

Nothing Could Dampen the Joy of Home Ownership...Or could it?

A flood could.

Floods cause anguish and destruction-physical, emotional, financial-and the joy turns to heartache. There ought to be a law.

There is a law. The law can't stop floods. Floods happen anytime, anywhere. But the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 helps ensure that you will be protected from financial losses caused by flooding.

Backed by the U.S. Government, flood insurance is available to residents in more than 18,500 communities across America that participate in the National Flood Insurance Program (NFIP) including Cascade County. It provides coverage that most homeowners insurance doesn't - coverage for damage to structures and contents from flooding, flood-related erosion, and flood-caused mudslides.

In all these communities, you can purchase flood insurance from any licensed property or casualty insurance agent, broker, or company. Flood insurance becomes effective 30 days after purchase.

Flood Insurance is Required by Law

You must have flood insurance to get secured financing to buy, build, or improve structures in Special Flood Hazard Areas (SFHAs). Lending institutions that are federally regulated or insured must determine if the building is in a SFHA and require flood insurance on:

- conventional home mortgage loans
- FHA loans
- VA loans
- second mortgages
- home equity loans
- home improvement loans
- construction loans
- commercial loans
- farm credit loans

Flood Insurance Protects Your Most Important Investment-Your Home

Flood insurance coverage is an asset to you as a borrower. It reimburses you for financial losses from flood damage. With one annual premium, you have peace of mind that your losses will be covered.

The law protects you from being uninsured and having to rely on a costly federal disaster loan after a flood. This loan is the same as another mortgage that must be paid back with interest.

All taxpayers benefit too, when those in flood-prone areas buy flood insurance. As floods occur,

the insurance mechanism pays for the covered losses, rather than U.S. Treasury funds for federal disaster assistance.

How Much Flood Insurance Should You Buy?

The law requires flood insurance in an amount equal to the outstanding principal balance of the loan, the value of the building, or the maximum limit of coverage available under the Act, whichever is less. It also requires flood insurance to be maintained for the life of the loan.

While the law only requires coverage for the loan balance, you should consider protecting your own equity. It's wise to insure primary residences or businesses in sufficient amounts to fully protect your property.

Up to \$250,000 coverage is available for single-family residential buildings and \$100,000 coverage is available for contents. Other residential and commercial property owners can also obtain flood insurance.

Financial Protection-Peace of Mind

- Protects your most important investment, your home and contents
- Considerably less expensive than federal disaster loans
- 100% backed by the U.S. Government
- Prompt claims handling through your agent
- Toll-free telephone number 1-888-CALL-FLOOD ext. 445, TDD# 1-800-427-5593 to answer your questions about flood insurance

For Further Information

The Cascade County Planning Division has Flood Insurance Rate Maps, published by [FEMA](#), which are available for public inspection. Details on flood insurance are available from your insurance agent or company. Call today, and have your proof of purchase of flood insurance ready at loan closing. Then you can be sure that floods won't cause financial heartache to dampen your joy of home ownership.