

Draft Press Release

Lincoln County, Lincoln City, Depoe Bay, Siletz, Newport, Toledo, Yachats, and Waldport are updating their Flood Insurance Rate Maps or FIRMs. Federal law requires mortgage lenders to ensure that buildings located in special flood hazard areas have flood insurance.

Call your lender to ensure that you are getting the best flood insurance rate possible!

Below is a list of Frequently Asked Questions:

I've had my mortgage for years and have no flood insurance. Can the bank force me to purchase flood insurance?

If, as a result of the map change, your lender finds that your building is located in a special flood hazard area, your lender has the right to demand that you purchase flood insurance within 45 days. If you do not purchase flood insurance during the 45-day demand period noted in a letter from a lender, the bank may force-place it. Force-placed flood insurance is always more expensive than insurance purchased by the structure's owner. **Do not ignore a 45-day notice letter if you receive one from your lender.**

Can I get a "grandfathered" flood insurance rate?

When flood map changes occur, the National Flood Insurance Program (NFIP) provides a lower-cost flood insurance rating option known as "grandfathering." It is available for property owners who already have flood insurance policies in effect when the new flood maps become effective and then maintain continuous coverage; OR have built in compliance with the FIRM in effect at the time of construction. Grandfathered flood insurance rates are typically cheaper than standard rates. **The easiest way to take advantage of "grandfathering" rules is to purchase a policy before the new maps take effect.**

I was not in the flood zone before, but the new maps show my structure is now located in a special flood hazard area. How do I save money on flood insurance?

Buildings constructed **before** the date of the initial FIRM for your community have only one opportunity to lock in the current flood zone for future rating: **at least 30 days before the new FIRMs take effect.** If the policy is then renewed each year, the benefits of the grandfathered zone can be transferred to the new owner if the building is sold.

Buildings constructed **after** the date of the initial FIRM for your community have two chances to lock in the current flood zone or base flood elevation for future rating: before the maps become effective or after the effective date, but with the proper documentation.

To determine which option is available to you, contact your lender or the jurisdiction that your property is located in to establish the date of the initial FIRM.

How do I prove my structure was built in compliance with an earlier map?

If you do not purchase a flood insurance policy before **September 17, 2019 (or 30 days before maps take effect)**, and your structure was constructed on or after **your community's initial FIRM**, the National Flood Insurance Program will honor a grandfather rule, if the structure was built in compliance with the flood hazard map in effect at the time of construction. You will need an Elevation Certificate prepared by a surveyor and a copy of the FIRM in effect at the time the building was constructed.

In some cases, simple retrofits, such as installing flood vents, can dramatically reduce flood insurance premiums. Please consult with your local planning or building official for more information.

Contact your lender today to learn more!