notices, as mentioned earlier. Some of those challenges will be directed, in one way or another, to the lender/servicer, regardless of any instructions in the notices. The lender should therefore determine at the outset whether it wants the notices to be sent all at once, or metered out so many at a time. The larger the volume, the more consideration to the metering approach that should be given.

Also, the lender needs to consider how it wants the review of its portfolio carried out. If the results of the review are provided to the lender all at the same time and the lender decides to send the notices to the mortgagors so many at a time, it may be exposing itself to additional liability. This could occur since the lender was aware of all the mortgages in its portfolio that needed flood insurance, but acted on only a certain number at a time. The lender, therefore, needs to consider having the portfolio review carried out in such a fashion that the results of each portion of that review are made available to the lender as soon as they are available from the party conducting the review, and are acted upon as soon as possible thereafter.

Addendum #4—National Flood Insurance Program Mortgage Portfolio Protection Program (MPPP) Questions and Answers

December 14, 1990.

1. Q. What is the MPPP and what is it designed to do?

A. The MPPP is a tool made available to the lending and mortgage servicing industries that provides them with the capability to write flood insurance policies quicker and easier that will assist them with their efforts to bring their portfolios into compliance with flood insurance requirements.

2. Q. Is this available to lenders for all their loans?

A. No! It may only be used in conjunction loan portfolios. It may not be used as a compliance vehicle for loan originations.

3. Q. Is the MPPP mandatory for lenders/servicers?

A. No! It is voluntary, but lenders/servicers that believe their loan portfolios may not in compliance with flood insurance requirements are strongly encouraged to use it if they believe it could be helpful.

Q. What are the benefits of the MPPP?

A. The specific benefits will vary with the category of participant as follows:

- For lenders/servicers.

- Portfolios can be brought into compliance satisfying the law and regulators.

- Reduce, limit or eliminate certain potential liability.

- Protect equity (lender/servicer, borrower).

- For WYO companies.

- Increased policy sales/fees.

- Increase lender/servicer client base.

- For insurance agents.

- Increased policy sales.

5. Q. Is it possible for WYO companies and insurance agents to benefit from the MPPP even if they don't directly participate in it?

A. Yes! Property insurance (fire and auto) is already being sold by insurance agents to many of these same borrowers because lenders require it in conjunction with home mortgages and auto loans. As a result, many agents already have established business relationships with their local lenders. These agents could alert these lenders to the availability of the MPPP and advise them as to how to proceed even if the agent was not going to directly participate.

At the same time the agent could offer to assist the lender with determining the flood zone location of the addresses of all new mortgage loan applications for that lender and ask in return, for the opportunity to write all the flood insurance policies on those properties that are determined to need it. The notices that will be sent to the borrowers will generate inquiries and sales.

6. Q. How will flood policies actually be sold under the MPPP?

A. Policies will be written through the insurance companies participating in FIA's Write Your Own (WYO) Program.

7. Q. Will all the insurance companies participating in the WYO Program be writing policies under the MPPP?

A. Any WYO company may write policies under the MPPP, but only those that traditionally have dealt with the lending industry are expected to participate in this Program. Any such company that does wish to participate must agree in writing to comply with the requirements of the MPPP.

8. Q. Will FIA maintain and publish a list of the WYO companies that participate in the MPPP?

A. Yes! Such a list will be developed and both modified and republished as needed.

9. Q. What is the first thing a lender/servicer should do if it wishes to utilize the MPPP?

A. The lender must review its loan portfolio and determine which of the properties are located in Special Flood Hazard Areas (SFHA).

10. Q. When a lender/servicer decides to utilize the MPPP, must they use the MPPP to service their portfolio all at the same time?

A. No! Lenders/servicers should carefully analyze the pros and cons of phasing in their portfolio compliance effort. (See the Q & A that FIA has developed on "Portfolio Review Considerations")

11. Q. Is use of the MPPP limited to only those properties located in SFHAs?

A. Yes!

12. Q. What will happen if a policy is written through the MPPP, but the property is not located in a SFHA?

A. The policy would be honored in the event of a claim. It would then have to be cancelled, re-written and re-rated in the normal way with any premium overpayment refunded. The effective date of the policy written in the normal way would be the same as that of the now cancelled MPPP. The loss, however, should be reported under the new policy number.

13. Q. What differences are there between a flood policy sold under the traditional flood insurance program and one under the MPPP?

A. The actual policy and coverage are the same, but there are differences primarily in the areas of:

- Rates,
- A letter notification process to the borrowers,
- The underwriting information necessary.

