



**FEMA**

APR 27 2018

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

The Honorable James Frazier  
Mayor, Town of Magnolia  
Post Office Box 222  
Magnolia, Delaware 19962

Dear Mayor Frazier:

I am happy to announce that the Department of Homeland Security's Federal Emergency Management Agency (FEMA) has approved the Town of Magnolia's application to participate in the National Flood Insurance Program (NFIP). In accordance with Section 1336 of the National Flood Insurance Act of 1968, the Town of Magnolia is eligible to participate in the Regular Phase of the NFIP effective on April 5, 2018. Flood insurance is now available to local property owners and may be purchased from any insurance agent or broker licensed to do business in the State where the insurable property is located.

I am enclosing a copy of the news release announcing the Town of Magnolia's eligibility to participate in the NFIP. I hope it assists you in your efforts to publicize the availability of this important coverage. The Town of Magnolia's property owners will want to know about this opportunity to obtain insurance protection against losses from future flooding. The buildings and contents coverage is now available to building owners and tenants.

There is a 30-day waiting period before a newly purchased flood insurance policy takes effect or for any additional coverage or endorsement that may increase policy limits. The waiting period ends and the policy takes effect at 12:01 a.m. on the 30th calendar day after the insurance policy application date and payment of premium.

There are 10 exceptions to the 30-day waiting period. However, I am only explaining the two most frequently used exceptions in this letter. The two most frequently used exceptions are: (1) when the initial purchase of flood insurance is in connection with the making, increasing, extension, or renewal of a loan, there is no waiting period and coverage is effective immediately; and (2) when the purchase of flood insurance is related to a revision or update of a Flood Hazard Boundary Map or Flood Insurance Rate Map (FIRM), there is a one-day waiting period. Flood insurance coverage takes effect at 12:01 a.m. on the day after the coverage is purchased for a structure located in a Special Flood Hazard Area (SFHA), an area subject to inundation by the base (1-percent-annual-chance) flood, on the revised flood map, which was not previously located in an SFHA prior to the revision. This exception is limited to a 13-month period and begins on the date the revised map is issued. The information on the remaining eight exceptions is contained in the enclosed NFIP "Policy Issuance 5-98" dated October 1, 1998.

Since no SFHAs were determined on the effective FIRM, the entire community is designated as Zone X, an area of minimal or moderate flood hazard where the mandatory purchase of flood insurance is not required. Flood insurance is available on a voluntary basis at low actuarial rates. In the event of property damage

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caused by floods greater than the base flood, which can occur with devastating results, the purchase of flood insurance can provide substantial financial protection for property owners. If authoritative information becomes available at a later date showing SFHAs in a community, FEMA will revise the effective flood map to identify the SFHAs in accordance with Section 201(c) of the Flood Disaster Protection Act of 1973, as amended.

Under the Flood Disaster Protection Act of 1973, as amended, flood insurance must be purchased by property owners seeking any Federal financial assistance for construction or acquisition of buildings in SFHAs. This financial assistance includes certain federally guaranteed mortgages and direct loans, federal disaster relief loans and grants, as well as other similarly described assistance from FEMA and other agencies.

In addition, all loans individuals obtain from Federally regulated, supervised, or insured lending institutions that are secured by improved real estate located in SFHAs are also contingent upon the borrower obtaining flood insurance coverage on the building. However, purchasing and maintaining flood insurance coverage on a voluntary basis is frequently recommended for properties located outside SFHAs.

If you need additional assistance or information, I recommend you contact Michael Powell, CFM and Greg Williams, CFM, the NFIP State Coordinators, by telephone at (302) 739-9921, in writing at the Delaware Department of Natural Resources, 89 Kings Highway, Dover, Delaware 19901, or by electronic mail at michael.powell@state.de.us and gregory.williams@state.de.us. The FEMA Regional staff in Philadelphia, Pennsylvania, is also available to assist you. You may contact the Regional staff by telephone at (215) 931-5500 or in writing. Please send your written inquiries to the Director, Federal Insurance and Mitigation Division, FEMA Region III, at 615 Chestnut Street, One Independence Mall, Sixth Floor, Philadelphia, Pennsylvania 19106-4404.

Sincerely,



Rachel Sears, Director  
Floodplain Management Division  
Mitigation Directorate | FEMA

Enclosures

cc: MaryAnn Tierney, Regional Administrator, FEMA Region III  
Michael Powell, CFM, NFIP State Coordinator, Delaware Department of Natural Resources  
Greg Williams, CFM, NFIP State Coordinator, Delaware Department of Natural Resources  
Diane Cahall, Clerk, Town of Magnolia