

**TO:** State Directors, Rural Development

**ATTN:** Program Directors, Area Directors, Rural Development Managers,  
Community Development Managers, and  
State Environmental Coordinators

**FROM:** Russell T. Davis *(Signed by Russell T. Davis)*  
Administrator  
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**SUBJECT:** Use of the Federal Emergency Management Agency Form 81-93, "Standard Flood Hazard Determination"

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide guidance on the use of Federal Emergency Management Agency (FEMA) Form 81-93, "Standard Flood Hazard Determination." Use of this form is required by the National Flood Insurance Reform Act (NFIRA) of 1994.

**COMPARISON WITH PREVIOUS AN:**

This replaces RD AN No. 4226 (426.2) which expires on November 30, 2007.

**EXPIRATION DATE:**  
November 30, 2008

**FILING INSTRUCTIONS:**  
Preceding RD Instruction 426.2

## **IMPLEMENTATION RESPONSIBILITIES:**

NFIRA required FEMA to develop a Standard Flood Hazard Determination Form (SFHDF). NFIRA also required Federal entities responsible for lending regulation and Federal Agency lenders to develop regulations requiring the use of the Form.

The Federal entities responsible for lending regulation (Office of the Comptroller of Currency, Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Farm Credit Administration, and National Credit Union Administration) published regulations making the use of the Form mandatory effective January 2, 1996. The Rural Development, Housing and Community Facilities Programs, Business and Cooperative Programs, and Utilities Programs are Federal Agency lenders as defined in NFIRA. RD Instruction 426.2, "National Flood Insurance," is currently being re-written to reflect the requirements of NFIRA, including a provision to require the use of the SFHDF.

The SFHDF FEMA Form 81-93 will be used when loans or grants will be used to acquire, construct, or rehabilitate a building, including a manufactured home. "Building" means a structure with two or more outside rigid walls and a fully secured roof that is affixed to a permanent site; or a manufactured home (also known as a mobile home, which is a structure built on a permanent chassis, transported to its site in one or more sections, and affixed to a permanent foundation); or a travel trailer without wheels, built on a chassis and affixed to a permanent foundation that is regulated under the community's floodplain management and building ordinances or laws. "Building" does not mean a gas or liquid storage tank or a recreational vehicle, park trailer, or other similar vehicle, except as described above. Underground utility lines and underground pumping stations are not "buildings," and flood insurance is not needed if no building is involved.

- **For direct/insured loans and grants:** The SFHDF is to be completed and signed by the loan official responsible for preparing the environmental review for the proposal if this Form is not provided by contract (such as "Leretant" for single family direct loans). An intermediary will also complete and sign an SFHDF when that intermediary makes a loan or grant to a third party using Agency funds. Signatures are to be provided in Section F of the Form, except when completed by the contractor. For environmental documents prepared under 7 CFR part 1794, Rural Utilities Programs Environmental Policies and Procedures, the applicant's consultant is responsible for completing the Form.
- **For guaranteed loans:** Since use of the Form was mandated by the Federal entities responsible for lending regulation effective January 2, 1996, guaranteed lenders must submit a completed SFHDF as part of all requests for guaranteed financial assistance, if the financial assistance involves a mortgage on a "building" as described above.

- **Exception to flood insurance and use of the Form:** Flood insurance is not required when the financial assistance involves an original principal balance of \$5,000 or less and a repayment term of less than 1 year.
- Printed copies of the Form may be ordered from the Rural Development St. Louis Office or downloaded at [FEMA: Standard Flood Hazard Determination Form and Instructions](#). FEMA Form 81-93 has a revised expiration date of October 31, 2008, and was approved for use effective December 2005. There were no changes to the format or content of the Form.

To allow users of the Form time to update their systems to the new version, the effective date for mandatory use of the new Form was July 1, 2006. The old version (expiration date October 31, 2005) of the Form is no longer available for distribution. SFHDF's completed on or after July 1, 2006, must be completed using the new Form for compliance purposes.

The information on the SFHDF is important in two ways. First, the SFHDF provides specific information with regard to a proposal's location, its proximity to floodplains, and the availability of flood insurance for that area. Proposed construction within floodplains is not eligible for Federal financial assistance by law unless flood insurance is available through the National Flood Insurance Program (NFIP). Second, the SFHDF provides specific information on floodplain identification that can be used in completing the Agency's environmental review.

For all programs subject to RD Instruction 1940-G, the completed SFHDF should be attached to Form RD 1940-22, "Environmental Checklist for Categorical Exclusions," or included as an exhibit to the "Class I or Class II Environmental Assessment" when applicable. For Utilities programs subject to 7 CFR part 1794, the completed SFHDF should be attached to Exhibit H of the "Environmental Checklist for Categorical Exclusions" or the Environmental Assessment.

You are encouraged to work closely with your State Environmental Coordinator and your guaranteed lenders to ensure flood insurance policies and procedures are effectively integrated with loan processing and servicing activities. Should you have questions on this AN or on other flood insurance issues, please call Eric Bradley at (202) 205-8242, or Mark Plank at (202) 720-1649.