



25 October 2013

Many homeowners in Forest Lake have received a letter from their home mortgage lender informing them of the requirement to obtain flood insurance. As a courtesy to the members of the Forest Lake Community Association, we have prepared a brief letter of explanation and steps you may wish to take to determine if your house is indeed in the floodplain. Only the homes along the lake or along the Forest Lake Drain (creek) are impacted, as those are the only areas in Forest Lake that have been deemed to be part of the floodplain.

So, what prompted the mortgage lenders to require flood insurance? Rate increases proscribed by the Biggert-Waters Flood Insurance Reform Act of 2012 took effect in October 1, 2013. In addition, new regulatory floodplain maps for Lake County became effective on September 18, 2013. Although these maps did not appreciably change the boundary of the floodplain in Forest Lake, lenders non-the-less are taking a fresh look at the data to determine if flood insurance is required.

Any house along the lake that shows floodplain on the property, regardless of relation of the house to the regulatory flood limits, will likely have received a letter mandating the purchase of the insurance. Federal law requires that structures that have a mortgage which is backed by the federal government must have flood insurance. The people generating the letters typically do not have access to sufficient information to determine at a micro level whether the house is actually located in the floodplain. This determination is made based upon a variety of information including the elevation of the property within 10' of the outside wall of the house, the elevation of the lowest point at which water can get into the home, and the elevation of the lowest floor.

If you believe that you should not be required to purchase insurance because your house is located high above the lake, there are steps that you can take to "appeal" the decision. The process involves applying for a Letter of Map Amendment (LOMA) from the Federal Emergency Management Agency (FEMA). If you can complete your tax forms, you can probably complete the MT-1 form necessary to apply for the LOMA. If your house was built on natural ground, that is you didn't fill the property and then build, there is no fee to file a LOMA. The forms may be found at http://www.fema.gov/media-library-data/20130726-1911-25045-1604/mt_1_complete_rev_04_2013.pdf.

Note that you will need to have an Illinois Registered Land Surveyor complete a portion of the application called the Elevation Certificate. This surveyor certifies the elevation of various elements in and around the house. Blank elevation certificate forms can be found here: <http://www.fema.gov/media-library/assets/documents/160?id=1383>. Any surveyor in the area should be able to complete this survey. The cost of the survey will vary depending on whether the surveyor has recently worked in this area. A surveyor will likely extend discounts for completing multiple surveys in the area at the same time, so talk to your neighbors about a coordinated effort. Note, this survey is different than the one that you received when you purchased the property. That survey typically shows only the dimensions of the property, house, and distance between the house and the property. Such a survey will not contain information necessary for the Elevation Certificate.

The remaining piece of information is the Base Flood Elevation (BFE) around Forest Lake. This elevation is not shown on the Special Flood Insurance Rate Map. However, the Lake County Stormwater Management Commission has established the BFE of 796.6 NGVD 29. A copy of the documentation is enclosed for your convenience.

One final note, if you own your house outright or have a private mortgage you will not receive a letter about flood insurance. Federal law does not require you to have it. However, you should consider two things: 1) when you sell your house, this issue will come up. Having filed a LOMA ahead of time will make the sale go more smoothly; 2) you may consider purchasing flood insurance anyway. You would be surprised to know what your standard homeowner's insurance policy does not cover when flooding is involved. For more information on flood insurance, visit www.floodsmart.gov.