



## Small Business Administration Announces New Disaster Assistance Rules

**O**n May 8, the Small Business Administration (SBA) announced a final rule affecting the agency's handling of disaster loan assistance. The rule enables SBA to waive, if good cause is shown, the restriction in the Federal Debt Procedures Act of 1990 prohibiting debtors on whose property the U.S. has an outstanding judgment lien from receiving federal disaster loan assistance.

SBA recognized that disaster loans may strain the financial

resources of responsible borrowers to such an extent that they might hinder or prevent those individuals from meeting their financial obligations to the federal government. Specifically, the agency identified two instances in which good cause will ordinarily be found, both involving adverse circumstances brought about by the disaster for which the assistance is sought. In such cases, waivers would be granted to an applicant for either physical or economic injury disaster assistance. Examples of

good cause include, but are not limited to: 1) delinquencies leading to a judgment lien, which are caused by a disaster, whether the original debt was incurred prior to or after the disaster, and 2) default in any agreement to satisfy a judgment lien caused by a disaster, whether the agreement has been made with SBA, another creditor agency, or any other federal entity holding the lien. In the case of agreements with other agencies, SBA will not waive the restriction on eligibility until the appropriate federal

entity has certified that the debtor had adhered satisfactorily to the terms of the agreement prior to the disaster.

The new rule appeared in the **Federal Register**, Vol. 60, No. 88 (May 8, 1995), pp. 22495-22496. For further information, contact *Bernard Kulik, Associate Administrator for Disaster Assistance, Small Business Administration, 409 Third Street, S.W., Washington, DC 20416; (202) 205-6734.*

## NFIP RATING BEING SIMPLIFIED

(ASFPM -News & Views- June 1995-Vol.8,No.3)

**E**fforts to simplify the National Flood Insurance Program's (NFIP's) rating process began last November with the meeting of a task force formed to identify options. Besides Federal Emergency Management Agency and Federal Insurance Administration staff, the task force meeting included NFIP Statistical Agent and Servicing Agent staffs,

representatives from Write Your Own companies and the Flood Insurance Producers National Committee, and FIA and Community Rating System consultants. The following gives the status as of May 1995 of the three categories of simplifications that are of particular interest to floodplain managers.

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# HAVE YOUR CORPORATE LIMITS EXTENDED OR CHANGED ?

**H**ave your corporate boundaries changed? If so, did they include areas which might possibly include portions of the 100-year floodplain. To check, take your current floodplain map and compare it with your community's map of corporate limits. If these map boundaries do not match, certified copies of the annexations or de-annexations and a current map of your community's corporate boundaries should be sent to the Federal Emergency Management Agency (FEMA) Region VI Office. If a Map Revision is necessary for corporate boundary changes or other changes in the floodplains,

guidelines are offered free of charge in the FEMA publication "Appeals, Revisions, and Amendments to Flood Insurance

Maps", FEMA-12/January 1990, from the publications office at 1-800-638-6620.

If you have further questions,

please contact FEMA Region VI, Federal Center, 800 North Loop 288, Denton, Texas 76201-3698, (817) 898-5127.✚

## NFIP RATING BEING SIMPLIFIED *continued from page 1*

### Premium Payment

Reducing the burden of having to pay full premiums up front is considered an important avenue to making flood insurance easier to sell. Flood insurance premiums may be paid by credit card beginning in July 1995. The option of paying premiums in installments and whether policy changes could be made to facilitate the use of premium financing mechanisms is still being researched.

### Standard Policy and Provisions

The Standard Flood Insurance Policy is being reviewed with an eye toward making the forms and language similar to other types of homeowners' insurance. The policy rewrite will examine possibilities of simplifying the application of deductibles and providing automatic contents coverage as a percentage of building coverage. This effort would require rulemaking and is expected to be completed in 1996.

### Elevation Certification Requirements

A major simplification in the area of elevation certification would be to reduce the number of individual building certifications needed to rate flood insurance, but there is a concern that a high rate of "no certification" buildings would result if elevation certification were optional. While research on other options is being done, an initial attempt to simplify

the process is to provide a mechanism for flood policies to be written with provisional rates in effect while the elevation certification is being completed. This will be implemented in July 1995 for 1-4 family post-FIRM construction in Zones AE, A1-A30, and A (where communities provide estimated BFE's). Upon completing a supplemental questionnaire to the insurance application, a policy can be provisionally rated and issued before the submission of required elevation certificate. A certificate is expected to be submitted with 30 days of the policy effective date, at which time standard rating is accomplished. Coverage can be reduced if the certificate is not supplied on time.

