



FHA INFO 2022-96

November 21, 2022

## FHA Now Accepts Private Flood Insurance for FHA-insured Mortgages

Today, the Federal Housing Administration (FHA) published the *Acceptance of Private Flood Insurance for FHA-Insured Mortgages* final rule ([Docket No. FR-6084-F-02](#)) in the *Federal Register*. With today's publication, FHA will now accept private flood insurance policies where the borrower chooses to obtain a private policy instead of flood insurance available through the National Flood Insurance Program. This change applies to all FHA-insured Single Family Title II mortgages, including Home Equity Conversion Mortgages (HECM), and loans insured under FHA's Title I programs.

Specifically, the final rule updates FHA regulations to allow borrowers the option to purchase a comparable private insurance policy meeting FHA requirements in lieu of a National Flood Insurance Program (NFIP) policy for FHA-insured mortgages secured by properties located in Federal Emergency Management Agency (FEMA)-designated Special Flood Hazard Areas (SFHAs).

FHA is publishing this final rule after careful consideration of all public comments received to its proposed rule that was published in the Federal Register ([FR-6084-P-02](#)) on November 23, 2020. FHA's updated flood insurance policy requirements will now generally align with the requirements of other federal agencies, differing where needed to protect borrowers and the Mutual Mortgage Insurance (MMI) Fund.

FHA also published today [Mortgagee Letter \(ML\) 2022-18](#), *Acceptance of Private Flood Insurance for FHA-Insured Mortgages*, which provides the guidance necessary to implement the provisions in the final rule.

The guidance in the ML is effective on December 21, 2022. Updates in the ML will be incorporated in a future version of the [Single Family Housing Policy Handbook 4000.1](#).

### Technology Updates

As part of its implementation and consistent with HUD's Climate Action Plan, FHA will now begin collecting additional detailed flood insurance information from lenders. The additional data will enable FHA to perform more robust data analytics on FHA-insured properties in flood zones and the types of flood insurance policies on properties with FHA-insured mortgages. As noted in the ML, mortgagees must now report the following additional required flood insurance information in the insurance application screen in FHA Connections (FHAC):

- Indicate NFIP, private flood insurance, both, or no flood insurance; and
- Provide flood insurance policy information for each type of policy as applicable, including building coverage amount, policy number, and insurance company name.

For more information, read today's [press release](#).

### **Need Support? Contact the FHA Resource Center.**

- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at [www.hud.gov/answers](http://www.hud.gov/answers).
- 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.

### **About FHA INFO**

FHA INFO is a publication of the Federal Housing Administration's (FHA), Office of Single Family Housing, U.S. Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason.

Visit the [FHA INFO Archives](#) to access FHA INFO messages. For additional information and resources, visit the FHA Single Family Housing main page on [HUD.gov](http://HUD.gov)

Stay Connected with the Office of Housing and the Federal Housing Administration:



SUBSCRIBER SERVICES:  
[Manage Subscriptions](#) | [Help](#)