

National Flood Observer

A Quarterly Newsletter from LPS National Flood



Season's Greetings

At this time of the year, we're particularly mindful that the goodwill of those we serve is the foundation of our success. All of us at **LPS National Flood** join in saying "Thank You" and wishing you a happy holiday season and prosperous new year!

LPS National Flood Awarded NFDA Certification

This year, LPS National Flood submitted to a rigorous examination by peers and independent auditors to confirm its ability to meet the strict standards for the National Flood Determination Association's (NFDA) Certification Program. In order to be recognized as a NFDA Certified Company, standards for seven key areas had to be met including accuracy, business recovery capabilities, industry experience, financial viability, training of map research analysts, quality assurance and record-keeping. This certification acknowledges LPS National Flood's ability to maintain a standard of excellence, promote professionalism and deliver quality services within the industry. "LPS National Flood's ability to meet the tough standards set by the NFDA confirms our ability to deliver the highest quality flood determination services available," said Mark Reedy, Managing Director of LPS

National Flood. "The NFDA certification offers added confidence to our existing and future clients that they are partnering with a company recognized by the industry for its excellence in quality and service."

The NFDA is a national, non-profit organization, recognized as the voice of the flood determination industry by the Federal Emergency Management Agency (FEMA), federal regulatory agencies, government-sponsored enterprises such as Fannie Mae and Freddie Mac, lending institutions and insurance companies. The NFDA is currently leading the development of industry ethics and standards.

For more information, visit www.LPSNationalFlood.com or call **(800) 833-6347, option 2.**



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Have a question or topic that you would like addressed in the *National Flood Observer*? Submit your suggestions to floodinfo@lpsvcs.com

www.lpsnationalflood.com

Transforming the Flood Program

FEMA and the **National Flood Insurance Program (NFIP)** have been under public and Congressional scrutiny for some time, especially since Hurricanes Katrina and Rita wreaked havoc on the Gulf Coast. Expressed concerns surrounding program viability, map quality and insurance affordability have resulted in various actions, from the implementation of Risk MAP to a series of meetings related to NFIP reform to proposed legislation that attempts to remedy the perceived shortcomings of the Flood Program. The following are brief updates on recent actions related to the NFIP:

Risk MAP

FEMA just held a four-day training workshop for their Risk Analysis Division staff members and mapping contractors from December 13-16 in Chicago. The purpose of the workshop was to train more than 100 attendees on the mission, vision and next steps in achieving the goals of Risk MAP. The sessions highlighted the importance of understanding the needs of key users of the maps, one of which was the flood determination industry; an LPS National Flood staff member attended the workshop and gave a series of presentations on behalf of the NFDA.

Risk MAP is aimed at reducing losses of life and property through effective local mitigation activities enabled by quality flood hazard data, risk assessments and mitigation planning. Now that Risk MAP has officially been underway for two years, the foundation for the program has been established and new flood studies are in progress. Products developed under the Risk MAP strategy are expected to begin emerging in 2011.

NFIP Reform

After more than a decade of seeking input, identifying issues, and undergoing studies, FEMA has undertaken a critical review of the NFIP. With Congress considering reform of the program, FEMA is prepared to assist decision-makers by providing a comprehensive analysis that will address issues of immediate concern and establish a solid foundation for the future of the NFIP.

FEMA has begun holding a series of meetings to allow stakeholders to participate in constructive dialogue about NFIP reform. In an effort to identify new solutions, FEMA held two public meetings in Washington, DC on December 2nd and in Denver, CO on December 9th. One of the key discussion topics was the proposed privatization of all or part of the flood program, but there is still much work to be done before implementation of any proposed solutions in the future. Additional details about FEMA's reform efforts can be accessed at http://www.fema.gov/business/nfip/nfip_reform.shtm.

Legislative Update

On December 1, 2010, U.S. Senators Dick Durbin (D-IL) and Chuck Schumer (D-NY) introduced a bill to delay the mandatory flood insurance purchase requirement in

communities with newly designated FEMA flood maps. While the bill is national in scope, it will address Senator Durbin's concerns for his constituents in Metro East, Illinois where up to 30,000 properties will be affected.

Durbin has asked the Senate Banking Committee to include the language in their version of comprehensive flood insurance legislation, but it is highly unlikely that the Committee will complete its work and the Senate will approve a bill this year. A standalone bill offers a greater opportunity for the delay to be approved by the Senate on its own or incorporated in a larger piece of legislation before the end of the year.

Among the proposed provisions of this standalone bill is a recommendation to delay the use of newly-issued flood maps until five years after they are released, therefore delaying the mandatory purchase requirement for mortgaged properties located within high risk flood zones.



