

NOTICE TO ALL CUSTOMERS

FHA Minimum Property Standards for New Properties Located in Special Flood Hazard Areas (SFHA)

Florida Capital Bank would like to inform customers of the recent announcement made by FHA via [Mortgagee Letter 2024-20](#) on November 7, 2024. The Mortgagee Letter announces new requirements for Properties Located in Special Flood Hazard Areas (SFHA).

In the Mortgagee Letter, FHA details the Minimum Property Standards (MPS) for all newly built single-family residential structures (Site Built or Units in Condominium Projects or Legal Phase) stating that if any portion of the dwelling or related structures including equipment essential to the property value is located in a Special Flood Hazard Area (SFHA), the property is not eligible for FHA insurance unless the lender:

- Obtains a FEMA-issued final LOMA or LOMR removing the property from the SFHA; or
- Obtains a FEMA NFIP Elevation Certificate ([FEMA Form FF-206-FY-22-152](#)), documenting when the building permit application date, or its equivalent date, is:
 - Before January 1st, 2025: the lowest floor of a building including the basement and all related structures are built at or above the 100-year flood elevation; or
 - On or after January 1st, 2025: the lowest floor of the property improvements, including the basement and other permanent enclosures are at least two feet above the FEMA-determined Base Flood Elevation (BFE)
- The Lender must ensure Flood Insurance is obtained when the FEMA NFIP Elevation Certificate documents the property is still in a SFHA.
- Builder permit application submission date, or equivalent, will be required on form [HUD_92541 Builders Certification of Plans-Specs-Site](#). Note: In jurisdictions where building permits are not issued, an equivalent application date represents the request for jurisdictional approval to start construction. The construction start date serves as the equivalent date when no prior application date is available.

These requirements are effective immediately. FLCBank adheres to these updates and the FHA Guidelines will be updated in the next few days.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).