14. Q. What are the rate differences?

A. The rates under the MPPP are, on the average, several times those used under the traditional flood insurance program.

15. Q. Why are the MPPP rates so high?

A. Due to the fact that the borrower did not respond to the notices sent, key information necessary to underwrite the risk is not available. Therefore it is necessary to assume that those properties have a very high risk and the rates charged reflect that risk.

16. Q. Does the borrower have any option in avoiding the MPPP policy with its higher cost?

A. Yes! They can simply contact their local insurance agent, obtain a conventionally underwritten flood insurance policy and present it to their lender/servicer.

17. Q. If a borrower pays off the mortgage loan can the MPPP then be cancelled?

A. Yes, but any refund due the borrower will be paid on a pro-rata basis.

18. Q. If the borrower or lender/servicer sell or assign the mortgage to

another borrower or lender/servicer, can the MPPP policy be assigned?

A. Yes! The Standard Flood Insurance Policy language allows for the assignment of all NFIP policies. Any such assignment of an NFIP policy must be done by way of an endorsement.

19. Q. Must a WYO company participating in the MPPP maintain copies of all its MPPP documents.

A. The companies are responsible for the data on each Application Form, in keeping with its normal practices. Although some of the data beyond that required, does not have to be reported, the companies are still responsible for it. The WYO companies may use their normal business practices in determining which form they will use to retain data, forms or other required information.

20. Q. Who initiates the letter notification process required by the MPPP?

A. The letter notification process is one of the requirements of the MPPP. The FIA requires any WYO company that wishes to participate in the MPPP to agree to comply with all those requirements. However, lenders/servicers differ on how their force placed hazard insurance notices are sent to their borrowers. Some lenders insist on sending such notices directly. Others let the insurance company, with whom the force placed policies are written, send out the notices. Since the MPPP is a part of the NFIP, then any policies written through the MPPP must have been written in compliance with all of its requirements, regardless of the entity that actually sends the notices.

21. Q. Must the lender or WYO company maintain copies of the notification letters?

A. The WYO company is responsible for assuring that the letters are sent regardless of whether they or the lender actually sends them. The WYO company must maintain some form of evidence that the letters are being sent. It will be the WYO company's decision as to the form the evidence takes, such as, paper copies, micro fiche, computer images or a record of the mortgagor addresses to whom the letters were sent with an indication as to the date when those mortgagors were notified.

22. Q. What does a WYO company do if all of the information FIA requires on the DEC page won't fit on that page?

A. The company may wish to include some of that information on the DEC page and some on an "endorsement". In such a case it should indicate an endorsement number on the DEC page.

23. Q. Does a policy declarations (DEC) page have to be issued each time an MPPP policy is renewed?

A. Yes, and it must accompany the third renewal notification letter.

24. Q. When an MPPP is renewed, can the same policy number that was assigned to the original MPPP policy be used?

A. Yes!

25. Q. Will the rating credits that will be available in a community participating in the Community Rating System (CRS) apply to a policy written under the MPPP?

A. No!

26. Q. The MPPP requirements call for the full map panel number and date to be obtained. What does the WYO company do with that information since the NFIP Application Form in use today doesn't contain enough space to even capture all this information?

A. The WYO companies have never been required to use NFIP forms in the WYO program, but have been free to develop their own forms. They are, however, responsible for all required data, some of which must be reported and some of which isn't, but must be kept in the company files. The data requirements for the MPPP follow the same conditions. The full map panel number for that panel used to determine flood zone location and rate the policy is the one that must be captured and sense maintained. The majority of the maps FIA has published for many years have the ten digit number, suffix and date for each panel. Some of the maps still in use have only the six digit community number and date. The six digit community number cannot be used when the ten digit number exists. FIA will revise its Application form in the future to provide more space for this item.

27. Q. The MPPP requirements state that certain data, that is not normally reported under the WYO program, such as mailing addresses and mortgagee information will be required to be reported. Are there more specifics on how that is supposed to work?

A. How that information will have to be reported and how often, is being developed and will be provided to the WYO companies when available, and in sufficient time to allow for any necessary adjustments to their operations.

28. Q. Will the MPPP rates be affected by the rate and other changes FIA is proposing for later in FY 1991?

A. The MPPP rates themselves will most likely not be affected, but the expense constant in effect at the time a policy is written must be used and any other fee in effect, such as the proposed policy service fee, must also be applied.

