

National Flood Insurance Program

Maine Association of Realtors
Lunch & Learn
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AGENDA

- Overview of the National Flood Insurance Program (NFIP)
- Upcoming Flood Insurance Rate Map changes in southern Maine
- Resources for Real Estate Agents
- Review legislation and status of LD2035 “An Act Regarding Disclosure of Flood Risk by Sellers of Real Estate”
- Q & A

Why was the NFIP created by Congress in 1968?

- (1) To reduce the risk to improved property and loss of life during flood events.
- (2) To reduce the amount of disaster assistance paid out after flooding events.
- (3) To make flood insurance available to those at risk, and
- (4) To require development standards for building/improving in flood prone areas in order to break the cycle of having repeat flood damages.

NFIP Overview

- **Flood Insurance Rate Maps**
 - FEMA maps 1% annual chance
 - Zone A and V
 - Foundation for local permitting
- **Regulations**
 - Via local ordinance adoption (land use)
 - Minimum standards for floodplain development
- **Flood Insurance**
 - Federally backed
 - Can be purchased in participating communities
 - It can be found in private market...likely expensive!



NFIP Goal: Break the Cycle



Local Regulations

- **NFIP underwrites flood insurance in communities that adopt and enforce compliant flood regulations**
- **Regulations ensure buildings and other development will be protected from flood levels shown on the Flood Insurance Rate Map (FIRM) 1% annual chance**
- **Over time exposure to hazard should be reduced as Pre-FIRM replaced w/ Post-FIRM and substantially improved structures**

Flood Mapping

- FEMA has developed and mapped flood hazard data for most communities.
- Flood maps are used as the basis for regulating development in flood prone areas.
- Insurance agents **no longer** use them to rate policies.
- Lenders/federal agencies use them to determine when flood insurance is mandatory as a loan condition or financial assistance.

Flood Map Update

- Cumberland County maps went effective on June 20th.
- York County went effective on July 17th.
- List of effective DFIRMs



Using the FEMA Community Status book






- Google “FEMA Community Status Book”
- Find Maine

Community Status Book Report Federal Emergency Management Agency MAINE Communities Participating in the National Flood Prog							
CID	Community Name	County	Init FHBM Identified	Init FIRM Identified	Curr Eff Map Date	Reg-Emer Date	Tribal
230406#	ABBOT, TOWN OF	PISCATAQUIS COUNTY	02/14/75	09/15/78	09/30/93	09/15/78	No
230190#	ACTON, TOWN OF	YORK COUNTY	02/21/75	06/05/85	06/05/85	06/05/85	No
230688#	ADAMSTOWN T04 R02 WBKP, TOWNSHIP OF	OXFORD COUNTY		07/07/09	(NSFHA)	04/30/84	No
230132A	ADDISON, TOWN OF	WASHINGTON COUNTY	10/18/74	07/16/91	07/18/17	07/16/91	No

Two Online Mapping Resources Available to All

- Maine Floodplain Management Program's Flood Hazard Map Application
<http://www.maine.gov/dacf/flood/mapping.shtml>

- FEMA's Map Service Center
<https://msc.fema.gov/portal>
- Acronyms/List of DFIRMs

-  Enacted_4.2.24.pdf
-  FEMA NFHL Viewer 2023.docx
-  FIRMette Instructions 2023.docx
-  Maine Flood Mapper Instructions 2023.docx
-  Navigating the MSC 2023.docx

Maine Flood Hazard Mapper

<http://www.maine.gov/dacf/flood/mapping.shtml>



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Mapping Resources

Floodplain Maps Online

- View the Maine Flood Hazard Map application. This interactive web map contains the following flood hazard layers:
 - National Flood Hazard Layers (NFHL). This layer contains the most current digital FIRM maps accepted and approved by FEMA.
 - Q3 Flood Maps: This is a layer of digitized flood zones from the old, approximate data. It should be used with confirmation from the official, printed FIRM maps.

