



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: November 7, 2024

Mortgagee Letter 2024-20

To: All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All Eligible Submission Sources for Condominium Project Approvals
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All FHA-Approved Title I Lenders
All HUD-Certified Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Adoption of Federal Flood Risk Management Standard (FFRMS) for Minimum Property Standards (MPS) in Special Flood Hazard Areas (SFHA)

Purpose This Mortgagee Letter (ML) updates New Construction property elevation requirements in SFHAs.

Effective Date The provisions of this ML are effective immediately.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, *FHA Single Family Housing Policy Handbook* (Handbook 4000.1).

Affected Programs The provisions of this ML apply to all FHA Title II Single Family forward and Home Equity Conversion Mortgage (HECM) programs.

Background On April 23, 2024, the U.S. Department of Housing and Urban Development (HUD) Office of Environment and Energy (OEE) published the final rule, *Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard*, [Docket No. FR-6272-F-02] in

the Federal Register. This final rule revises HUD’s regulations governing floodplain management and the protection of wetlands to implement the Federal Flood Risk Management Standard (FFRMS) in accordance with [Executive Order 13690](#) titled, “[Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input](#),” dated January 30, 2015.

The purpose of the amendment of the property standards is to decrease potential damage from floods, increase the safety and soundness of the Property for residents, and provide for more resilient communities in flood hazard areas.

In pursuit of these goals, the amendment revises HUD’s Minimum Property Standards (MPS) under 24 CFR § 200.926d(c)(4), *Drainage and flood hazard exposure*, which addresses construction requirements for residential structures under HUD’s mortgage insurance programs. The change requires that the lowest floor in newly constructed structures located within the 1-percent-annual-chance (100-year) floodplain be built at least two feet above the Base Flood Elevation (BFE). This new elevation standard is applicable to New Construction with building permit application submission dates on and after January 1, 2025.

The flood elevation standards for Manufactured Housing remain unchanged by this rule.

Summary of Changes

This ML:

- revises the eligibility for New Construction in an SFHA (II.A.1.b.iv(A)(1)(b)) and (II.B.2.b.iii(A)(4)(b)) to align with MPS in 24 CFR § 200.926d(c)(4), *Drainage and flood hazard exposure*;
 - updates the Existing Construction section title to clarify the applicable type of construction (II.A.1.b.iv(A)(1)(c)) and (II.B.2.b.iii(A)(4)(c));
 - updates the Eligibility for Condominiums in SFHAs section title to clarify the applicable stage of construction (II.A.1.b.iv(A)(1)(d)) and (II.B.2.b.iii(A)(4)(d));
 - updates the Manufactured Housing section title to clarify the applicable stage of construction (II.A.1.b.iv(A)(1)(e)) and (II.B.2.b.iii(A)(4)(e));
 - updates the requirements for New Construction located in Special Flood Hazard Areas (II.A.8.i.vii(A)(5)) with applicable links for reference; and
 - removes duplicative Flood Hazard Areas section from the HECM for Purchase product and renumbers subsequent sections (II.B.8.a.vi(E)(1)(e)).
-

**FHA Single
Family Housing
Policy
Handbook
4000.1**

**Title II Insured
Housing
Programs
Forward
Mortgages**

Special Flood Hazard Areas (II.A.1.b.iv(A)(1))

(b) Eligibility for New Construction of Site Built Housing or Units in Condominium Project or Legal Phase in SFHAs

If any portion of the dwelling and related Structures or equipment essential to the Property Value is located in an SFHA, the Property is not eligible for FHA mortgage insurance, unless the Mortgagee:

- obtains a FEMA-issued final LOMA or LOMR that removes the Property from the SFHA; or
- obtains a FEMA NFIP Elevation Certificate ([FEMA Form FF-206-FY-22-152](#)) based on the finished construction, documenting that when the building permit application submission date, or its equivalent date, is:
 - before January 1, 2025, the lowest floor of the residential building, including the basement, and all related Structures or equipment essential to the Property Value are built at or above the 100-year flood elevation in compliance with the NFIP criteria; or
 - on or after January 1, 2025, the lowest floor of the property improvements, including the basement and other permanent enclosures, and all related Structures or equipment essential to the Property Value are at least two feet above the FEMA-determined Base Flood Elevation (BFE).

The Mortgagee must ensure that Flood Insurance is obtained when a FEMA NFIP Elevation Certificate (FEMA Form FF-206-FY-22-152) documents that the Property remains located within an SFHA.

The building permit application submission date, or its equivalent date, will be required on form [HUD-92541](#), *Builder's Certification of Plans, Specifications, and Site*. In jurisdictions where building permits are not issued, an equivalent application submission date represents the request for jurisdictional approval to start construction. The construction start date serves as the equivalent date when no prior application submission date is available.

(c) Eligibility for Existing Construction of Site Built Housing in SFHAs

When any portion of the residential improvements is determined to be located within an SFHA, Flood Insurance must be obtained.

