



## Announcement 2016-11

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### Flood Insurance Requirements-All Programs

Planet Home Lending would like to remind its Sellers that in compliance with the **Biggert-Waters Flood Insurance Reform Act of 2012**, the following requirements apply to all loans containing escrowed flood insurance including, but not limited to Higher Priced Mortgage Loans (HPML):

- Flood insurance premiums must be escrowed on loans closed on or after January 1, 2016.
- Escrows for flood insurance premiums will not be waived on loans secured by 1-4 unit properties (including PUDs and site condos).
- A Standard Flood Hazard Determination Form (SFHDF) is required on all properties prior to purchase.
- Evidence that all flood insurance premiums have been escrowed prior to purchase regardless of any other fees and charges associated with the loan must be provided.
- Loans closed on or after January 1, 2016 where flood insurance is required and no flood escrow has been established are **not** eligible for purchase.

The Planet Home Lending Seller Guide will be updated to reflect these requirements.

Please contact your Regional Sales Manager with any questions.