FEATURED LINKS

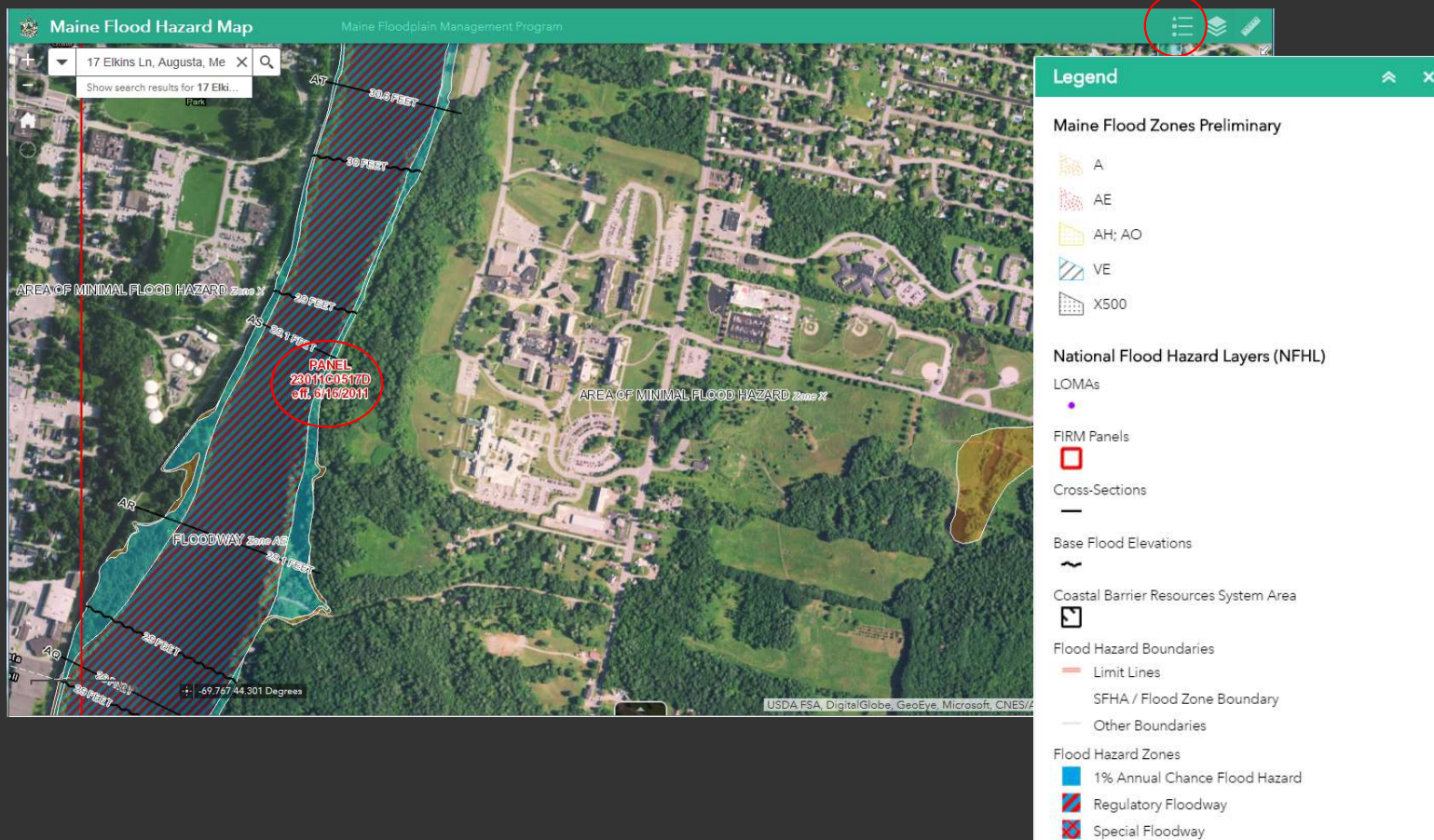
- [Best Available Data for A Zone Areas](#)
- [Ordinances](#)
- [Maine Floodplain Management Handbook](#)
- [Inter-Agency Reviews](#)

Maine Flood Hazard Mapper

- The Maine Flood Hazard Map is a representation of the flood zones. It **does not replace the official effective FIRM**. For all regulatory uses, the currently effective official FIRM **must** be used.
- **ALWAYS CONFIRM DATA MATCHES THE OFFICIAL FLOOD INSURANCE RATE MAP**

Maine Flood Hazard Mapper

Type in the address



Additional Layers

Tax Parcels



2' Topography



FEMA Map Service Center

<https://msc.fema.gov/portal>

The FEMA Map Service Center allows the FREE download of:

- Flood Insurance Rate Maps – FIRM
- Flood Insurance Studies – FIS
- National Flood Hazard Layer – NFHL GIS database
- Preliminary Products
- Historic Products
- Letters of Map Change – LOMC, LOMA

See instructions for “Navigating the FEMA Map Service Center”



Ups and Downs

- 💧 There are some changes to the flood zones and base flood elevations.
- 💧 Because of the improved elevation data, there will be properties newly mapped in and newly mapped out, even in areas where the base flood elevation remains the same.
- 💧 The overall upside is that the new maps will much more accurately reflect which properties should be in and out of the SFHA.

