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Flood Insurance FAQ

Key Terms

Special Flood Hazard Area (SFHA) – The 100-year floodplain, or the area that has a 1% or greater risk of flooding in any given year. These high risk areas are indicated on the Federal Emergency Management Agency’s (FEMA’s) Flood Insurance Rate Maps (FIRMs). In these high-risk areas, there is a 26% chance of flooding over the life of a 30-year mortgage.

Mandatory Purchase Requirement – Homes in a SFHA with a federally-backed mortgage are subject to a mandatory purchase requirement and must buy flood insurance.

National Flood Insurance Program (NFIP) – The Federal program administered by FEMA that underwrites flood insurance and sets flood insurance premium rates for homeowners, renters and business owners. The NFIP can be reached toll-free at 1-800-427-4661. TDD# 1-800-427-5593.

Small Business Administration (SBA) – Federal agency that provides disaster loans to homeowners, renters and businesses.

What are the flood insurance requirements if I participate in the Build it Back Program?

There are two sets of flood insurance requirements that apply to you: the Federal requirement and the Build it Back requirement.

Federal Requirement: If you receive federal assistance for your flood-damaged home from the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA) or the City’s Community Development Block Grant-funded Build It Back Program, you are required by federal law to buy flood insurance for the building as long as you own it. If you sell the building, you are required to inform the new owner that they must purchase and maintain flood insurance. Failure to carry flood insurance on a property that previously received federal funds to recover from flood damage could result in the denial of future federal disaster assistance. The City does not have control over this requirement and it applies to all persons in a SFHA who have already received FEMA or SBA assistance for flood damage to their homes.

Build it Back Requirement: If you participate in the Rebuild program and your home is reconstructed, you will be required to provide evidence that you are carrying flood insurance on your home when construction is completed.

If I only choose reimbursement, am I still required to carry flood insurance?

Yes, if you receive any assistance from Build it Back other than acquisition or buyout and your home is located in a SFHA, you are required to buy flood insurance for your property.

Who do I contact if I want to find out how much flood insurance will cost or if I want to purchase a flood insurance policy?

The National Flood Insurance Program (NFIP) has an arrangement with private insurance companies to sell and service NFIP flood insurance policies. You can find more information on FloodSmart.gov or by contacting your insurance agent or company to find out more about federal flood insurance. The Build It Back Program encourages you to find out what your flood insurance rates will be prior to signing the Build It Back Program's grant or loan agreement. The Build It Back Program cannot provide you a cost of flood insurance for your home.

How do I know if my home is in a SFHA?

FEMA determines whether your home is located in a SFHA based upon your home's location relative to FEMA's Flood Insurance Rate Maps. You can look up your address at www.region2coastal.com. The Build It Back Program's Feasibility Report also lists your flood zone and will tell you if you are in the current or future SFHA. You may request a copy of your Feasibility Report from the Program after your damage assessment has been completed.

How much flood insurance do I have to carry for the Program?

The Build It Back Program requires you to carry flood insurance in an amount equal to the grant provided by the Build it Back Program or the maximum amount of flood insurance which is available from the NFIP, whichever is less. If you receive multiple grants for the Build It Back Program, you must carry flood insurance in the total amount of all assistance you receive or the maximum amount of flood insurance which is available from the NFIP, whichever is less. FEMA, the SBA and other federal programs may require different amounts of flood coverage.

How do I know if I qualify for ICC (Increased Cost of Compliance)?

Substantially damaged homes that were covered by a flood insurance policy at the time of Sandy could qualify to have additional federal funds applied to the Repair or Rebuild of the home. Up to \$30,000 could be received to elevate the home or implement other resiliency improvements to protect the home from damage in future severe weather events. If a Repair or Rebuild applicant is eligible to make an ICC Category D claim, any disaster recovery funds received must be applied toward the cost of elevation. Applicants must assign any potential Coverage D Claim to the City at Grant Agreement and the City will make the ICC claim on behalf of the applicant and apply the funds towards the elevation. ICC Coverage D funds already received by the applicant, but not yet spent on eligible activities, are considered to be a duplication of benefits pursuant to the federal Stafford Act and will be included in the calculation of the Build It Back CDBG transfer amount.