



## ...or Can It?

Floods can happen anytime, anywhere. When a flood strikes, the joy of home ownership turns to heartache.

### **There should be a law!**

The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 2004 (FIRA) help protect you from financial losses caused by flooding.

Backed by the U.S. Government, Federal flood insurance is available in more than 22,000 communities throughout the United States.

For more information about the NFIP and flood insurance, call  
**1-800-427-4661**  
or contact your  
insurance company or agent.

For an agent referral, call  
**1-888-435-6637**

[www.fema.gov/national-flood-insurance-program](http://www.fema.gov/national-flood-insurance-program)  
[www.floodsmart.gov](http://www.floodsmart.gov)



*National Flood Insurance Program*  
**Nothing Can  
Dampen the  
Joy of Home  
Ownership...**



**FEMA**

## Financial Protection and Peace of Mind

NFIP flood insurance protects your most important investments – your home or business and its contents. The insurance is considerably less expensive than Federal disaster loans and is 100 percent backed by the U.S. Government.

### Flood Insurance Helps Put You in Control

Flood insurance provides coverage that most homeowners policies don't – coverage for damage to buildings and contents from flooding, flood-related erosion, and flood-caused mudslides.

Coverage from the NFIP is an asset to you as a home or business owner. For a modest annual premium, you can have peace of mind that you will be covered for your eligible losses.

The average annual premium for flood insurance is around \$600 per year. Compared to disaster loan payments, that with interest can amount to more than \$300 per month!

All taxpayers benefit when those in flood-prone areas buy flood insurance. As floods occur, the insurance mechanism – instead of U.S. Treasury funds allocated for Federal disaster assistance – pays for covered losses.

### How Much Flood Insurance Should You Buy?

For federally secured financing in a Special Flood Hazard Area (SFHA), the law requires flood insurance in an amount equal to the outstanding principal balance of the loan, the value of the building, or the maximum coverage available, whichever is less. It also requires flood insurance to be maintained for the life of the loan.

While the law requires coverage only for the loan balance, you should consider protecting your equity. Primary residences and businesses should be insured to fully protect your building and its contents in case of a flood.

The NFIP provides up to \$250,000 coverage for single-family residential buildings and up to \$100,000 coverage for contents. Other residential and commercial property owners can also obtain flood insurance.



### Flood Insurance May Be Required by Law

You must have flood insurance to receive federally secured financing to buy, construct, or improve a building in a high-risk area known as a Special Flood Hazard Area (SFHA), where more than 75 percent of all flood claims are paid. Lending institutions that are federally regulated or insured must determine if the building is in an SFHA. If it is, the lender must require flood insurance on the following:

- FHA Loans;
- VA Loans;
- Second Mortgages;
- Home Equity Loans;
- Home Improvement Loans;
- Construction Loans;
- Commercial Loans; and
- Farm Credit Loans.