

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 12, Topic 8 — Special Flood Hazard Area

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8. Special Flood Hazard Area Change Date October 18, 2019 • This chapter has been revised in its entirety.

a. Flood Insurance Properties located in a FEMA Special Flood Hazard Area (SFHA) must be covered by a flood insurance policy. Properties located in a SFHA are not eligible if flood insurance is not available.

b. Regular Flooding Based on the appraiser's knowledge of the market area, properties that are subject to regular flooding are not eligible, whether or not the area has been designated an SFHA.

c. Verification of Flood Zone While appraisers must provide flood zone information on the appraisal report, flood zone maps do not typically indicate the location of specific properties. Lenders are responsible for verifying the flood zone information.

d. Flood Zones SFHAs are usually designated Zones A, AO, AH, A1-A30, AE, A99, AR, AR/AE, AR/AO, AR/A1-A30, AR/A, V, VE, and V1-V30. Flood insurance is not required in Zones B, C, X, and D.

e. Excluding Non- Residential Improvements At the Veteran's request, non-residential improvements such as detached garages and small sheds may be excluded from the flood insurance policy if they are also excluded from the appraised value. The cost of flood insurance with and without coverage for the detached building should be compared as excluding a detached building may not be worthwhile.

f. Private Flood Insurance Veterans may elect to obtain private flood insurance instead of obtaining flood insurance through the National Flood Insurance Program.

VA Pamphlet 26-7, Revised Chapter 12: Minimum Property Requirements 12-14

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