Two minor simplifications have already been implemented. The rates used in Zones AO and AH for buildings certified as not being in compliance are now available for rating policies in zones without elevation certificates. Also, the criteria used by insurance agents to determine if there are proper openings in the foundations used to elevate buildings have been simplified. The guidance used by the agent is now "a minimum of two openings that are no more than two feet above grade." Although it differs slightly from the floodplain management requirement, this description is easier for the agent to use when rating a policy.✚

## 1995 LOUISIANA FLOOD NOTES

**The spring of 1995 brought heavy rains and flooding to the New Orleans area. Twelve parishes were Presidentially declared as disaster areas. The National Flood Insurance Program office reported that over 85% of the structures flooded were covered by flood insurance. The high number of policies in effect helped speed up the recovery effort by Federal Emergency Management Agency (FEMA), state, and local officials.**

**Glad they moved...**

# HOMES HIGH AND DRY

FEMA, Recovery Times, Issue 4, December 1, 1994

**A**sk Phil Lore of Conroe about relocating after a flood. He did and he's glad. If Mr. Lore and his family had not agreed to be part of a relocation program put together after the 1979 flooding, his one-story home would have been under 15 feet of water when flooding hit the area in October 1994.

Phil and his wife, Alice, are among the families who moved 51 houses from Whispering Oaks subdivision which had been built in the San Jacinto River floodplain.

About six months following the 1979 flooding, Lore was able to

move his home 2.5 miles to higher ground on Crane Court just south of Highway 242.

"The Whispering Oaks project turned out to be a model -- an example that was followed by

about 8,500 homeowners following the Midwest floods of 1993," said Todd Davison, Deputy Federal Coordinating Officer in charge of mitigation activities during the Southeast

Texas Floods of 1994.

Davison explained, "Mitigation is basically a fancy word for common sense measures

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## WHAT'S HAPPENING IN SOUTHEAST TEXAS FLOOD RECOVERY ?

**A**s a result of the Southeast Texas Floods in October of 1994, thousands of homes were severely damaged. Many homeowners applied for acquisition funds through either the Section 1362 program or the Section 404 program.

The Section 1362 program was available for homes with flood insurance. The Federal Emergency Management Agency has approximately \$4.7 million available in the Section 1362 program to acquire homes for persons left homeless by disasters. This is, however, the last time the Section 1362 program will be administered. The program has been replaced with a new mitigation program under the Riegle Community

Development and Regulatory Improvement Act, also known as the National Flood Insurance Reform Act, which passed in September 1994.

The second program is the Section 404--Hazard Mitigation Grant Program. This program is administered through the Division of Emergency Management for the State of Texas, with funds and final approval from the Federal Emergency Management Agency. As of July 24, 1995, \$19.2 million had been obligated to acquire approximately 500 homes located in or near floodways in several communities. These efforts will reduce or eliminate future flood losses in the Southeast Texas Region.✚

## 1994 Southeast Texas Flood Disaster Counties Receiving Top Claims

COUNTY	NUMBER OF INSURANCE CLAIMS PAID	AMOUNT OF INSURANCE CLAIMS (1) (millions)	NUMBER OF INDIVIDUAL ASSISTANCE CLAIMS PAID	AMOUNT OF INDIVIDUAL ASSISTANCE PAID (2) (millions)	NUMBER OF I.F.G. CLAIMS PAID (3)	AMOUNT OF I.F.G. CLAIMS PAID (3) (million)	NUMBER OF JURISDICTIONS RECEIVING PUBLIC ASSISTANCE	AMOUNT OF PUBLIC ASSISTANCE CLAIMS (4) (millions)	NUMBER OF SBA LOANS	AMOUNT OF SBA LOANS (5) (millions)	TOTAL CLAIMS FOR DISASTER (millions)
MONTGOMERY	1118	\$55.2	5053	\$21.3	2349	\$10.8	30	\$1.5	1675	\$61.1	\$149.3
HARRIS	1592	\$52.0	7975	\$24.2	5268	\$13.2	28	\$3.8	1515	\$41.5	\$134.7
FORT BEND	1770	\$40.4	400	\$1.2	148	\$0.3	---	---	31	\$0.5	\$42.4
LIBERTY	335	\$7.0	3210	\$11.1	1817	\$5.0	18	\$1.6	521	\$10.5	\$35.4
JEFFERSON	386	\$9.9	1013	\$5.3	366	\$1.1	8	\$0.5	364	\$10.1	\$26.9
BRAZORIA	672	\$17.0	669	\$2.4	222	\$0.6	---	---	138	\$3.0	\$23.1
HARDIN	247	\$9.2	761	\$2.9	266	\$0.7	6	\$0.5	195	\$4.9	\$18.2

I.F.G.—Individual Family Grant Program

(1) National Flood Insurance Program, South Central Regional Office, As Of July 31, 1995  
 (2) Federal Emergency Management Agency, Region VI, As of July 31, 1995  
 (3) Federal Emergency Management Agency, Region VI, As of July 31, 1995

(4) Texas Department of Public Safety, As of July 21, 1995  
 (5) Texas Department of Public Safety, As of July 27, 1995

# HOMES HIGH AND DRY

*continued from page 3*

individuals like the Lores can take so they do not have to be flood victims again."

