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# 2 The NFIP: Roles and Responsibilities

## 2.1 Purposes and Overview of the NFIP

The original authorizing legislation for the NFIP was passed in 1968. Congress expressly found that “a program of flood insurance can promote the public interest by encouraging sound land use by minimizing exposure of property to flood losses...”

The NFIP is intended to encourage States and local governments to recognize and incorporate flood hazards in their land use and development decisions. In some communities, this is achieved by guiding development to areas with lower risk. When a proposal is made to develop within a flood hazard area, application of the criteria set forth in Federal regulation (Title 44 Code of Federal Regulations [CFR] Section (§) 60.3) is intended to minimize exposure and flood-related damage.

The NFIP is administered by FEMA, which is part of the Department of Homeland Security (DHS). The NFIP has three main elements:

1. Hazard identification and mapping, in which engineering studies are conducted and flood maps are prepared to delineate areas that are predicted to be subject to flooding under certain conditions;
2. Floodplain management criteria, which establish the minimum requirements for communities to adopt and apply to development within mapped flood hazard areas; and
3. Flood insurance, which provides financial protection for property owners to cover flood-related damage to buildings and contents.

Federal flood insurance is designed to provide an alternative to disaster assistance and disaster loans for home and business owners. Disaster assistance rarely comes close to covering all of the costs to repair and clean up. While available to qualified victims, disaster loans do not significantly ease the financial burden due to repayment terms. It is important to remember that disaster assistance is available only after floods have been declared major disasters by the President of the United States. In contrast, flood insurance claims will be paid any time damage from a qualifying flood event occurs.

Another important objective of the NFIP is to break the cycle of flood damage. Many buildings have been flooded, repaired or rebuilt, and flooded again. In some parts of the country, this cycle occurs every couple of years. Before communities adopted floodplain management regulations, people tended to rebuild in the same flood-prone areas using the same construction techniques that did not adequately protect the structure when the first event occurred. On the

other hand, structures built to NFIP floodplain management requirements experience, on average, 80 percent less damage through reduced frequency of inundation and severity of losses.

By encouraging communities to guide development to lower risk areas, and by requiring the elevation of new buildings and certain existing buildings, one of the long-term objectives of the NFIP can be achieved: reducing flood damage and losses. Older buildings may be removed or replaced, or they may be upgraded or modified with techniques that lead to little or no flood damage.

The NFIP establishes distinct responsibilities for the Federal, State, and local levels of government. For local officials who must administer the SI/SD requirements of their regulations and codes, it is important to recognize how these established roles affect responsibilities for SI/SD. As outlined in the NFIP regulations:

- Communities are responsible for regulating all development in mapped flood hazard areas, issuing permits, and enforcing the requirements, including SI/SD requirements for improvements and repairs of buildings.
- States generally are responsible for providing technical assistance to communities, monitoring community programs, and coordinating between communities and the NFIP. Some States also administer regulatory programs and many are engaged in flood hazard mapping initiatives.
- FEMA, through administration of the NFIP, promulgates the minimum regulatory requirements, supports State programs, provides technical assistance, monitors community programs, and produces flood hazard maps.

## 2.2 The Community's Role

The NFIP regulations contained in 44 CFR § 59.22 and § 60.3 outline the responsibilities that communities must accept in order to become and remain eligible to participate in the NFIP. The key responsibilities include:

- Designate an agency that is charged with the responsibility to administer floodplain management requirements
- Determine whether proposed development activities are located in SFHAs
- Review development proposals to ensure compliance with the requirements of applicable floodplain management regulations and building codes
- Require that new subdivisions and development proposals with more than 50 lots or larger than five acres include BFEs
- Issue or deny permits for floodplain development
- Inspect all development in SFHAs to ensure compliance
- Maintain records of issued permits, elevation data, inspections, and enforcement actions
- Assist in the preparation and revision of floodplain maps

- Help residents obtain information on flood hazards, floodplain map data, and compliant construction measures

For existing buildings that are located in SFHAs, community responsibilities include the following, in addition to the requirements above:

- Determine whether proposed improvements are “substantial improvements;” substantial improvement of buildings triggers requirements for permits and compliance.
- Determine whether work necessary to restore a damaged building to its pre-damage condition constitutes repair of “substantial damage;” repair of substantially damaged buildings triggers requirements for permits and compliance.

Chapter 3 describes the NFIP SI/SD requirements and definitions. Chapter 4 outlines making SI/SD determinations; Chapter 5 outlines community responsibilities that are specifically related to administering these requirements. Chapter 6 includes factors to be considered when determining SI/SD and illustrations of substantial improvement and substantial damage. More guidance on administering and enforcing all aspects of local floodplain management regulations is found in FEMA 480, *NFIP Floodplain Management Requirements: A Study Guide and Desk Reference*. Chapter 7 suggests actions that communities can take to prepare for disasters, methods communities can use to obtain the costs to restore the structure and the market value of the structure before the damage occurred to make a substantial damage determination, and also describes a tool that communities can use to facilitate collecting data to make substantial damage determinations, FEMA’s *Substantial Damage Estimator*.

## 2.3 The State’s Role

Each State’s governor has designated an NFIP State Coordinating Agency. This agency, often referred to as the NFIP State Coordinator’s Office, is specifically charged with being a link between Federal, State, and local governments. The NFIP State Coordinator stays current on NFIP issues and can advise communities on specific provisions and any State requirements.

Some States have their own floodplain management statutes and regulations, and some administer regulatory programs pertaining to flood hazards. State requirements related to work on existing buildings must be satisfied in addition to local requirements.

While the explicit role of the NFIP State Coordinator may vary among States, the NFIP regulations [44 CFR § 60.25] outline the following key responsibilities:

- Encourage and provide assistance for communities to qualify for participation in the NFIP
- Guide and assist communities to develop, implement, and maintain floodplain management regulations
- Provide technical assistance to communities
- Participate in training opportunities

- Assist in the delineation of flood-prone areas
- Notify FEMA of problems with community programs, if such problems cannot be resolved through technical assistance

### 2.4 The Federal Role

Several Federal agencies have programs and responsibilities that relate to flooding, managing flood hazards, and responding to flood events. Only FEMA's role is directly pertinent to the purpose of this Desk Reference.

Located at FEMA Headquarters in Washington, DC, the Flood Insurance and Mitigation Administration (FIMA) implements the three main elements of the NFIP (flood hazard identification, floodplain management, and flood insurance). The Directorate sets National policy, issues interpretations, enrolls communities in the NFIP, researches floodplain construction practices, and administers the flood hazard mapping and flood insurance elements of the program. Specifically, FEMA develops publications to help States and participating communities fulfill their responsibilities and to provide guidance to property owners, architects, engineers, and others proposing to develop in the floodplain.

FEMA implements its program responsibilities through 10 Regional Offices. Each Regional Office has a Mitigation Division that works with States and communities on matters related to the NFIP. Each Regional Office covers four to eight States and territories; together they work with over 21,000 participating communities. The responsibilities of the Regional Offices include:

- Assist the NFIP State Coordinating Agencies
- Advise local officials responsible for administering floodplain management regulations
- Assess community compliance with the minimum NFIP criteria
- Answer questions from design professionals, builders, and the public
- Provide information about flood insurance and respond to questions from citizens
- Maintain and revise flood hazard maps and data
- Provide information and training on many aspects of the NFIP, including administration of the SI/SD requirements
- Work with States and communities to resolve identified problems with community programs