



Fargo Flood Risk

What Real Estate Agents Should Know

Fargo enters a new era.

A multi-year project to re-examine flood zones and develop detailed, digital flood hazard maps is nearing completion. The new maps reflect current flood risks and areas of recent growth, replacing maps that are over 20 years old. As a result, property owners throughout Fargo will have up-to-date, reliable, Internet-accessible information about their flood risk — on a property-by-property basis. And owners of more than 7,500 properties will learn that their risk is higher, or lower, than they thought.

As a real estate agent, you should inform your clients of any factors that may affect the property, such as the flood zone the property is currently located in, or any pending changes to that zone. And buyers whose home or business will be mapped into an area of high risk can save on flood insurance before new maps are adopted through a “grandfathering” provision.

As a Listing Agent, Check the Risk Level

Sellers and their agents should disclose if the property is now,

or will be in, a high-risk area (Special Flood Hazard Area). Go to www.fargofloodinsurance.com and pull up the flood map. Helpful information about how to use the flood maps is available on the website. The Flood Risks and Flood Zones chart on the next page describes what the various flood zones mean.

Tell Buyers About Flood Insurance Requirements

You should make buyers aware of any upcoming changes in flood risk status and the flood insurance requirements associated with a property. When the new maps are adopted, flood insurance requirements will change.

However, many property owners can save if they purchase their insurance prior to map adoption — a process known as “grandfathering”. The first chart on the next page gives more details. However, your clients should always consult their insurance agent to determine the best option to protect their property.

Questions, Comments and Protests

Every home and commercial building in Fargo has some risk of flooding — but the risk varies, sometimes within the same neighborhood, or even the same property. One thing to keep in mind: the new flood maps indicate if the *property* is in a high-risk area, not a specific *structure* on the property (continues on next page).

The Map Adoption Process

To be Determined — Preliminary maps released.

To be Determined — Start of 90-day Public Comment Period (for filing of appeals and protests)

To be Determined — County and federal review begins.

To be Determined — Maps adopted; new insurance requirements take effect.

Visit

www.fargofloodinsurance.com to see the preliminary maps and learn when map changes take effect.

www.fema.gov

Search flood map process

** This document will be updated when dates are scheduled.*



In some cases, an owner may feel that the structure is elevated enough to warrant a lower flood insurance rate. Property owners will have until the end of the Public Comment Period to protest the new designation, but will need to have their property surveyed to prove that they are sufficiently above the base flood elevation. More information is available at www.fargofloodinsurance.com.

Flood Insurance Requirements and Options

When the new maps are adopted, flood insurance requirements will change. However, options exist that will allow property owners to save money while still protecting their property.

IF MAPS SHOW...	THESE REQUIREMENTS, OPTIONS AND SAVINGS APPLY
Change from low or moderate flood risk to high risk.	<p>Flood insurance is mandatory. Flood insurance will be federally required for most mortgage holders.* Insurance costs may rise to reflect the true (high) risk.</p> <p>Grandfathering offers savings. The National Flood Insurance Program (NFIP) has “grandfathering” rules to recognize policyholders who have built in compliance with the flood map or who maintain continuous coverage. An insurance agent can provide more details on how to save.</p>
Change from high flood risk to low or moderate risk.	<p>Flood insurance is optional, but recommended. The risk has only been reduced, not removed. Flood insurance can still be obtained, at lower rates. Twenty-25 percent of all flood insurance claims come from low- to moderate-risk areas.</p> <p>Conversion offers savings. An existing policy can be converted to a lower-cost Preferred Risk Policy.</p>
No change in risk level	<p>No change in insurance rates. Property owners should talk to their insurance agent to learn their specific risk and take steps to protect their property and assets.</p>

Flood Risks and Flood Zones

Flood maps refer to areas of high, medium or low risk as “flood hazard zones” and the zones of highest risk as “Special Flood Hazard Areas.”

RISK LEVEL	FLOOD HAZARD ZONE
HIGH FLOOD RISK	<p>AE, A, AH or AO Zone. These properties have a 1 percent chance of flooding in any year — and a 26 percent chance of flooding over the life of a 30-year mortgage.</p> <p>VE or V Zone. These properties have a 1 percent chance of flooding in any year and also face hazards associated with coastal storm waves.</p> <p>Insurance note: High-risk areas are called Special Flood Hazard Areas, and flood insurance is mandatory for most mortgage holders.*</p>
LOW OR MODERATE FLOOD RISK	<p>Shaded X Zone. These properties are outside the high-risk zones. The risk is reduced but not removed.</p> <p>X Zone. These properties are in an area of overall lower risk.</p> <p>Insurance note: Lower-cost preferred rate flood insurance policies (known as Preferred Risk Policies) are often an option in these areas.</p>

* Required for loans provided by federally regulated lenders as well as Government Sponsored Enterprises such as Freddie Mac and Fannie Mae.