29. Q. Is contents coverage under the MPPP optional?

A. Yes! The lender must decide whether or not it will require it as part of the MPPP policy.

30. Q. What is meant by the term "coverage limitations" that is mentioned in the MPPP materials?

A. Primarily ACV coverage instead of Replacement Cost coverage, when appropriate. It could also apply, however, to the situation where only an amount to cover the loan balance is purchased which may be insufficient to cover the full insurable value of the property. The WYO company will have to determine what limitations may apply depending on the decisions of the lender/servicer as to how it wants to use the MPPP and the amount of underwriting information obtained.

31. Q. The notification process contains standards for the letters being mailed and the MPPP policy being written such as 45, 30, and 15 days. Must these standards be strictly adhered to?

A. There are a number of standards similar to this in the NFIP and some limited flexibility has been built into the actual implementation process through the underwriting review process that FIA uses with the companies. FIA is preparing modifications of that review process to incorporate the MPPP criteria and will attempt to incorporate such flexibility into these changes.

32. Q. May WYO companies, under the requirements of the MPPP, use any portion of the MPPP fee they retain, for any purpose other than as a commission to an insurance agent or agency for their writing the policy, such as for flood zone determinations or the tracking of loans?

A. No!

The National Flood Insurance Program's Mortgage Portfolio Protection Program Implementation Package; Addendum #5—Receipt for Materials and Agreement to Adhere to Criteria and Requirements

The Federal Insurance Administration (FIA) has published a package of materials for implementing their Mortgage Portfolio Protection Program (MPPP) on 1/1/91. This package contains the Criteria and Requirements that the insurance companies participating in FIA's MPPP through FIA's Write Your Own (WYO) program and any lending institutions and/or mortgage servicing or similar companies must adhere to when participating in the MPPP.

The Implementation Package contains the following:

- A cover letter from the FIA Administrator to the WYO companies and other users of the MPPP.

• A Guide for WYO Companies, Lending Institutions, Mortgage Servicers and Other Potential Users.

• Addendum #1—Initial Portfolio Review Letter Notification Process.

• Addendum #2—Portfolio Review Renewal Letter Notification Process.

• Addendum #3—Portfolio Considerations Q & A.

• Addendum #4—MPPP Q & A.

• Addendum #5—"Receipt for Materials and Agreement to Adhere to Criteria and Requirements (this document).

This "Receipt and Agreement" together with the Package referenced above must be presented by any WYO company that offers the MPPP to a

lender/servicer and the lender/servicer that agrees to participate in the MPPP to assist in bringing its portfolio into compliance with flood insurance requirements must sign this "Receipt and Agreement" as evidence of having actually received the Package and agreeing to comply with the criteria and requirements contained therein.

This acknowledges that the package of implementation materials for the Federal Insurance Administration's (FIA) Mortgage Portfolio Protection Program (MPPP) has been received.

(Name of WYO company representative providing the Package)

(Name of lender/mortgage servicer's representative receiving the Package)

(Name of WYO company being represented)

(Name of lender/mortgage servicer being represented)

(Date of receipt)

(Date of receipt)

Note: WYO companies are required to keep a copy of this Receipt in their files for each lender/mortgage servicer to which they provide services under the MPPP. Lenders/mortgage servicers may wish to do the same.

WRITE YOUR OWN COMPANIES WHO HAVE AGREED TO PARTICIPATE IN THE NATIONAL FLOOD INSURANCE PROGRAM MORTGAGE PORTFOLIO PROTECTION PROGRAM

