
Issue Date: **1.7.2016**

Effective Date: **1.1.2016**

No: **2016-01-02**

Loans in Special Flood Hazards – Flood Escrow Requirements

Summary: Federal regulators implemented the flood regulations implementing the Biggert-Waters Flood Insurance Reform Act of 2012 ("Biggert-Waters") and Biggert-Waters Homeowner Flood Insurance Affordability Act of 2014 ("HFIAA"). The final rule's escrow provision became effective January 1, 2016. To read the entire Final Rule click [here](#).

Effective for all loans closed on or after January 1, 2016 ResMac will require flood insurance premiums and fees to be escrowed. This is a major change from the prior flood insurance regulations, which required escrowing those amounts only if ResMac required the escrow of property taxes and hazard insurance(s).

Escrows for flood insurance premiums may not be waived, regardless of LTV, on loans secured by 1-4 unit properties (including PUDs and site condominiums). Flood insurance escrows are not required on a condominium/PUD if they are paid by the condominium association, homeowner's association, or other group.

The FEMA Flood Map Service Center is the official public source for flood hazard information produced in support of the National Flood Insurance Program (NFIP). Use the MSC to find your official flood map, access a range of other flood hazard products, and take advantage of tools for better understanding flood risk. The FEMA Flood Map Service Center website is <https://msc.fema.gov/portal>

Questions: Please address all questions to Compliance@ResMac.com