



NATIONAL FLOOD INSURANCE PROGRAM

Bureau and Statistical Agent

W-02029

MEMORANDUM TO: Write Your Own (WYO) Principal Coordinators and the NFIP Servicing Agent

FROM: WYO Clearinghouse

DATE: April 30, 2002

SUBJECT: Community Probation
Town of Slaughter Beach, Delaware;
Community Number 100050

FEMA has notified Slaughter Beach, Delaware, Community Number 100050, that probation will be imposed on August 1, 2002, if remedial measures are not taken. The Mayor has already been informed of the town's failure to meet the minimum requirements of the NFIP, and the required actions to avoid probation.

A notice to all policyholders has been mailed informing them of the impending community probation. A sample of the letter is attached.

The Probation Surcharge of \$50.00 should be added to any policyholder's premium charge, if the community fails to comply with the requirements to avoid probation by the indicated date. As always, feel free to contact your Program Coordinator with any questions.

Attachment

cc: Vendors

Suggested Routing: Data Processing, Underwriting



National Flood Insurance Program



NATIONAL
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National Flood Insurance Program
Policy Holder Notice:
Possible Community Probation of
The Town of Slaughter Beach, Delaware

Your flood insurance policy, issued by your insurance company, is authorized under the National Flood Insurance Act of 1968, a federal law that established the National Flood Insurance Program (NFIP). In order to be eligible for the NFIP and for flood insurance to be sold, your community must adopt and enforce floodplain management regulations that meet the minimum NFIP requirements.

The purpose of this notice is to advise you that the Federal Emergency Management Agency (FEMA) has notified Mayor Robert C. Clendaniel, Mayor of Slaughter Beach, that the Town will be placed on probation from the NFIP effective August 1, 2002, unless, prior to that date, the Town takes the necessary actions to become compliant with NFIP minimum requirements. Again, community eligibility to participate in the NFIP is based upon the adoption and enforcement of local floodplain management regulations that meet the criteria of the NFIP. Communities that do not adequately administer and enforce their floodplain management ordinances can be placed on probation or suspended from the NFIP unless required remedial measures are taken prior to the effective date of probation. The Town of Slaughter Beach has been found to have program deficiencies and possible floodplain management ordinance violations.

FEMA has identified deficiencies in the administration and enforcement of the Town's floodplain management ordinance that have resulted in a number of suspected noncompliant structures being located in the Special Flood Hazard Areas. The Town has not been successful in establishing a floodplain development permitting system that adequately assures development in the Special Flood Hazard Area meets the requirements of the Town's ordinance.

Probation serves as a formal notice to Slaughter Beach that its implementation of the local floodplain management program is regarded as noncompliant with the minimum criteria of the NFIP. During the probation period, flood insurance coverage will still be available. **However, a \$50 surcharge will be added to each new or renewed flood insurance policy sold within the Town of Slaughter Beach for a period of at least one year.** Without adequate community administration and enforcement of local floodplain management regulations, there is an added liability to the NFIP because of increased exposure to flood damage.

In order to avoid probation, Slaughter Beach must take the actions necessary to demonstrate to FEMA that it complies with the minimum requirements of the NFIP. These actions were identified in a March 21, 2002, letter sent to Mayor Clendaniel by Charlotte W. Herbert, FEMA Region III Director. If Slaughter Beach chooses not to take the necessary steps to avoid probation, it will be placed on probation effective August 1, 2002.

If the Town does not comply with program requirements while on probation, it will become subject to suspension from the NFIP. If your community is suspended from the NFIP, then Federal flood insurance will not be available. In such a situation, the Flood Disaster Protection Act of 1973 prohibits federal agencies from making grants, loans, or guarantees for the acquisition or construction of insurable structures located in an identified special flood hazard area. This restriction applies to assistance from the Federal Housing Administration (FHA), Veterans Administration (VA), and the Small Business Administration (SBA), among others. At their own discretion, lending institutions insured or regulated by a Federal agency may, however, continue to make conventional loans that are not Federally insured, in the Town at their own discretion. If a flood disaster occurs in a suspended community, federal disaster assistance for the acquisition, construction, or repair of insurable structures within the Special Flood Hazard Area identified by FEMA is not available. Furthermore, individual and family grant assistance for housing and personal property located in a special flood hazard area is also not available.

Community adoption and enforcement of flood damage prevention ordinances is central to the federal/local partnership established through the NFIP. Flood insurance is made available through the NFIP only in exchange for community implementation of a floodplain management program to reduce future flood damages. In addition to reducing flood damages, an important benefit of the NFIP is that an effective floodplain management program also supports and contributes to the public health and safety goals of a community.

On numerous occasions staff from the FEMA Region III Philadelphia Office and the Delaware NFIP State Coordinator's Office, of the Delaware Department of Natural Resources, have offered to work with community officials of Slaughter Beach in an effort to address the community's floodplain management program deficiencies. These two agencies continue to be concerned for the safety of Slaughter Beach property owners and the protection of their property. FEMA and the NFIP State Coordinator are available to provide assistance to the Town.

Your community officials are encouraged to take the necessary action to avoid this impending probation action and possible subsequent suspension from the NFIP. For further information, you may wish to contact the appropriate Town of Slaughter Beach officials. FEMA will continue to work with the Town to assist it in becoming compliant with minimum NFIP requirements.