Company	Principal Coordinator
American Bankers Insurance Company of Florida, 11222 Quail Roost Drive, Miami, FL 33157	Christine M. Elwood, Director, Flood Operations, (305) 253-2244 X5321.
American Loyalty Insurance Company, 555 Offcenter Place, Gahanna, OH 43230-5813	Wayne Moultrie, Assistant Vice President, (814) 251-1497.
American Modern Home Insurance Company, 537 E. Pete Rose Way, P.O. Box 85323, Cincinnati, OH 45201.	Joseph Daniel Caskey, Vice President, (513) 721-3010 X254.
American Road Insurance Company, FMCC Building—room 2080, One American Road, Dearborn, MI 48121.	Jack Gillespie, Product Manager, (313) 322-3453.
Bankers Insurance Company, 10051 5th Street North, P.O. Box 15707, St. Petersburg, FL 33702	Kathleen Batson, Vice President, (813) 579-4000.
Bankers & Shippers Insurance Company, 3060 South Church Street, Burlington, NC 27215	Barbara Solomon Papa, Sales Manager, (919) 638-4000 x4138, (305) 431-3385.
Colonial Penn Insurance Company, Property/Casualty Accounting & Reporting, 11 Penn Center Plaza, 14th floor, Philadelphia, PA 19181.	Mary Ellen Ford, Product Manager, (215) 988-5086.
Consolidated Insurance Group, Inc. (American Centennial Insurance Co.), (Wesco Insurance Company), 1100 Carr Road, Wilmington, DE 19809.	Kathleen W. Koch, Director-FACS Center, (302) 792-5685.
Empire Fire & Marine Insurance Company, 1624 Douglas Street, Omaha, NE 68102	Richard F. Williams, President, (402) 341-0135.
First Colonial Insurance Company, 11 East Forsyth Street, Jacksonville, FL 32202	Howard D. Taylor, Vice President, (904) 359-2633.
Florida Fire & Casualty Insurance Co., 800 Corporate Drive, suite 700, Ft. Lauderdale, FL 33334	Dianne Bovender, Vice President, (305) 778-3330.
Great Pacific Insurance Company, 1250 Bayhill Drive, suite 100, San Bruno, CA 94066	Jim Wunderlich, Vice President, (415) 872-8678.
Independent Fire Insurance Company, One Independent Drive, Jacksonville, FL 32276	Key McNeill, Supervisor, Flood Administration, (904) 832-8480.
Island Insurance Company, Ltd., 1022 Bethel Street, P.O. Box 1520, Honolulu, HI 96813	Ronald K. Toguchi, Assistant Vice President, (808) 531-1311.
Minnesota Mutual Fire & Casualty, 10225 Yellow Circle Drive, Minnetonka, MN 55343	Kevin DeVann, Counsel & Assistant Sec., (612) 933-5033.
Omaha Property and Casualty Company, 3102 Fernam Street, Omaha, NE 68131	Ted Johnson, Manager Special Products, (402) 342-3328.
Pan American Insurance Company, Chardon Avenue, Corner Caesar Gonzalez, Hato Rey, PR 00918.	Raul Rosario, Assistant Supervisor, (809) 250-6500.
Patrons Mutual Insurance of Conn., 769 Habron Avenue, P.O. Box 6517, Glastonbury, CT 08033-6517.	Alden A. Ives, President, (203) 833-4878.
Redland Insurance Company, 535 West Broadway, P.O. Box 1574, Council Bluffs, IA 51502	Larry W. Palmer, Director, Flood Insurance Program, (712) 325-1545.
Regency Insurance Company, 217 E Hallandale Beach Blvd., Hallandale, FL 33009-0190	Wendy Iglesias, Underwriting Manager, (305) 456-4590.
Unison Insurance Company, #1 South Park Circle, P.O. Box 31180, Charleston, SC 29417-1180	James A. Brazil, V.P. Underwriting, (803) 571-0510.
U.S. Security Insurance Company, 3915 Biscayne Boulevard, Miami, FL 33137	Lori Scaramellino, Product Manager-Flood, (305) 576-1115 X317.

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Friday
May 1, 1992

Part VI

**Federal Emergency
Management Agency**

**Mortgage Portfolio Protection Program;
Notice**

Federal Reserve

FEDERAL EMERGENCY MANAGEMENT AGENCY

Mortgage Portfolio Protection Program

AGENCY: Federal Insurance Administration, FEMA.

ACTION: Notice.

SUMMARY: This notice updates the list of Write Your Own (WYO) companies participating in the Mortgage Portfolio Protection Program (MPPP) by republishing this list. This notice is necessary to inform the public of additional WYO companies that lending institutions, mortgage servicing companies, and others servicing mortgage loan portfolios can contact in order to secure flood insurance coverage and thereby bring their mortgage loan portfolios into compliance with the flood insurance purchase requirements of the Flood Disaster Protection Act of 1973. The intended effect of this notice is to make the public, particularly those involved in mortgage servicing activity, aware of the additional WYO companies to which they can look for assistance in meeting their statutory duty to ensure that properties in their mortgage portfolios comply with Federal law related to flood insurance.

FOR FURTHER INFORMATION CONTACT: H. Joseph Coughlin, Jr., Federal Emergency Management Agency, Federal Insurance Administration, 500 C Street SW., Washington, DC 20472, (202) 646-2780.

