NATIONAL FLOOD INSURANCE PROGRAM
Bureau and Statistical Agent

FEMA

W-03070

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

FROM: WYO Clearinghouse

DATE: December 31, 2003

SUBJECT: Community Probation
City of Fort Smith, Arkansas
Community Number 055013

FEMA has notified the City of Fort Smith, AR, Community Number 055013, that probation will be imposed on February 17, 2004, if remedial measures are not taken. The community has already been informed of its failure to meet the minimum requirements of the NFIP, and the required remedial 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, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Data Processing, Underwriting

FEDERAL EMERGENCY MANAGEMENT AGENCY

NATIONAL FLOOD INSURANCE PROGRAM

NFIP COMMUNITY: 055013 CITY OF FORT SMITH
PROBATION EFFECTIVE: 02/17/2004

COMPANY:
NFIP SERVICING AGENT
POLICY NUMBER:

FLOOD INSURANCE POLICYHOLDER

YOUR FLOOD INSURANCE POLICY, ISSUED BY YOUR INSURANCE COMPANY, IS AUTHORIZED UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968, A FEDERAL LAW THAT REQUIRES YOUR COMMUNITY TO ADOPT AND ENFORCE FLOODPLAIN MANAGEMENT REGULATIONS THAT MEET THE MINIMUM REQUIREMENTS OF THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP) BEFORE FLOOD INSURANCE CAN BE SOLD.

THE PURPOSE OF THIS NOTICE IS TO ADVISE YOU THAT THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) HAS NOTIFIED YOUR COMMUNITY OF AN IMPENDING PROBATIONARY ACTION REGARDING ITS PARTICIPATION IN THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP). 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 FAIL TO ADEQUATELY ADMINISTER OR ENFORCE THEIR LOCAL FLOODPLAIN MANAGEMENT REGULATIONS IN ACCORDANCE WITH THESE REQUIREMENTS ARE SUBJECT TO PROBATION UNDER THE NFIP UNLESS CERTAIN REMEDIAL MEASURES ARE TAKEN PRIOR TO THE EFFECTIVE DATE OF PROBATION.

PROBATION SERVES AS A FORMAL NOTICE TO YOUR COMMUNITY 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 $50.00 SURCHARGE WILL BE ADDED TO EACH NEW OR RENEWED FLOOD INSURANCE POLICY SOLD WITHIN YOUR COMMUNITY 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 THIS IMPENDING PROBATION ACTION, YOUR COMMUNITY MUST DEMONSTRATE ADHERENCE WITH THE MINIMUM CRITERIA OF THE NFIP TO FEMA. COMPLIANCE CAN BE ACHIEVED BY CORRECTING DEFICIENCIES IN THE LOCAL FLOODPLAIN MANAGEMENT PROGRAM AND BY REMEDYING ANY KNOWN VIOLATIONS OF THE COMMUNITY'S FLOODPLAIN MANAGEMENT REGULATIONS TO THE MAXIMUM EXTENT POSSIBLE.

IF YOUR COMMUNITY CHOOSES NOT TO CORRECT ITS PROGRAM DEFICIENCIES, 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 ADMINSTRATION (SBA) AMONG OTHERS. LENDING INSTITUTIONS INSURED OR REGULATED BY A FEDERAL AGENCY MAY, HOWEVER, CONTINUE TO MAKE CONVENTIONAL LOANS WHICH ARE NOT FEDERALLY INSURED IN THESE AREAS 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 ENFORCEMENT OF ITS FLOOD DAMAGE PREVENTION ORDINANCE IS CENTRAL TO THE FEDERAL/LOCAL PARTNERSHIP ESTABLISHED THROUGH THE NFIP. FLOOD INSURANCE IS MADE AVAILABLE THROUGH THE FEDERAL NFIP IN EXCHANGE FOR COMMUNITY IMPLEMENTATION OF A SAFE FLOODPLAIN MANAGEMENT PROGRAM. A COMMUNITY, THEREFORE, BECOMES DISASTER RESISTANT AND MUCH LESS SUSCEPTIBLE TO THE EFFECTS OF FUTURE FLOODING.

FEDERAL EMERGENCY MANAGEMENT AGENCY

NATIONAL FLOOD INSURANCE PROGRAM

YOUR COMMUNITY IS 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 COMMUNITY OFFICIALS WHO ARE RESPONSIBLE FOR ADMINISTERING YOUR LOCAL FLOODPLAIN MANAGEMENT PROGRAM.