



Rebuilding Safer, Smarter, Stronger: Considerations for Property Owners

Recovering from disaster can involve difficult choices. This fact sheet discusses three critical considerations: permits, protection and insurance costs. Decisions you make now can affect your property and insurance costs for years.

Permits: Before you begin repairs, it is critical that you check with your local permit or building official. As you invest time and money, following all local and state requirements will make repairs safer and may lower the cost of flood insurance. These officials may also provide information about programs that help offset the cost of repairs.

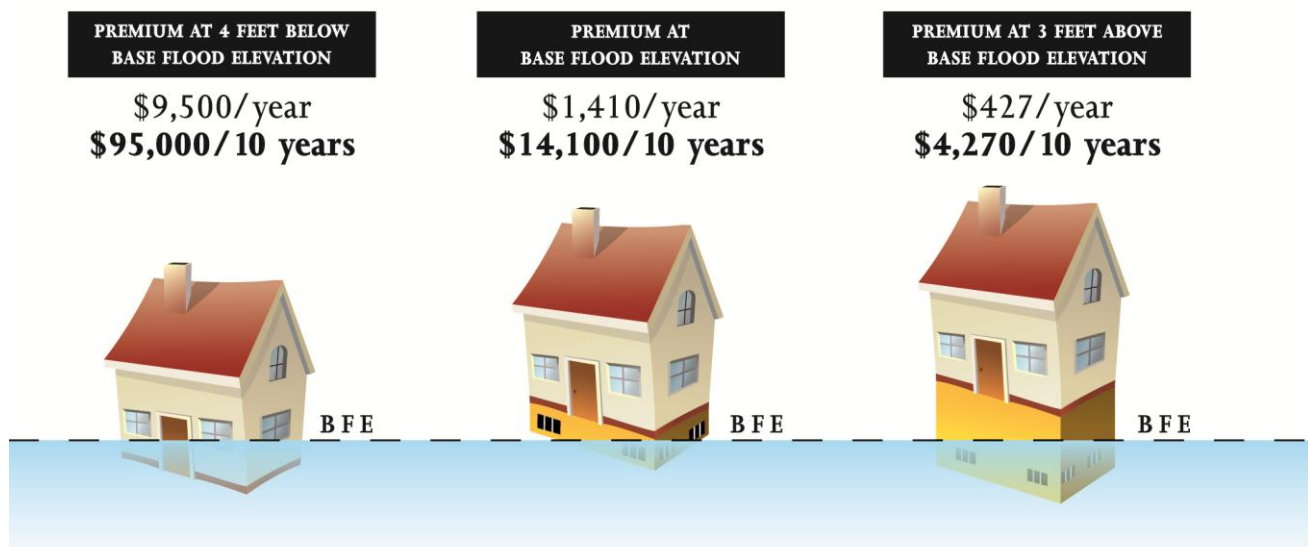
If you already made emergency or permanent repairs without a permit, check with your local official to make sure your work is safe and meets all local and state requirements.

Protection: As you repair or rebuild, you may be able to protect your building from future damages by rebuilding to a higher elevation, using different materials and methods or relocating utilities and other items to a higher floor. Your local official, builder, architect or engineer can suggest specific options for your building. Rebuilding to a higher level of protection can also lower the cost of flood insurance.

Flood Insurance Rates:

Flood Insurance Rates: Flood insurance costs vary based on your flood zone, the amount of coverage and the difference in the level between your building and projected flooding. Recent changes to the flood insurance law phase out many subsidies and may affect any discounts, so steps you take now, even if you were not recently flooded, may save thousands of dollars in insurance costs. Insurance rates may be affected when flood maps change, when there is a lapse in coverage, when property ownership is transferred, or the property is substantially damaged or substantially improved. Rates for all non-primary residences and businesses will change.

Repairing or rebuilding to higher elevations can result in significant insurance cost savings.



*\$250,000 building coverage only (does not include contents), AE (high to moderate risk), single-family, one-story structure without a basement at: 4 feet below the Base Flood Elevation (BFE); at BFE; and at 3 feet above BFE (Rating per FEMA flood insurance manual, October 1, 2012). The illustration above is based on a standard National Flood Insurance Program (NFIP) deductible.

Common Rebuilding Situations

Situation	Requirements and Considerations	Possible Financial Resources
My home or business was severely or “substantially” damaged (repairs are greater than 50% of pre-disaster market value)	Apply for a permit. Follow building code requirements. Find out flood zone and required elevation. Consider building above current elevation to add safety and lower flood insurance costs. Not complying with permit requirements will likely result in much higher insurance rates and costly corrections.	Insurance and ICC SBA HUD HMGP Voluntary agencies
My home or business was damaged, but not substantially	Apply for a permit. Follow building code requirements. Find out flood zone and required elevation. Consider benefits of building above current elevation to add safety and lower flood insurance costs. Elevate electrical panels, water heaters, boilers, etc. to reduce future damage.	Insurance SBA HUD HMGP Voluntary agencies
My home or business has a basement or basement apartment	Apply for a permit if damaged or planning upgrades. Understand building code requirements. Elevate utilities. Repair with flood resistant materials. Note: flood insurance coverage for basements is limited.	Insurance SBA HUD HMGP Voluntary agencies
My flood zone or elevation may change due to a new flood map	Flood risks and maps change over time. Find out current flood zone and elevation. Consider elevation or other changes now to increase protection and reduce insurance costs. Buy or renew insurance before changes occur.	HMGP
My community adopts higher standards and/or advisory flood maps	Apply for a permit if damaged or planning upgrades. Comply with the communities and building code requirements. Follow higher standards to increase protection and reduce flood insurance costs.	HUD HMGP
My home or business has flooded many times	Apply for a permit if damaged or planning upgrades. Understand building code requirements. Follow higher standards to increase protection and reduce insurance costs.	Insurance ICC SBA HUD HMGP
I am interested in a “buyout,” relocation, or elevation	Contact your local officials to express interest and ask what programs may be available.	SBA HMGP

Possible Financial Resources

- **Homeowner’s insurance:** May fund repairs if your home was damaged by wind or fire
- **Flood insurance:** File your claim with your agent or company
- **ICC (Increased Cost of Compliance):** If you have flood insurance, you may qualify for up to \$30,000 ICC coverage to elevate your home or make it comply with local ordinances if your home was severely damaged. To qualify for ICC funding, your local official must provide a letter certifying the level of property damage.
- **SBA (Small Business Administration):** Low interest disaster loans may be available to home and business owners for repairs and to pay for additional protective measures.
- **HUD (Department of Housing and Urban Development):** HUD (Department of Housing and Urban Development): Grants for repairs and rebuilding may be available through your community. If you have an FHA-insured mortgage, HUD has advised lenders to consider a full range of benefits for homeowners whose ability to make their mortgage payments may have been affected by a disaster. HUD also offers 203(h) and 203(k) insured mortgages to assist homeowners in rehabilitation and rebuilding. Contact your lender for more information.
- **HMGP (FEMA’s Hazard Mitigation Grant Program):** Grants made through the state to communities that may be used to buy severely damaged buildings, elevate homes or utilities and perform other protective activities. Contact local officials for more details.