SUPPLEMENTARY INFORMATION: On March 1, 1991, the Federal Insurance Administration (FIA), the Directorate within the Federal Emergency Management Agency (FEMA) responsible for the administration of the National Flood Insurance Program (NFIP), published in the Federal Register (56 FR 8882-8891, March 1, 1991) a notice describing the new Mortgage Portfolio Protection Program (MPPP). The Write Your Own (WYO) companies which had agreed to participate in the NFIP MPPP at that time were listed on page 8883 and, in appendix A to the notice, again listed, along with their Principal Coordinators, on page 8891.

Since the MPPP was first implemented, a number of additional companies participate in the program, some companies have dropped out of the program, and other changes have been made in some company addresses or Principal Coordinator. Therefore, the list of companies shown on page 8883 is republished, as follows:

American Bankers Insurance Company, Miami, FL
 American Loyalty Insurance Company, Gahanna, OH

American Modern Home Group, Cincinnati, OH
 American Sterling Insurance Company, El Toro, CA
 Bankers Insurance Company, St. Petersburg, FL
 Bankers & Shippers Insurance Company, Orlando, FL
 Capital Assurance Company, Inc., Miami, FL
 Colonial Penn Insurance Company, Tampa, FL
 Consolidated International Group (American Centennial/Wesco Insurance Company), Houston, TX
 First Insurance Company of Hawaii, LTD., Honolulu, HI
 Great Pacific Insurance Company, San Bruno, CA
 Independent Fire Insurance Company, Jacksonville, FL
 Integrand Assurance Company, Caparra, PR
 Island Insurance Company, LTD, Honolulu, HI
 Minnehoma Insurance Company, Snohomish, WA
 Minnesota Mutual Fire & Casualty, Minnetonka, MN
 Omaha Property & Casualty Company, Omaha, NE
 Praico Insurance Group, Pan American Insurance Company, Hato Rey, PR
 Progressive Insurance Group, Rancho Cordova, CA
 Redland Insurance Company, Council Bluffs, IA
 Standard Guaranty Insurance Company, Atlanta, GA
 Transamerican Premier Insurance Company, Orange, CA
 Union American Insurance Company, Coral Gables, FL
 Unisun Insurance Company, Charleston, SC
 U.S. Security Insurance Company, Miami, FL

The list of companies, along with their Principal Coordinators, shown on page 8891 is republished, as follows:

Write your own companies which have agreed to participate in the National Flood Insurance Program Mortgage Portfolio Protection Program (MPPP) and are actively offering MPPP services and policies.

Company	Principal coordinator
American Bankers Insurance Company, 11222 Quail Roost Drive, Miami, FL 33157.	Kathi Wiles (305) 253-2244, extension 5217.
American Loyalty Insurance Company, 555 Offcenter Place, Gahanna, OH 43230.	Wayne Moultrie (614) 478-1497.
American Modern Home Group, 537 East Pete Rose Way, P.O. Box 85323, Cincinnati, OH 45201.	Joseph Daniel Caskey (513) 721-3010, extension 254.
American Sterling Insurance Company, 22481 Aspan Street, El Toro, CA 92630.	Mark A. Lawrence (317) 262-6091.
Bankers Insurance Company, 10051 5th Street, North, P.O. Box 15707, St. Petersburg, FL 33702.	Kathleen M. Batson (813) 579-4000, extension 5312.

