

FLOOD OBSERVER

NFIP Extension Addresses the Nation's Need for Ongoing Flood Support

On December 20, 2019, the National Flood Insurance Program (NFIP) was reauthorized and extended to September 30, 2020. According to the Federal Emergency Management Agency (FEMA) website, FEMA and Congress have never failed to honor the flood insurance contracts in place with NFIP policyholders. Should the NFIP's authorization lapse, FEMA would still have authority to ensure the payment of valid claims with available funds. However, FEMA would stop selling and renewing policies for millions of properties in communities across the nation. Nationwide, the National Association of Realtors estimates that a lapse might impact approximately 40,000 home sale closings per month.

The NFIP is intended to reduce future flood damage through flood plain management ordinances and to protect property owners against potential losses through federally backed insurance. Flood insurance —whether purchased from the NFIP or private carriers — is the best way for homeowners, renters, business and communities to protect themselves from financial losses due to floods.

NFIP reauthorization presents Congress with an opportunity to take bold steps toward simplifying the program and strengthening its financial framework so that it can continue helping individuals and communities take the critical step of securing flood insurance. One of those steps, Risk Rating 2.0, has been delayed by one year, to October 1, 2021. Its main goals are to create a better understanding of risk, provide a more comprehensive and understandable rate program, and create a more favorable environment for insurance agents to generate a quote. The new rating system will utilize the following:

-  **Distance to the coast or flooding source**
-  **Different types of flood risk**
-  **Actual rebuilding costs (aiming to assist owners of lower-value homes)**

The level of damage from recent catastrophic storms makes it clear that FEMA needs a holistic plan to prepare the nation for managing costs associated with catastrophic flooding under the NFIP. For more information, visit www.FEMA.gov.

The current version of the Standard Flood Hazard Determination Form (SFHDF) has an expiration date of October 31, 2018, and the revised version is pending approval. The FEMA webpage will be updated with the revised version of the SFHDF once approved. The current version of the SFHDF is extended until further notice. For more information, visit: <https://www.fema.gov/media-library/assets/documents/225>.

FZD: When Do You Need to Renew or Recertify?

The guidelines surrounding the issuance of a Flood Zone Determination (FZD) indicate that a triggering event requires the lender to order a new FZD if the previous determination is more than seven years old. A triggering event is when a lender makes, increases, renews or extends credit secured by an interest in real estate. Examples include a new loan secured by an interest in improved real estate, a second mortgage or a loan modification that increases the amount of the loan, or extends or renews the terms of the original loan.

ServiceLink Flood offers recertifications for those instances when the original note is changed but not replaced, provided the original FZD is a ServiceLink Flood Life of Loan determination on the standard FEMA form. ServiceLink also offers a second mortgage product for instances when an additional flood certificate is required in addition to the original determination (i.e. second mortgage). For more information, please contact the Account Management team at flood@svclnk.com.



Life of Loan Tracking Helps Keep Documentation Up to Date

ServiceLink Flood provides a guaranteed Flood Zone Determination (FZD) that includes the FEMA flood map and community participation status information required by federal regulations: the amended National Flood Insurance Act of 1968, the amended Flood Disaster Protection Act of 1973, the National Flood Insurance Reform Acts of 1994 and 2004, the Biggert-Waters Flood Insurance Reform Act of 2012 and the Homeowner Flood Insurance Affordability Act of 2014.

Life of Loan (LOL) tracking means ServiceLink Flood will track the order for future FEMA map revisions and community participation status changes until tracking is cancelled by the current servicer. FEMA issues new maps twice a month, and on average 1,000-2,000 map panels are revised per month. On an annual basis, 10-20 percent of all LOL determinations tracked by ServiceLink Flood are affected by a FEMA map revision. Of those revised determinations, 1-3 percent have an insurance change where the structure is moved in or moved out of a Special Flood Hazard Area.

The client is responsible for notifying ServiceLink Flood if the loan is paid off, declined or cancelled. To facilitate portfolio maintenance, ServiceLink Flood offers weekly, monthly or quarterly reports on our website or delivered via an automated email subscription. **To conduct an audit or check current contact information, please contact the Life of Loan Department at lol servicing@svclnk.com**



Join Us in Baltimore for the 2020 National Flood Conference

The 2020 National Flood Conference will be held May 31-June 3 at the Hilton Baltimore Inner Harbor — a new location near Baltimore/Washington International Thurgood Marshall Airport with plenty of restaurant and entertainment choices. Hosted by the American Property Casualty Insurance Association and Reinsurance Association of America, this annual conference brings together flood insurance professionals and stakeholders, including insurance companies, lenders, FZD provider companies and FEMA employees.