"What is new," Davison said, "is FEMA's commitment under the leadership of Director James Lee Witt to the concept of helping people live free of the fear of being flooded out every time it rains. We have access to more funding for these kinds of mitigation projects than has ever been available in the past." ❖

# THE COMMUNITY RATING SYSTEM

*Loyd Blackmon, TNRCC*

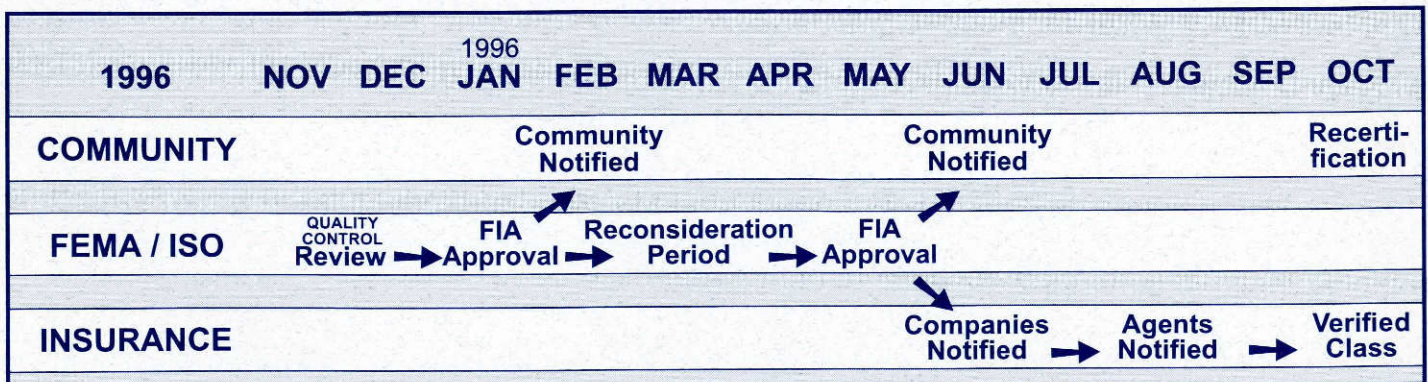
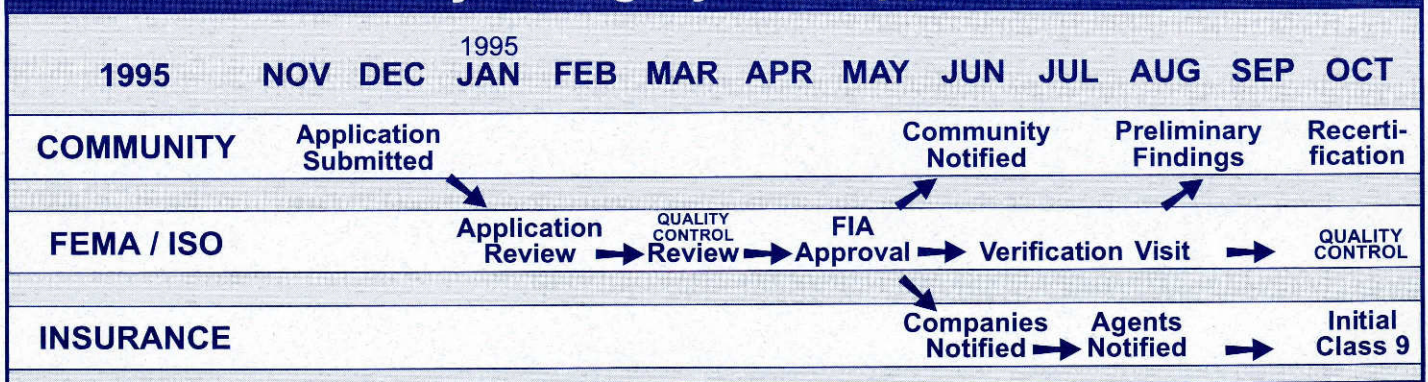
The National Flood Insurance Program (NFIP) has been successful in requiring new buildings to be protected from damage by a 100-year flood through the adoption of regulations by participating communities throughout the United States. The Community Rating System (CRS) provides an incentive for communities in the regular program to do more than the minimum requirements of the NFIP. In this program, flood insurance premiums are adjusted to reflect the activities of the communities that reduce flood damage to existing buildings, manage development in areas not mapped by the NFIP, protect new buildings beyond the minimum NFIP protection level, help insurance agents obtain flood data, and help people obtain flood insurance.

