

Date: [Insert Date]

Loan Number: [Insert Loan Number]

Property Address: [Insert Property Address]

Subject: NOTICE OF SPECIAL FLOOD HAZARDS AND AVAILABILITY OF FEDERAL DISASTER RELIEF ASSISTANCE

Dear [Borrower Name],

We are writing to inform you that the property securing your loan has been identified as being located in a Special Flood Hazard Area (SFHA). Specifically, the property is located in Flood Zone [Insert Zone] as shown on the Flood Insurance Rate Map (FIRM) issued by the Federal Emergency Management Agency (FEMA).

Mandatory Purchase Requirement

Federal law requires that flood insurance be obtained and maintained for the life of the loan on buildings and any mobile homes located in an SFHA. Since your property is located in such an area, you are required to purchase flood insurance as a condition of your loan.

Required Coverage Amount

The amount of flood insurance required must be at least equal to the lesser of:

- The outstanding principal balance of the loan; or
- The maximum limit of coverage available under the National Flood Insurance Program (NFIP) for the particular type of property (currently \$250,000 for residential structures).

Availability of Coverage

Flood insurance is available through the NFIP or may be purchased from a private insurance company. You should contact your insurance agent to discuss your options and ensure coverage is in place by [Insert Deadline Date].

Escrow Requirement

Please be advised that if we require the escrow of taxes and other insurance, we are also required to escrow premiums and fees for flood insurance.

Please provide a copy of your Flood Insurance Declarations Page to our office at the following address: [Insert Mailing Address/Email].

If you have any questions regarding this requirement, please contact our customer service department at [Insert Phone Number].

Sincerely,

[Lender Name]

[Lender Department]