

**NOTICE TO BORROWER
IN
SPECIAL FLOOD HAZARD AREA**

Borrower:

Loan #:

Property Location:

The Notice Date is as of:

National Flood Insurance Program Community:

The Mandatory Purchase of Flood Insurance Requirement

The building or mobile home securing the loan for which you have applied is or will be located in an area prone to high flood risks, also known as a Special Flood Hazard Area (SFHA). The area has been identified by the Federal Emergency Management Agency (FEMA) as an SFHA according to the Flood Insurance Rate Map (FIRM) or the Flood Hazard Boundary Map (FHBM) for the community cited above. FIRMs and FHBMs are prepared by FEMA in cooperation with the applicable community to identify high flood risk and low-to-moderate flood risk areas. The SFHA in which the building or mobile home securing this loan is or will be located has at least a one percent chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year. During the life of a 30-year mortgage loan, the risk of flooding in an SFHA is 26 percent.

Federal law allows a lender and borrower jointly to request the Administrator of FEMA to review the determination of whether the property securing the loan is located in a SFHA. If you would like to make such a request, please contact us for further information. Borrowers may also call a FEMA mapping specialist at (877) 336-2627 to discuss their concerns.

Federal financial assistance, including FEMA disaster assistance, flood mitigation grants and federally backed mortgage lending is available in NFIP participating communities such as the one in which this property is located. Mandatory flood insurance requirements are applicable to all Federal financial assistance. The mandatory flood insurance purchase requirements under section 102(b) of the Flood Disaster Protection Act of 1973 are applicable to Federally regulated lenders making loans in SFHAs. We will not make you the loan that you have applied for if you do not purchase flood insurance. If you fail to renew or maintain flood insurance on the property during the term of your loan, federal law authorizes and requires us to purchase the flood insurance for you at your expense. We must enforce the flood insurance requirement for the life of the loan or until the FIRM or FHBM is amended or revised to remove the building or mobile home securing this loan from the SFHA.

Flood insurance coverage under the NFIP may be purchased through an insurance agent who will obtain the policy either directly through the NFIP or through a Write Your Own (WYO) company that has agreed to write and service NFIP policies on behalf of FEMA. While flood insurance under the NFIP has been made available in your community, which participates in the NFIP, this specific property may not be eligible for federal flood insurance coverage due to restrictions under certain federal laws, such as the designation of the improved property as either Section 1316 under the NFIP or subject to Coastal Barrier Resource Area or Otherwise Protected Area restrictions. Flood insurance also may be available from private insurers that are not Federally backed.

Minimum Coverage Requirements

At minimum, flood insurance purchased must cover the lowest of: (1) the outstanding principal balance of the loan in addition to the aggregate unpaid balance of any superior liens; or (2) the maximum amount of coverage allowed for the type of building under the NFIP; or (3) the full replacement cost value (RCV) of the building and/or contents securing the loan. The market value or land value on which the building is located has no bearing on the RCV of the building. In the event RCV is greater than option (1) above and less than option (2), some lenders may require flood insurance coverage in an amount at least equal to 80% of the RCV so as to ensure that payment of a claim is based on RCV per NFIP rules. You as the borrower/applicant are encouraged to explore additional flood insurance beyond your lender's minimum requirements including coverage for personal property not securing the loan.

Disaster Assistance Availability

Federal disaster relief assistance, the majority of which is in the form of a low-interest disaster assistance loan from the Small Business Administration (SBA), may be available for losses not covered by your flood insurance policy. Flood insurance requirements apply to recipients of Federal disaster assistance grants and SBA disaster assistance loans. If you are planning to build a structure or make repairs, contact the local community's chief executive official to determine building standards for structures within an SFHA.

ACKNOWLEDGMENT OF FLOOD HAZARD NOTICE

Borrower(s) hereby acknowledge, a "Notice to Borrower In Special Flood Hazard Area" was originally received within a reasonable period of time to allow Borrower(s) the opportunity to independently obtain flood insurance prior to closing.

Borrower

Date

Borrower

Date

Borrower

Date

Borrower

Date