



FEMA

W-13063

October 8, 2013

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the
National Flood Insurance Program (NFIP) Servicing Agent

A handwritten signature in cursive script that reads "Jhun de la Cruz".

FROM: Jhun de la Cruz
Branch Chief, Underwriting
Risk Insurance Division

SUBJECT: Clarification of Cancellation Reasons Due to Map Revision

The NFIP provides two separate reason codes for cancellation of a flood insurance policy that a lender originally required for a building that was in a Special Flood Hazard Area (SFHA) but is no longer there. Cancellation reason code 9 typically is used to cancel a policy following a Physical Map Revision (PMR) that removes a property from the SFHA, while cancellation reason code 19 is used when a building has been removed from the SFHA through the Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) process. This memorandum clarifies that the Federal Emergency Management Agency (FEMA) will allow the use of cancellation reason code 9 for certain LOMRs as described below.

Historically, although the LOMR process affects a physical revision to the flood hazard information shown on a Flood Insurance Rate Map (FIRM), it typically has not been used to revise the flood hazard information for large areas. However, FEMA has found that the LOMR process is useful in partnership with local communities as a vehicle to speed certain large-scale map revisions to final adoption. Where the PMR process for an entire watershed or county takes more than a year to complete, the LOMR process may be used for smaller changes impacting multiple properties; these changes may be incorporated into the FIRM and adopted into local ordinance in less than one year. The use of the LOMR process for such revisions includes but is not restricted to community-initiated revisions to the most recent FIRM based on new building development; new scientific data more precisely delineating flood hazards in specific areas; and other similar circumstances.

While the LOMR process is timely compared with a more wide-scale PMR, there is no regulatory requirement or administrative capacity to complete this type of LOMR in the 60-day time frame required by regulation for the property-specific LOMA or Letter of Map Revision Based on Fill (LOMR-F) processes. Therefore, cancellation reason code 9, which provides a prior-term refund

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when the map revision occurs within six months of the most recent policy renewal, is the more appropriate cancellation reason code to use for these types of LOMRs.

Cancellation reason code 19 should be restricted to those instances in which a property owner is released from the mandatory purchase requirement due to property removal from the SFHA by means of the property-specific LOMA or LOMR-F process. For cancellation reason code 19, a prior-term refund is available only when the LOMA or LOMR-F became effective within the 60 days prior to the most recent renewal, and the request for cancellation is made within the current policy year or within six months of the expiration date.

Thank you for your attention and cooperation in this matter. If you have any questions, please contact Joseph Cecil of my staff at joseph.cecil@fema.dhs.gov.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Data Processing, Marketing, Underwriting