

Common Procedures for Dispute Resolution Practices: Flood Determination Industry

Flood determination companies provide Standard Flood Hazard Determinations (flood determinations) to lenders for the purpose of complying with the mandatory purchase requirement as well as to insurance companies and agents for rating flood insurance policies through the National Flood Insurance Program (NFIP). It is commonplace for flood determinations to be questioned or challenged, whether due to conflicting documentation, flood map issues, or simply because it is not the desired result. When disagreements occur, either because of a discrepancy between the lender's determination and the rating of the insurance policy, or for any other reason, a flood determination company's dispute resolution process can be initiated. Flood determination companies have developed procedures to address these disputes with the purpose of confirming the correct flood zone based on the effective FEMA flood map.

It is important to note that there may be discrepancies between a lender's determination and an insurance policy due to grandfathering or the NFIP's Newly Mapped program, so there may not be a need to involve the flood determination companies. However, for cases in which the determination itself is questioned, the following is typical of the dispute resolution processes that companies follow:

- When an individual disagrees with a flood determination, they should contact their lender (typically the loan servicing or insurance department) or insurance agent, depending on which determination is being disputed, and ask that the flood determination be reviewed by the company that produced it.
- Any documentation in support of a different flood zone should be submitted with the dispute request.
- The lender or insurance representative should contact its flood determination provider, supply the determination reference number, along with the new documentation, and ask for a dispute/recheck.
- The flood determination company will recheck and verify the disputed determination, review any additional information or documents provided, and share the findings with their client.
- Beyond reviewing the flood zone determination and providing the results of the review to their client, flood determination companies often will provide additional services, such as working with other flood determination companies in an attempt to reach a consensus and resolve any discrepancies, discussing the flood determination with other parties of interest, discussing any other available options (FEMA's [Letter of Map Change](#) or [Letter of Determination Review](#)), providing advice about flood insurance (NFIP/ private policies), and the importance of adherence to the regulations placed on lenders regarding mandatory flood insurance requirements.

Flood determination companies embrace the dispute resolution process as a benefit to the company itself, its clients and others. Map issues can be identified and discussed, system- or process-enhancements can be instituted, client relationships are solidified, and potential financial risk can be mitigated. The National Flood Association (NFA) shares this learned information amongst its membership, which helps to improve best practices across the industry.