Company	Principal coordinator
Bankers & Shippers Insurance Company, 1000 Legion Place, Orlando, FL 32801.	Cynthia DiVincenzi (800) 451-5426.
Capital Assurance Company, Inc., 8600 Northwest 36th Street, P.O. Box 025276, Miami, FL 33166.	Norman Hennch (305) 599-7414.
Colonial Penn Insurance Company, 4002 Eisenhower Boulevard, Tampa, FL 33634-9990.	Gary Wedd (813) 886-4444.
Consolidated International Group (American Centennial/Wesco Insurance Company), 6200 Savoy Drive, suite 1100, Houston, TX 77306-3315.	Joan Wilson (800) 283-8999.
First Insurance Company of Hawaii, LTD., 1100 Ward Avenue, P.O. Box 2866, Honolulu, HI 96814.	Norman Camara (808) 527-7495.
Great Pacific Insurance Company, 1250 Bayhill Drive, suite 100, San Bruno, CA 94066.	David Brody (415) 872-8676.
Independent Fire Insurance Company, One independent Drive, Jacksonville, FL 32276-0001.	Kay M. Cummings (904) 632-8480.
Integrand Assurance Company, Roosevelt Avenue & Ensensada Street, Caparra, PR 00920.	Victor J. Saigado, Jr. (809) 781-0707.
Island Insurance Company, Ltd., 1022 Bethel Street, P.O. Box 1520, Honolulu, HI 96813.	Ronald K. Toguchi (808) 545-8162.
Minnehoma Insurance Company, 1629 Lakemount Drive, Snohomish, WA 98290.	Richard E. Pedack (206) 568-0555.
Minnesota Mutual Fire & Casualty, 10225 Yellow Circle Drive, Minnetonka, MN 55343.	Mark Gorman (612) 933-5033.
Omaha Property & Casualty Company, 3102 Farnam Street, Omaha, NE 68131.	Ted Johnson (402) 342-3326.
Praico Insurance Group, Pan American Insurance Company, Praico Building, Chardon Avenue and Corner, Gonzales Street, Hato Rey, PR 00918.	Raul Rosano (809) 250-5256.
Progressive Insurance Group, 11010 White Rock Road, Rancho Cordova, CA 95670.	MaryAnn Rohrbach (916) 638-5212, extension 2220.
Redland Insurance Company, 535 West Broadway, P.O. Box 229, Council Bluffs, IA 51502-0229.	Larry W. Palmer (712) 325-1545.
Standard Guaranty Insurance Company, 3290 Northside Parkway, Atlanta, GA 30302.	Mark Chapman (404) 264-8973.
Transamerican Premier Insurance Company, 333 South Anita Drive, Orange, CA 92668.	John Durham (714) 937-2600, extension 2618.
Union American Insurance Company, 3830 West Flagler Street, Coral Gables, FL 33134.	Tony Medina (305) 445-0045.
Unisun Insurance Company, One South Park Circle, Charleston, SC 29407.	James A. Brazill (803) 571-0510.
U. S. Security Insurance Company, 3915 Biscayne Boulevard, Miami, FL 33137.	Lori Scaramellino (305) 578-1115, extension 317.

Dated: April 13, 1992.

C. M. "Bud" Schauerte,
 Administrator, Federal Insurance Administration.

[FR Doc. 92-10225 Filed 4-30-92; 8:45 am]

BILLING CODE 6718-05-M

NFIP/WYO NEW BUSINESS

PROCEDURES FOR LOAN SERVICING

1. SUSPENSE APPLICATION FOR 30-60 DAYS FOR RECEIPT OF POLICY DECLARATIONS PAGE.

2. IF POLICY DECLARATIONS NOT RECEIVED; CONTACT INSURANCE AGENT LISTED ON APPLICATION.
 - A. ALL COPIES OF NEW BUSINESS POLICIES ARE SENT TO THE INSURANCE AGENT. (May vary for some WYO companies.)
 - B. ALL ERROR NOTICES ARE SENT ONLY TO THE INSURANCE AGENT OF RECORD.

3. IF AGENT SAYS THAT THEY POLICY HAS BEEN ISSUED :
 - A. REQUEST COPY OF THE DECLARATIONS FROM AGENT OR
 - B. REQUEST A COPY DIRECTLY FROM THE COMPANY.

NOTE: NFIP WILL ONLY SEND COPIES TO THE INSURANCE AGENT, SO BE SURE TO NOTIFY THE AGENT THAT THE COPY IS FOR YOUR BANK.