Flood Insurance

- Almost every building in a participating community is eligible for flood insurance – even buildings outside the mapped flood hazard area.
- Building and contents coverage are available.
- Condo association and condo unit coverage.
- Contents coverage available for renters.

****Buildings that are entirely over water are generally not eligible for flood insurance ****

LD2035 An Act Regarding Disclosure of Flood Risk by Sellers of Real Estate

Originally submitted as a Department bill by DACF/ Bureau of
Resource Information and Land Use Planning

Authored by: Judy East, Bureau Director
David Ludwig, Sr. Climate Planner
Sue Baker, State NFIP Coordinator

The Joint Standing Committee on
Judiciary took up the legislation.

Effective Date: August 9, 2024

LAW WITHOUT
GOVERNOR'S
SIGNATURE

APRIL 2, 2024

CHAPTER

585

PUBLIC LAW

LD2035 An Act Regarding Disclosure of Flood Risk by Sellers of Real Estate

Sec. 3. 33 MRSA §173, sub-§7 is enacted to read:

7. Flood hazard. Information regarding potential flood risks, including:

A. Whether, at the time the seller provides the information to the purchaser, the property is located wholly or partly within an area of special flood hazard mapped on the effective flood insurance rate map issued by the Federal Emergency Management Agency on or after **March 4, 2002**; the federally designated flood zone for the property indicated on that flood insurance rate map; and a copy of the relevant panel of that flood insurance rate map. For the purposes of this paragraph, "area of special flood hazard" has the same meaning as in Title 38, section 436-A, subsection 1-C;

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- B.** Whether, during the time that the prospective seller has owned the property:
- (1) Any flood events affected the property or a structure on the property;
 - (2) Any flood-related damage to a structure occurred on the property;
 - (3) Any flood insurance claims were filed for a structure on the property and, if so, the date of each claim; and
 - (4) Any past disaster-related aid was provided related to the property or a structure on the property from federal, state or local sources for the purposes of flood recovery and, if so, the date of each payment;

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C. For the purposes of this subsection, "flood" has been defined using the NFIP definition.

Covers only flood that happen outside the building.

Broken pipes, etc. would be covered under a homeowner's policy.

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Also repeated in **Sec. 5. 33 MRSA §193, sub-§4**
(Commercial properties)

Sec. 6. 33 MRSA §194

Delivery and time of disclosure; cancellation of contract

- 1. Definition.** As used in this section, "flood risk disclosure statement" means a statement containing, at minimum, the information required by section 193, subsection 4.
- 2. Delivery and time of disclosure.** The seller of nonresidential real property under this subchapter shall deliver or cause to be delivered a flood risk disclosure statement to the purchaser no later than the time the purchaser makes an offer to purchase, exchange or option the property or exercises an option to purchase the property pursuant to a lease with an option to purchase.
- 3. Terminate contract.** If the seller does not deliver or cause to be delivered a flood risk disclosure statement to the purchaser before the purchaser makes an offer or exercises an option in accordance with subsection 2, the purchaser may terminate any resulting real estate contract or withdrawal offer within 72 hours after

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4. Withdrawal without penalty. If the purchaser terminates a real estate contract or withdraws an offer pursuant to this section, the termination or withdrawal is without penalty to the purchaser and the seller shall promptly return to the purchaser any deposits made by the purchaser.

5. Rights waived. Any rights of the purchaser to terminate a real estate contract provided by this section are waived conclusively if not exercised prior to settlement or occupancy, whichever is earlier, by the purchaser in the case of a sale or exchange, or prior to settlement in the case of a purchase pursuant to a lease with an option to purchase. Any rights of the purchaser to terminate a real estate contract for reasons other than those set forth in this section are not affected by this section.

6. Invalidated. A transfer subject to this subchapter is not invalidated solely because of the failure of any person to comply with this subchapter.

Next Steps

As far as we know:

- Office of Professional and Occupational Regulations (OPOR) staff will draft a rule revision that MREC would then adopt.
- A Disclosure form would be developed.
- MAR is planning to update their disclosure form.

We are all on the same team!

Home or business ownership is one of the most important decisions people make in their lifetime, both emotionally and financially.

We want our clients to be prepared by knowing the flood risk in advance of closing so they have time to determine how much flood risk they are willing to accept and how much insurance will cost before they sign on the dotted line.

Contact Us

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