

NATIONAL FLOOD INSURANCE PROGRAM

SANCTIONS FOR NON-PARTICIPATION

A community that does not join the National Flood Insurance Program (NFIP), has withdrawn from the program, or is suspended from it faces the following sanctions:

- Flood insurance will not be available. No resident will be able to purchase a flood insurance policy.
- If the community withdraws or is suspended, existing flood insurance policies will not be renewed.
- No Federal grants or loans for the acquisition or construction of buildings may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA.
- No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood.
- No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. This includes policies written by FHA, VA, and others.
- Federally insured or regulated lending institutions, such as banks and credit unions, must notify applicants seeking loans for insurable buildings in flood hazard areas that:
 - There is a flood hazard and
 - The property is not eligible for Federal disaster relief.

These sanctions can be severe on any community with a substantial number of buildings in the floodplain. Most communities with a flood problem have joined the NFIP and are in full compliance with their regulatory obligations.

For more information regarding enrolling in the NFIP or about sanctions, contact the Arkansas Natural Resources Commission at 501-682-3969

In addition, certain grants, such as those for safe rooms in schools or mitigation planning, may be denied if a community does not participate in the NFIP. For more information, check with the Arkansas Department of Emergency Management at 501-730-9750.