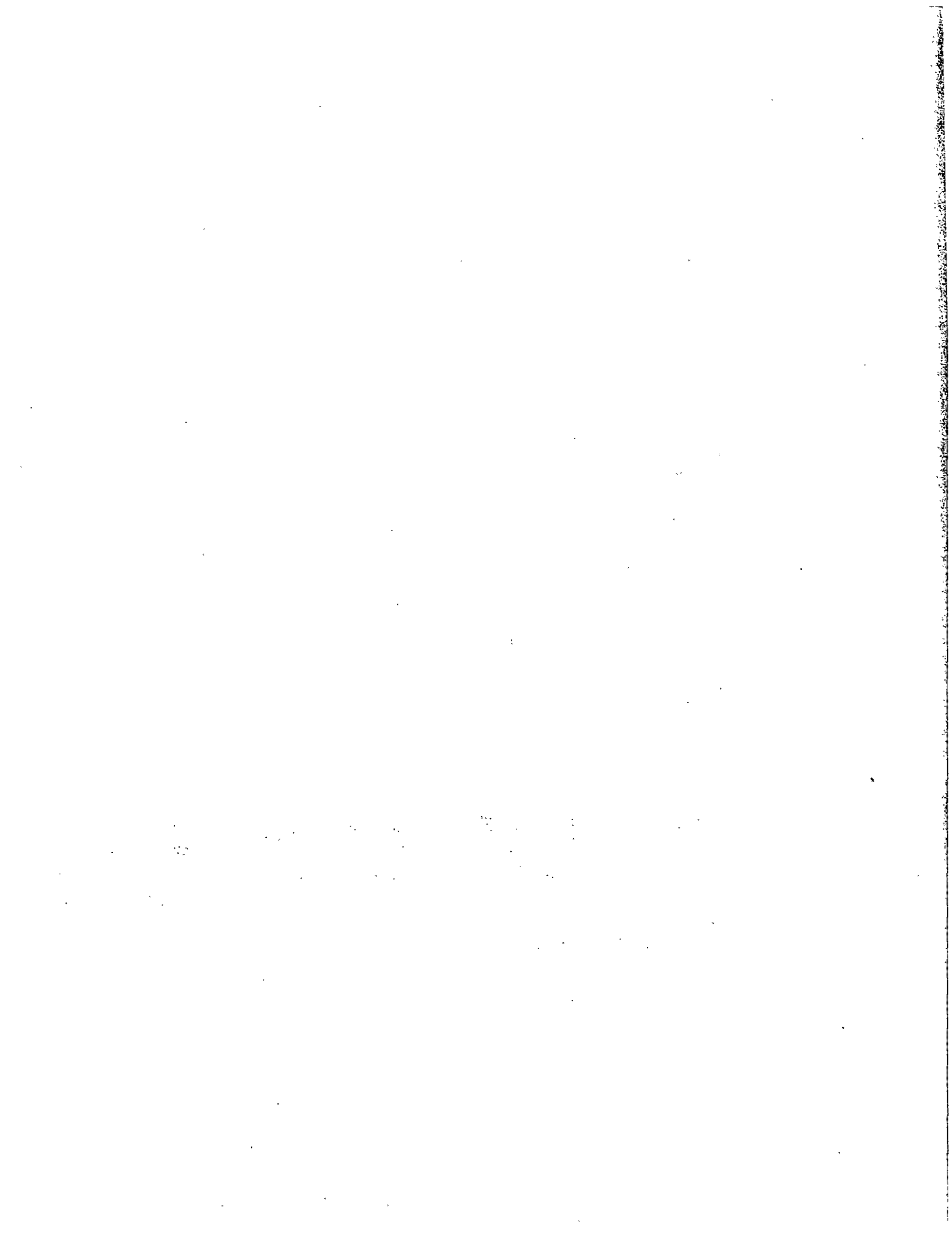
4. PREMIUM MUST BE RECEIVED BY THE COMPANY WITHIN 10 DAYS OF THE DATE ON THE BOTTOM OF THE APPLICATION IN ORDER TO BECOME EFFECTIVE ON THE DATE OF CLOSING. TIMELY ISSUANCE OF THE CHECK AFTER CLOSING IS VITAL.

5. CLOSERS CAN ACCEPT A COPY OF THE APPLICATION AND PROOF OF PAYMENT OR A COPY OF AN EXISTING POLICY BEING ASSUMED WITH A COMPLETED ENDORSEMENT FORM, SHOWING YOUR BANK, BORROWER AND THE REQUIRED AMOUNT OF INSURANCE.

NFIP/WYO RENEWAL PROCEDURES

FOR LOAN SERVICERS

1. RENEWAL BILLS ARE PRODUCED 45 DAYS PRIOR TO THE RENEWAL EFFECTIVE DATE.
2. COPIES OF THE RENEWAL BILL IS SENT TO THE POLICIYHOLDER, BUT ARE MARKED "THIS IS NOT A BILL".
3. AGENTS MAY RECEIVE INDIVIDUAL COPIES OR A MONTHLY RENEWAL LISTING.
4. CUT ONE CHECK FOR EACH SEPARATE COMPANY. WITH NFIP IT IS BEST TO CUT ONE CHECK FOR EACH POLICY. THIS MAY ALSO BE TRUE FOR SOME WYO COMPANIES.
5. IF YOU DO NOT RECEIVE A RENEWAL BILL, CONTACT THE INSURANCE AGENT LISTED ON THE DECLARATIONS PAGE. THEY CAN COMPLETE A RENEWAL APPLICATION TO BE FORWARDED WITH YOUR RENEWAL PREMIUM CHECK.
6. RENEWAL DECLARATIONS ARE NOT PRODUCED UNTIL PREMIUM PAYMENT IS RECEIVED.
7. RENEWAL PREMIUMS MUST BE RECEIVED **NO LATER THAN** THE 30TH DAY AFTER THE RENEWAL DATE FOR NO LAPSE IN COVERAGE.
8. PREMIUMS RECEIVED 31-90 DAYS AFTER THE RENEWAL DATE WILL HAVE A LAPSE IN COVERAGE EQUAL TO THE DATE OF RECEIPT OF PREMIUM PLUS FIVE (5) DAYS.



