

[Lender Name]
[Lender Address]
[City, State, Zip Code]

[Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

RE: Conditional Mortgage Approval - Flood Insurance Requirement

Dear [Borrower Name],

We are pleased to inform you that your mortgage application for the property located at [Property Address] has been conditionally approved. This approval is subject to the following mandatory requirement regarding the National Flood Insurance Program (NFIP).

The subject property has been identified as being located in a Special Flood Hazard Area (SFHA). As a condition of your loan, Federal law requires that flood insurance be obtained and maintained for the life of the loan. Since your community participates in the NFIP, you must provide proof of coverage before the loan can be closed.

Required Actions:

- Obtain a standard flood insurance policy through the NFIP or a private insurer that meets federal requirements.
- The minimum coverage amount must be the lesser of: the outstanding principal balance of the loan, the maximum limit available under the NFIP, or the full insurable value of the structure.
- Provide a copy of the Declarations Page or an Application for Flood Insurance along with proof of premium payment to our underwriting department by [Date].

Please note that if flood insurance coverage lapses at any time during the mortgage term, the lender is required by law to force-place insurance at your expense.

If you have any questions regarding this requirement or the NFIP, please contact your insurance agent or our loan processing department at [Phone Number].

Sincerely,

[Loan Officer Name]
[Title]
[Lender Name]