This year's conference will include panel discussions, workshops, networking opportunities and Q&A discussions related to the National Flood Insurance Program. (Past classes have included "Federal Disaster Assistance: How to Navigate the Flood Waters," "Communicating the Effects of Map Changes" and "Flood Insurance 101: Understanding Today's NFIP.") It's a great opportunity to expand your flood knowledge and network with vendors and other contacts.

The ServiceLink Flood team is available for meetings, or please visit us at our booth in the exhibit hall. For more information regarding the conference visit <https://apciaevents.cventevents.com/events/national-flood-conference/registration-d4ca926279934f6493c75a4ee42dc4ed.aspx?4W.M3.d4ca9262-7993-4f64-93c7-5a4ee42dc4ed=&fq=true>.

Refresh Your Knowledge: Notice to Borrower

A Notice to Borrower informs the borrower that the property securing a mortgage loan is located in a special flood hazard area and requires a specified amount of flood insurance before the lender can close the loan. ServiceLink Flood offers four Notice to Borrower options:

- ▶ Provide the Notice to Borrower only when insurance is required
- ▶ Always provide the Notice
- ▶ Never provide the Notice (lender has its own version available)
- ▶ Provide a custom Notice (provided by the lender)

A Notice to Borrower is required when increasing, extending or renewing a loan that requires flood insurance. It is required whether or not flood insurance is available, but not required when flood insurance is not required. The Notice must be provided within a “reasonable time” before the completion of the loan, replacing the previous requirement of 10 days prior to loan closing.

The Notice to Borrower must include the following:

1. A warning, in a form approved by the FEMA administrator, that the building or mobile home is or will be located in a special flood hazard area
2. A description of the flood insurance purchase requirements set forth in section 102(b) of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4012a(b))
3. A statement, where applicable, that flood insurance coverage is available from private insurance companies that issue standard flood insurance policies directly from, or on behalf of, the NFIP
4. A statement that flood insurance providing the same level of coverage as a standard flood insurance policy under the NFIP may also be available from a private insurance company that issues policies on behalf of itself
5. A statement that the borrower is encouraged to compare the flood insurance coverage, deductibles, exclusions, conditions and premiums associated with flood insurance policies issued on behalf of the NFIP, and policies issued on behalf of private insurance companies, and that the borrower should direct inquiries regarding the availability, cost and comparisons of flood insurance coverage to an insurance agent
6. A statement whether federal disaster relief assistance may be available in the event of damage to the building or mobile home caused by flooding in a federally declared disaster

FEMA Releases February 2020 Flood Map Revisions

ServiceLink’s FEMA Map Revision list is provided as a courtesy and compiled directly from the FEMA website. Our Life of Loan Department has completed several hundred thousand map revision determinations so far this year. The below list represents the upcoming FEMA flood map revisions scheduled for February 2020.

For a complete list of future FEMA flood map revisions for 2020, visit the “Resources” tab at www.ServiceLinkNationalFlood.com. For more information regarding your portfolio, please contact our Life of Loan department by emailing LOLServicing@svclnk.com or by calling customer service at 800.833.6347, option 2.

Effective Date	County	State
2/1/2020	Polk County	IA
	Multnomah County	OR
	Valley County	ID
	Racine County	WI
	Taylor County	FL
	Garrett County	MD
	Grant County	WV
2/15/2020	Wayne County	PA
	Will County	IL
	Monroe County	MS
	Itawamba County	MS
	Barton County	KS
	Ste. Genevieve	MO
	Yavapai County	AZ
	Kankakee County	IL

Contact ServiceLink Flood for More Information

500 E Border St. 3rd Floor
Arlington, Texas 76010

Lender Customer:
800.833.6347

Insurance Customer:
877.436.8353

Hours of Operation
Monday-Friday,
7:00 a.m.-9:00 p.m. Central

Customer Service
Press 2 at voice prompt
Flood@svclnk.com

Technical Support
Press 3 at voice prompt
FloodSupport@svclnk.com

Product Information
Press 4 at voice prompt
FloodInfo@svclnk.com

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