HOW THE NFIP WORKS

Emergency Program of the NFIP

1. Community applies for participation in the NFIP either (a) as a result of interest in eligibility for flood insurance, or (b) as a result of receiving notification from FEMA that it contains one or more SFHAs. Application includes adopted resolutions or ordinances to minimally regulate new construction in SFHAs.

2. FEMA authorizes the sale of flood insurance in the community up to the Emergency Program limits. FEMA assesses the community's degree of flood risk and development potential, and if appropriate...

3. arranges for a study of the community to determine base flood elevations and flood risk zones. Consultation with the community occurs at the start of and during the study. Communities with minimal or no flood risk are converted to the Regular Program without a study (below).

4. FEMA provides the studied community with Flood Insurance Rate Map delineating base flood elevations and flood risk zones. Community is given 6 months to adopt base flood elevations in its local zoning and building code ordinances, and to meet other requirements.

5. Community adopts more stringent ordinances and FEMA converts the community to the NFIP's Regular Program (below).

Emergency Program Flood Insurance Coverages

Buildings	
Single Family Dwelling	\$ 35,000
Other Residential	100,000
Non-residential	100,000
Small Business	100,000
Contents	
Residential	\$ 10,000
Non-residential	100,000
Small Business	100,000

Regular Program of the NFIP

1. FEMA authorizes the sale of additional flood insurance in the community up to the Regular Program limits.

2. Community implements adopted floodplain management measures.

3. FEMA arranges for periodic community assistance visits with local officials to provide technical assistance regarding complying with NFIP floodplain management requirements.

4. Local officials may request flood map updates as needed. FEMA evaluates requests, encourages cost-sharing, and issues revised maps as priorities dictate.

Notes: The purchase of flood insurance is mandatory as a condition of receipt of federal or federally-related financial assistance for acquisition and/or construction of buildings in SFHAs of any participating community. Those communities notified as flood-prone which do not apply for participation in the NFIP within 1 year of notification are ineligible for federal or federally-related financial assistance for acquisition, construction, or reconstruction of insurable buildings in the SFHA. Conventional loans are available in the SFHA of nonparticipating communities for these purposes at the lender's risk.

NFIP: National Flood Insurance Program

SFHA: Special Flood Hazard Area

FEMA: Federal Emergency Management Agency

Regular Program Flood Insurance Coverages

	Additional Amounts	Maximum Available
Buildings		
Single Family Dwelling.....	\$ 145,000	\$ 185,000
Other Residential	135,000	250,000
Non-residential	85,000	200,000
Small Business	135,000	250,000
Contents		
Residential	\$ 45,000	\$ 60,000
Non-residential	85,000	200,000
Small Business	185,000	300,000

FEMA REGION VI -

817-898-5127
Federal Center,
Nth Division

900 N. Loop 298
Denton, TX 76201-3698

CSC - Computer Science Corporation - Private
Company with contract with Fed. Govn - FEMA
to oversee NFIP.

Private Companies contract with Fed. Govn. each Oct 1st

- Private Companies keep 30% of premiums for overhead
- 70% of premiums go into account to pay claims.
- no taxpayer money in program.
- law requires that all funding comes from premiums.

when a community applies to enter NFIP, FEMA
puts them in Emergency Insurance Program status
while ~~the~~ FEMA studies the community and
establishes BFE for the 100 yr. floodplains, and prints
a FIRM

40% of claims are to people who
aren't in floodplains.

After FIRM has been printed and accepted by city,
city must pass Floodplain Management Regulations. ~~After~~
codes are adopted, then community enters Regular Program
Conversion.

Elevation Certificate is optional on ~~PRE~~-FIRM STRUCTURES
" " is required on POST-FIRM "

LOMA - Letter of map amendment } If land is above BFE
LOMR - " " " revision }
CLOMA - conditional letter of map amendment / CLOMR - conditional letter
of map revision