(d) Eligibility for Existing Construction Condominiums in SFHAs

The Mortgagee must ensure the Condominium Association obtains Flood Insurance on buildings located within the SFHA. The [Flood Insurance](#)

[coverage](#) (II.C.2.c.vii(D)) must protect the interest of the Borrowers who hold title to an individual unit, as well as the common areas of the Condominium Project.

(e) Eligibility for Existing and New Construction Manufactured Housing in SFHAs

The finished grade level beneath the Manufactured Home must be at or above the 100-year return frequency flood elevation. If any portion of the dwelling and related Structures or equipment essential to the Property Value for both new and existing Manufactured Homes is located in an SFHA, the Property is not eligible for FHA mortgage insurance, unless the Mortgagee:

- obtains a FEMA-issued LOMA or LOMR that removes the Property from the SFHA; or
- obtains a FEMA NFIP Elevation Certificate ([FEMA Form FF-206-FY-22-152](#)) showing that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation.

The Mortgagee must ensure that Flood Insurance is obtained when a FEMA NFIP Elevation Certificate (FEMA Form FF-206-FY-22-152) documents that the Property remains located within an SFHA.

Site Considerations (II.A.8.i.vii(A))

(5) Flood Hazard Areas

A New Construction Property must meet:

- the [Eligibility for New Construction of Site Built Housing or Units in Condominium Project or Legal Phase in SFHAs](#) requirements; or
- the [Eligibility for Existing and New Construction Manufactured Housing](#) requirements.

**FHA Single
Family Housing
Policy
Handbook
4000.1**

**Title II Insured
Housing
Programs
Reverse
Mortgages**

Special Flood Hazard Areas (II.B.2.b.iii(A)(4))

(b) Eligibility for New Construction of Site Built Housing or Units in Condominium Project or Legal Phase in SFHAs

If any portion of the dwelling and related Structures, or equipment essential to the Property Value is located in an SFHA, the Property is not eligible for FHA mortgage insurance, unless the Mortgagee:

- obtains a FEMA-issued final LOMA or LOMR that removes the Property from the SFHA; or
- obtains a FEMA NFIP Elevation Certificate ([FEMA Form FF-206-FY-22-152](#)) based on the finished construction, documenting that

when the building permit application submission date, or its equivalent date, is:

- before January 1, 2025, the lowest floor of the residential building, including the basement, and all related Structures or equipment essential to the Property Value are built at or above the 100-year flood elevation in compliance with the NFIP criteria; or
- on or after January 1, 2025, the lowest floor of the property improvements, including the basement and other permanent enclosures, and all related Structures or equipment essential to the Property Value are at least two feet above the FEMA-determined Base Flood Elevation (BFE).

The Mortgagee must ensure that Flood Insurance is obtained when a FEMA NFIP Elevation Certificate (FEMA Form FF-206-FY-22-152) documents that the Property remains located within an SFHA.

The building permit application submission date, or its equivalent date, will be required on form [HUD-92541](#), *Builder's Certification of Plans, Specifications, and Site*. In jurisdictions where building permits are not issued, an equivalent application submission date represents the request for jurisdictional approval to start construction. The construction start date serves as the equivalent date when no prior application submission date is available.

(c) Eligibility for Existing Construction of Site Built Housing in SFHAs

When any portion of the residential improvements is determined to be located within an SFHA, Flood Insurance must be obtained.

(d) Eligibility for Existing Construction Condominiums in SFHAs

The Mortgagee must ensure the Condominium Association obtains Flood Insurance on buildings located within the SFHA. The Flood Insurance coverage must protect the interest of the Borrowers who hold title to an individual unit, as well as the common areas of the Condominium Project. See [Flood Insurance \(Existing Construction\)](#) (II.C.2.c.vii(D)).

(e) Eligibility for Existing and New Construction Manufactured Housing in SFHAs

The finished grade level beneath the Manufactured Home must be at or above the 100-year return frequency flood elevation. If any portion of the dwelling and related Structures or equipment essential to the Property Value for both new and existing Manufactured Homes is located in an SFHA, the Property is not eligible for FHA mortgage insurance, unless the Mortgagee:

Mortgagee Letter 2024-20, Continued

- obtains a FEMA-issued LOMA or LOMR that removes the Property from the SFHA; or
- obtains a FEMA NFIP Elevation Certificate ([FEMA Form FF-206-FY-22-152](#)) showing that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation.

The Mortgagee must ensure that Flood Insurance is obtained when a FEMA NFIP Elevation Certificate (FEMA Form FF-206-FY-22-152) documents that the Property remains located within an SFHA.

Paperwork Reduction Act

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0328; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Feedback or Questions

HUD welcomes feedback from interested parties and will consider feedback in determining the need for future updates. Any feedback or questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), answers@hud.gov, or www.hud.gov/answers. The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Signature

Julia R. Gordon
Assistant Secretary for Housing -
FHA Commissioner
