

# Multifamily Selling and Servicing Guide

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### 502.03A Generally

## **%** Operating Procedures

To determine if any buildings located at the Property are, or will be, fully or partially located in an SFHA, you must:

- use the FEMA Standard Flood Hazard Determination Form (SFHDF);
- evaluate all Property structures when ordering the SFHDF;
- provide the vendor supplemental Property information including the
  - legal description, and
  - survey or site plan;
- obtain an image overlay from Flood Vendor;
- ensure the resulting Flood Zone Determination (FZD) form, and any subsequent FZD forms, are effective for the entire Mortgage Loan term; and
- retain a signed copy in your Servicing File.

## Requirements

You must ensure the Property has flood insurance if:

- any income-producing Improvements or any non-income producing Improvements that support amenities are in an SFHA Zone starting with the letter A or V; or
- the Property is located within a Coastal Barrier Resources System (CBRS) or Otherwise Protected Area (OPA), regardless of if the Property is located in an SFHA.

A Mortgage Loan is ineligible for purchase if the Property is in:

- an SFHA; and
- a community that does not participate in the NFIP.

#### You must:

- complete the most recent version of the Standard Flood Hazard Determination Form issued by FEMA;
- retain in your Servicing File a



- copy of the form, and
- signed copy of Notice to Borrower of Special Flood Hazard and Federal Assistance;
- require the determination firm, and any monitoring company, to notify you whenever there is a flood zone change; and
- ensure the coverage:
  - meets the minimum mandatory purchase requirements per:
    - the following Federal flood insurance statutes, as amended and/or restated from time to time, including the:
      - National Flood Insurance Act of 1968 (1968 Act);
      - Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert Waters);
      - Flood Disaster Protection Act of 1973 (FDPA); and
- Homeowner Flood Insurance Affordability Act of 2014; and
- any applicable Federal agency rulemaking and publication; and
- equals at least 100% of the Insurable Value of
  - the first 2 floors above grade, and
  - any Improvements below grade;
- require contents coverage for Borrower-owned personal property;
- ensure you have an established process to obtain an inventory and the Insurable Value of Borrower-owned contents or business personal property within buildings located in SFHAs to determine required coverage; and
- retain documentation of the presence or absence of Borrower-owned contents or business personal property within the building and in your Servicing File.

# Guidance

Generally, contents or business personal property:

- includes equipment and inventory
  - owned by the Borrower, and
  - used in connection with Property's



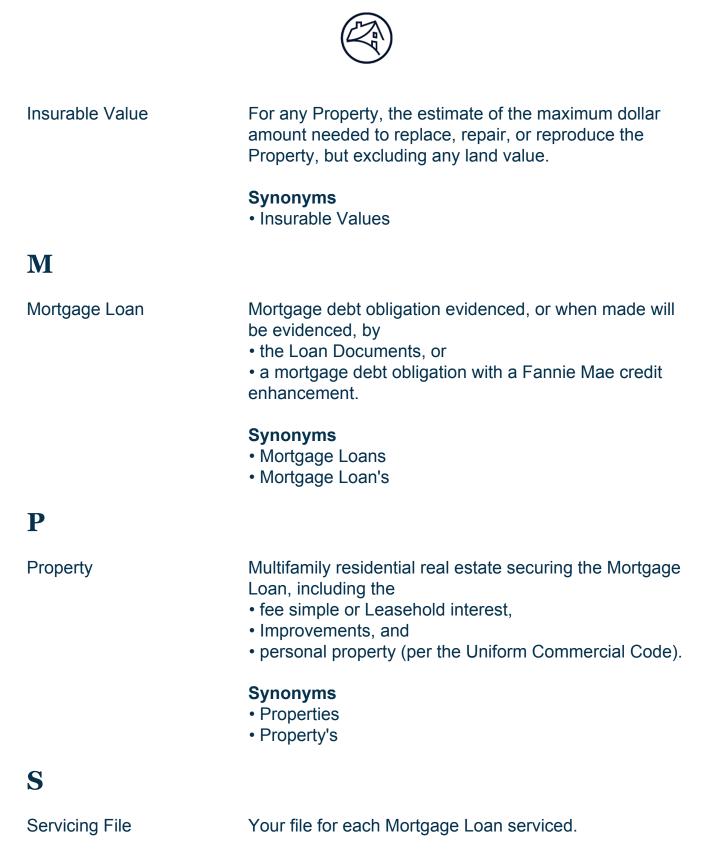
- ownership,
- management, or
- operation; and
- does not otherwise constitute fixtures.



# Glossary

# B

Borrower	Person who is the obligor per the Note.
	Synonyms • Borrowers • Borrower's
F	
FEMA	Federal Emergency Management Agency
	Synonyms • FEMA's
Η	
Homeowner	For an MH Community, a tenant of the Borrower who pays ground rent to the owner for use and occupancy of the MH Site and for use of the MH Community's utilities and amenities.
	Synonyms • Homeowners
Ι	
Improvements	Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now or hereafter constructed or placed on the Property, including all fixtures (as defined in the UCC).
	Synonyms • Improvements'



## Synonyms

Servicing Files