



**FHA INFO 2024-65**

**September 23, 2024**

## **FHA Proposes Updated Guidance for Federal Flood Risk Management Standards for New Construction Properties Located in Special Flood Hazard Areas**

Today, the Federal Housing Administration (FHA) posted a draft Mortgagee Letter (ML), *Adoption of Federal Flood Risk Management Standard (FFRMS) for Minimum Property Standards (MPS) in Special Flood Hazard Areas (SFHA)*, on the [Single Family Housing Drafting Table](#) (Drafting Table) for public review and feedback.

On April 23, 2024, in [FHA INFO 2024-20](#), FHA announced the Department of Housing and Urban Development's (HUD) Office of Environment and Energy's (OEE) publication of the final rule, *Floodplain Management and Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard*. This final rule revises HUD's regulations governing floodplain management and the protection of wetlands to implement the FFRMS in accordance with [Executive Order 13690](#), "*Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input*," dated January 30, 2015.

This draft ML proposes updated guidance for implementing the provisions of the [final rule](#) by amending Minimum Property Standards (MPS) for all newly built single-family residential structures – with the exception of manufactured homes – being financed through the FHA Single Family program.

In accordance with the provisions of the final rule, the draft ML proposes guidance to implement within FHA's Minimum Property Standards a requirement that the lowest floor in newly constructed dwellings located within the 1-percent-annual-chance (100-year) floodplain be built at least two feet above the base flood elevation. This elevation standard would be applicable to FHA-insured mortgages on homes that are new construction with building permit application submission, or their equivalent dated on and after January 1, 2025.

HUD estimates that elevating new construction dwellings in flood-prone areas to meet the FFRMS could lead to homeowner savings of \$56.4 million to \$324.3 million over the expected 40-year economic life of the properties. These savings will result from:

- lower flood insurance premiums;
- reduced property damage;
- avoidance of relocation;
- avoidance of temporary housing expenses; and

- avoidance of lost income due to flooding.

Adopting the FFRMS is crucial for improving community resilience to flood exposure and decrease potential flood damage, while ensuring the safety and soundness of properties secured by FHA-insured financing.

Interested stakeholders are encouraged to thoroughly review the draft ML and provide feedback through October 7, 2024. Instructions for providing feedback are posted on the [Drafting Table](#). FHA will carefully consider all feedback received before publishing a final ML.

For more information on the FFRMS, access HUD's [FFRMS Final Rule Webinar Series](#), and read [FHA INFO 2024-20](#), [FFRMS FAQs](#) and the [final rule](#) in its entirety.

As a reminder, this draft is not official departmental policy and cannot be used in connection with any FHA-insured mortgage until finalized. FHA's existing policies remain in effect until amended.

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- E-mail [answers@hud.gov](mailto:answers@hud.gov). Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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