



## **National Flood Insurance Program: Six Cardinal Rules**

Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs) depict areas subject to floods that have a 1% annual chance of occurring in any given year. These areas are called Special Flood Hazard Areas (SFHA). Cities and counties participating in the National Flood Insurance Program (NFIP) must regulate development activities located in SFHAs in accordance with the NFIP and state minimum standards.

The following “cardinal rules” apply to all floodplain management programs. These rules generalize complex NFIP requirements. Other provisions may apply. The Oregon Department of Land Conservation and Development (DLCD) offers publications, program evaluations, and customized trainings for city and county staff on NFIP compliance. Please contact Christine Shirley, NFIP Coordinator, at 503-373-0050 ext. 250 for more information or to schedule a training event.

### **Cities and counties participating in the NFIP must:**

- 1. Adopt and enforce a flood hazard ordinance that meets or exceeds Federal regulations found in the Code of Federal Regulations, Title 44, Section 60.3, and State law, including building codes,**
- 2. Issue development permits for all development located in SFHAs,**
- 3. Ensure that all necessary permits are received from those Federal and State governmental agencies for which approval is required, before issuing a floodplain development permit, for example:**
  - a) Federal Clean Water Act (Clearly mentioned in 44CFR60.3(a)(2))
  - b) Federal Endangered Species Act (subject of recent lawsuits)
  - c) Permits issued by Oregon Department of State Lands for activities occupying state-owned submerged or submersible lands, or taking place below the ordinary high water line
  - d) Coastal Zone Management Act Consistency Certification,
- 4. Maintain permanent records that demonstrate compliance with the NFIP:**
  - a) As-built lowest floor elevations of all new and substantially improved buildings located in the SFHA
  - b) As-built protective elevation of any floodproofing (non-residential buildings only)
  - c) As-built records of streambed alterations, including installation of any bridges and culverts within the SFHA,
- 5. Make Substantial Improvement and Substantial Damage determinations for all improvements on, or repair of damage to, buildings located in the SFHA**
- 6. Prohibit encroachment into a floodway that results in any increase in flood levels, unless FEMA is notified prior to the encroachment through the Letter of Map Change process. Likewise, notify FEMA within six months of any changes in the SFHA that alter flood depth, velocity, or inundation area.**

## Effects of Non-Participation in the National Flood Insurance Program

There are a number of ramifications for a community and its citizens of not participating in the NFIP where Special Flood Hazard Areas (SFHA) have been identified through a flood insurance study and are depicted on a Flood Insurance Rate Map:

1. Flood insurance may not be available. No resident is able to purchase an NFIP flood insurance policy and private flood insurance can be difficult to find.
2. No federal grants or loans for buildings may be made in the SFHA. This includes all Federal agencies such as HUD, EPA, SBA, HHR, etc.
3. No federal disaster assistance may be provided in the SFHA for permanent restorative construction.
4. No federal mortgage insurance may be provided in the SFHA, including FHA, VA, FHA, etc.
5. Restrictions on conventional loans in non-participating communities require that lenders:
  - a) Must notify buyer or lessee that property is in a flood hazard area; and
  - b) Must notify buyer or lessee that property in the flood hazard area is not eligible for federal disaster relief in a declared disaster.
6. Flood insurance rates go into effect regardless of whether or not a community participates in the program. Lacking a local ordinance, noncompliant construction today may result in prohibitively expensive insurance rates tomorrow.
7. Local governing body may be susceptible to liability by not participating because their action
  - a) Denies the ability of its citizens to purchase flood insurance from the NFIP and
  - b) Does not take positive steps to reduce the exposure of life and property in the face of authoritative scientific and technical data.

[DLCD offers technical assistance to keep Oregon communities in the NFIP.](#)

Please call Christine Shirley at 503-373-0050 ext. 250 if you have any questions about administering the NFIP in your city or county.