

## The Grandfather Rules



Are you aware of the NFIP's "Grandfather Rule"? When flood map changes occur, the National Flood Insurance Program (NFIP) provides a lower-cost flood insurance option known as "grandfathering", which is available for property owners who:

- Have a flood insurance policy in effect when the new flood map becomes effective and then maintain continuous coverage, or
- Have built in compliance with the Flood Insurance Rate Map (FIRM) in effect at the time of construction

The results of grandfathering can provide cost savings to a property owner when the new map takes effect. The NFIP provides a more complete description of the conditions that must be met in order to qualify for a "grandfathered" policy at: <http://www.fema.gov/library/viewRecord.do?id=3745>.

Let us do the research for you – LPS National Flood's Grandfathered Determination product can assist you in gathering historical evidence of prior, lower risk zones for properties. Contact us to learn more: **(800) 833-6347 option 4** or [floodinfo@lpsvcs.com](mailto:floodinfo@lpsvcs.com).

## Fast Track for LOMAs

In the Spring 2009 edition of this newsletter we told you that LPS National Flood and other qualified members of the National Flood Determination Association received approval to access FEMA's eLOMA tool. A Letter of Map Amendment (LOMA) is an official amendment, by letter, to an effective NFIP map establishing a property's location in relation to the Special Flood Hazard Area (SFHA). A LOMA is usually issued because a property is inadvertently shown on the flood map as being located in the floodplain, but is actually on natural high ground above the base flood elevation. The issuance of

the LOMA can result in a revision to the mandatory purchase of flood insurance requirement.

eLOMA provides an electronic means for licensed land surveyors, professional engineers, and now LPS National Flood, to submit LOMA applications and receive an online determination in minutes from FEMA, in most cases. Previously, the LOMA process would take an average of 60 days. We are pleased to handle the greatly streamlined eLOMA process for our clients. For more information, feel free to contact us at **(800) 833-6347, Option 2**.



NATIONAL FLOOD  
A LENDER PROCESSING SERVICES COMPANY

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## Regulators Release New and Proposed Q&A

This summer, the six Federal Financial Regulatory Agencies published revised Interagency Questions & Answers Regarding Flood Insurance that will become effective on September 21, 2009. The document consists of 77 questions ranging from basic to complex aspects of the federal flood program and provides guidance to financial institutions to help them meet their compliance responsibilities related to flood insurance regulations. Federally regulated lenders are actively reviewing, and in some cases enhancing, their internal processes in order to be able to meet revised requirements before the end of September.

The Agencies have also proposed five new questions for inclusion in the next revision of the Q&A document and are soliciting public comment through September 21, 2009. Lenders and other stakeholders are encouraged to submit their comments, as the Agencies take feedback very seriously and constructively and appreciate all remarks and suggestions for helping financial institutions meet their responsibilities under Federal flood insurance legislation and to increase public understanding of the flood insurance regulations.

The proposed questions are listed below, numbered according to their intended placement in the next revised document. For more detail about the Interagency Questions & Answers and for information about how to submit comments, visit <http://www.fdic.gov/news/news/press/2009/pr09127a.pdf>.

### Proposed Interagency Questions About Flood Insurance:

9. **What is insurable value?**
10. **Are there any alternatives to the definition of insurable value?**
60. **Can the 45-day notice period be accelerated by sending notice to the borrower prior to the actual date of expiration of flood insurance coverage?**
61. **Is a reasonable period of time allowed after the end of the 45-day notice period for a lender or its servicer to implement force placement?**
62. **Does a lender or its servicer have the authority to charge a borrower for the cost of insurance coverage during the 45-day notice period?**

### “Major” Upcoming Flood Map Revisions

Date	County	State
9/11/2009	Miami-Dade	FL
9/11/2009	Nassau	NY
9/25/2009	Tarrant	TX
9/25/2009	Suffolk	NY
9/25/2009	Orange	FL
9/25/2009	Salt Lake	UT
9/25/2009	Monmouth	NJ
12/3/2009	Orange	CA
12/18/2009	Oklahoma	OK
1/6/2010	Buncombe	NC
1/20/2010	Ventura	CA
1/20/2010	Gloucester	NJ
2/3/2010	Lake	OH
2/3/2010	Washington	MN

For a full list of FEMA Map Revisions go to: [www.lpsnationalflood.com](http://www.lpsnationalflood.com)

## Empower: The Complete Loan Origination System Package

**LPS Empower** is a state-of-the-art, enterprise-wide LOS that provides the tools to complete point-of-sale, underwriting, closing, funding, post closing and more.

**LPS Empower** offers functionality for every facet of the origination process, including consumer, retail and wholesale point-of-sale channels; FHA, VA and Conventional product support; funding and auditing; product and pricing; electronic document and imaging; and industry-standard interfaces. No other LOS can support your origination strategies as well as LPS.

**Point of Sale:** **Empower** is fully compliant with government regulations and provides direct access and integration to the services you need at the point of sale. **Empower** provides real-time data integration from the back-end system to stand-alone environments or an entire branch-banking environment.

**Origination/Processing:** Loan origination process details such as: day-one documents; verification tracking; pre-underwriting and FHA/VA worksheet and issue tracking, are all supported by **Empower**.

**Underwriting:** As government regulations and internal policies grow more complex, **Empower** provides the assurance that you possess the tools to comply with the required guidelines.

**Closing:** **Empower** has the functionality to complete all the steps for closing and to create all required documentation and distribution and HUD calculation and validation. Further easing the closing process, **Empower** is integrated with several leading document providers and feeds loan information directly to MSP or other servicing systems.

**Funding:** **Empower** provides the functionality to calculate, track and un-fund disbursements, disburse checks, wires and adjustments.

**Post Closing:** While post closing can be a function of origination or servicing, **Empower** includes complete functionality to ensure all origination needs are met. By tracking all post closing steps within **Empower**, originators can ensure the complete loan package is delivered to the investor.

### Three Delivery Methods to Fit Your Needs

To ensure the optimal time to market based on your business needs, **Empower** is available in three different delivery models. As business needs change, originators can migrate between the three methods.

**Empower Express** is an out-of-the-box LOS that supports the entire origination process. By standardizing the business rules and screens, **Empower Express** can be implemented in 90 days or less. **Empower Express Plus** offers the complete functionality of **Empower Express** with the additional ability to configure business rules and processes.

**Empower End-to-End** offers a completely customizable and configurable system. End-to-End includes all the functionality of **Empower Express Plus** and is designed for lenders that want complete flexibility to tailor all aspects of the LOS.

For more information on **Empower** please go to: <http://www.lpsvcs.com/OriginationSolutions/TechnologySolutions/Empower>