PRP Extension Provision Commences in 2011

Since the new **Preferred Risk Policy (PRP) Eligibility Extension**, a cost-saving flood insurance option for properties newly-included in high risk flood zones as a result of flood map revisions, will officially take effect on January 1, 2011, we are reminding our clients that LPS National Flood has an automated solution in place to equip customers with an indication of potential property eligibility. Buildings newly identified to be in Special Flood Hazard Areas (SFHAs) as a result of FEMA flood map revisions on or after January 1, 2011, may be eligible for a low cost PRP for two policy years following the effective date of the new flood map. In addition, buildings moved into SFHAs due to map revisions between October 1, 2008 and December 31, 2010 may be eligible for the PRP rate for two years upon their next policy renewal. More information about this new program is detailed in FEMA's July 15, 2010 bulletin (W-10076) which is accessible at <http://www.nfipiservice.com/stakeholder/pdf/bulletin/w-10076.pdf>.

LPS National Flood's solution to identify likely eligible properties and to provide historical flood data will support customers in their efforts to comply with this new provision. Information regarding our new service can be obtained by calling **(800) 833-6347, option 4** or by emailing floodinfo@lpsvcs.com.

Lender ID Number

FEMA's Standard Flood Hazard Determination Form ("SFHDF", FEMA Form 81-93) requires that the **Lender ID Number** appear in Section I, Box 3. If you are anticipating a regulatory audit, we encourage you to make sure that your Lender ID is printing on the SFHDF. According to the most recent *Mandatory Purchase of Flood Insurance Guidelines*, the lender funding the loan should identify itself as follows:

- **FDIC-insured lenders** should indicate their FDIC Insurance Certificate Number.
- **Federally-insured credit unions** should indicate their charter/insurance number.
- **Farm Credit institutions** should indicate their UNINUM number.
- **Other lenders** who fund loans **sold to or securitized by FNMA or FHLMC** should enter the FNMA or FHLMC seller/servicer number.

To ensure that your Lender ID Number is printing on all of the SFHDFs you receive, please review a recently-ordered flood certificate. If you find it missing, you can request that it be added by emailing your LPS account number and Lender ID to flood@lpsvcs.com. Be sure to include your contact information.

Elevation Certificates Online

Elevation Certificate quotes can now be ordered on LPS National Flood's websites!

The new online form is available on all LPS National Flood websites:

- www.LPSnationalflood.com: click **Get Quote Now** on the home page
- www.LPSnationalflood.com/lender: click **Get Quote Now** on the home page
- www.LPSnationalflood.com/insurance: find **Elevation Certificates** in Products menu.

2011 Flood Map Revisions

Map Date	County/District	State
1/6/2011	Spartanburg	SC
1/6/2011	St Joseph	IN
1/19/2011	Siskiyou	CA
2/18/2011	Lancaster	NE
2/18/2011	Scott	IA
2/18/2011	Boone	IL
3/17/2011	Westmoreland	PA
4/4/2011	Calhoun	MI
4/18/2011	Denton	TX
4/18/2011	Providence	RI



Don't Let a Scrooge Scam You This Holiday Season

Did You Know?

- Cybercriminals use their best schemes during the holidays to steal money, credit card details, Social Security numbers and identities.
- Complaints to the Internet Crime Complaint Center jumped 22% last year.

- **Charity Scams:** Hackers try to take advantage of people's generosity by sending e-mails that appear to be from legitimate charities, but these e-mail links may lead to fake web sites designed to steal donations, credit card information and the identities of donors. Always research a charity first with the Better Business Bureau.

- **Classic Phishing Scams:** Phishing e-mails are a common method hackers use to trick consumers into divulging their personal information. Common phishing emails sent this time of year include holiday e-cards and messages pretending to be from companies like UPS or FedEx with bogus links to package tracking information. Don't click on links or open attachments until you have confirmed that they are not

malicious; and be alert to the red flags of malicious e-mail such as typos, poor spelling and grammatical errors.

- **New and Improved Phishing Scams:** Smishing and vishing are two variations of phishing which target your mobile phone. Smishing uses SMS text messages while vishing uses automated phone calls. A user receives a text message or automated phone call to their cell phone. The message states that there is a problem with the user's bank account, then provides a call back number or website where the user provides account credentials in order to resolve the issue. Be aware of these threats and notify your bank if you receive a suspicious text or call to your cell phone which claims to be from your bank.

- **Social Networking:** Criminals take advantage of this social time of year by sending authentic-looking, friend-request e-mails from social networking sites. Clicking on links in these e-mails can install malware and steal personal information. Be wary of people you don't know who want to be a "friend" in your network.
- **Gifts You Can't Return:** Hackers create fraudulent holiday-related web sites to buy festive ringtones, wallpaper, song lyrics or holiday screensavers, but downloading these files may infect your computer with malware or spyware. Use caution when downloading these types of files.

Holiday Quotes



"Anyone who believes that men are the equal of women has never seen a man trying to wrap a Christmas present." ~ Unknown

"An optimist stays up until midnight to see the New Year in. A pessimist stays up to make sure the old year leaves." ~Bill Vaughn

"Youth is when you're allowed to stay up late on New Year's Eve. Middle age is when you're forced to." ~Bill Vaughn