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Flood Policy Updates

Truist Bank (Truist) is updating flood insurance policy requirements to align with enterprise policy regarding FEMA Risk Rating 2.0 program. In addition, Truist is taking the opportunity to provide clarification on the requirement for related improvements coverage requirements for FHA, VA and RD.

Effective Dates

Effective for existing and new applications on or after November 4, 2022.

Background Information

Flood insurance is required when a property is located in a flood hazard area. Truist provides Flood Hazard policy information for all loan product types and aligns with the Enterprise policy in regard to FEMA's Risk Rating 2.0 program.

Bulletin Details

Hazard and Flood Insurance Standard

The Zone Discrepancies topic has been revised with the most recent Risk Rating 2.0 information as follows: Under FEMA's Risk Rating 2.0 program, flood zones are not required to be included on a flood insurance policy. If a policy does not include a flood zone, then there cannot be a discrepancy between the policy and the SFHD and no review for discrepancy is required to be evidenced. If the flood zone on the insurance policy is listed and does not match the flood zone on the SFHDF, then the discrepancy must be resolved.

In the General Flood Insurance topic, the existing requirements in the table for Non-Agency Conventional Loan Programs has been revised to reflect these requirements are specific for the Key Loan Product. An additional table has been added to separate requirements specific to Government Loan Programs for better clarity (see below). Truist aligns with the respective government agency requirements and provides additional clarification for *related improvements*.

Bulletin Details, continued

Government Loan Programs	
FHA	
If...	Then flood insurance...
<p>any residential building and related improvements (related structure to the property) is located within SFHA Zone A, a special flood zone area, or Zone V, a coastal area</p> <p>Related Improvements: Related improvements include, but are not limited to, outbuildings, sheds, barns and detached garages. This includes any structures that are given value in the appraisal and that secure the loan.</p>	is required
VA	
If...	Then flood insurance...
<p>any building or personal property that secures a VA loan is located in a SFHA,</p> <p>Note: 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.</p>	is required
RD	
If...	Then flood insurance...
<p>existing residential structures, when any portion of the structure, including decks and carports, is located in a SFHA,</p> <p>Note: Flood insurance is not required for any additional structures that are located on the property but are detached from the primary residential structure and do not serve as a residence, such as sheds, garages, or other ancillary structures.</p>	is required

Federal Housing Administration (FHA)

The following clarification has been added to the property and flood insurance topic:

Flood insurance must meet FHA's requirements, which include coverage of related improvements

Veterans Administration (VA) Property and Flood Insurance

The following clarification has been added to the property and flood insurance topic:

Flood insurance must meet VA's requirements, which include coverage of any building or personal property that secures a VA loan

Revised Material

Click [Hazard and Flood Insurance Standard](#), [FHA 203\(b\) Loan Standard](#) and [Veterans Administration \(VA\) Loan Program](#) to review the revised material.

Former Standards

The flood insurance standard reflected prior Risk Rating 2.0 requirements and did not separate out Government Loan Programs from the Key Loan Product.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relations Coordinator	Specific questions on applying this procedure to specific loan files. Contact Correspondent Relations Coordinators at 800.382.2111, Option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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