If your community is interested in the Community

Rating System (CRS), you need to begin reviewing the application and start the proper application form. The timeline below shows when the new rating will take effect and the steps in the process. The deadline for new applications is December 15, 1995. Forms and other literature for the Community Rating System may be obtained from: Flood Publications, NFIP/CRS, P.O. Box 501016, Indianapolis, IN 46250-1016, or call (317) 848-2898.

The Texas Natural Resource Conservation Commission (TNRCC) is available to assist your community in reviewing the Community Rating System application and ensuring it is complete. For further assistance, please contact the TNRCC Floodplain Coordination Team at (512) 239-4710. ❖

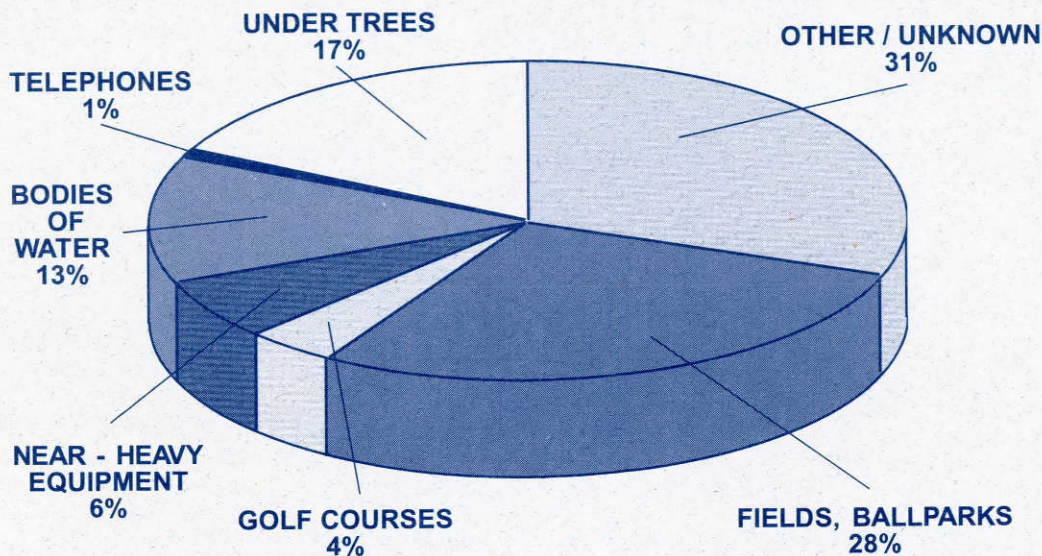
## Community Rating System Application Flow



# WHERE AND WHEN LIGHTNING STRIKES

(National Weather Service, USA Today)

## LOCATION OF LIGHTNING STRIKES



**J**uly and August are the most dangerous months for lightning in the United States, according to the National Weather Service. Lightning occurs in all areas of the country although the frequency and severity may vary. It also:

- ◆ Claims approximately 200 lives annually,
- ◆ Results in billions of dollars in property damage, and
- ◆ Is a leading cause of fire in rural areas.✚

# LIMITED MAP MAINTENANCE

James Mirabal, P.E., NFIP State Coordinator

**S**everal communities in Texas have creeks whose flood elevations have not been mapped. Many of these communities are in serious need of flood elevation data in order to continue with development. To address this problem, the Federal Emergency Management Agency (FEMA) has developed the Limited Map Maintenance Program (LMMP). This program gives communities the data needed to regulate development in unmapped areas. This program requires communities to:

- Participate in the Regular Phase of the National Flood Insurance Program (NFIP);

and,

- Request limited map maintenance directly from the FEMA Regional Office.

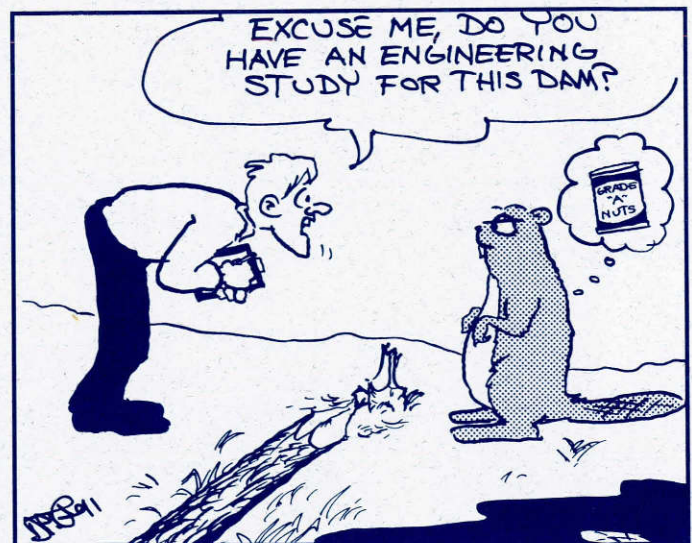
When requesting limited map maintenance from the FEMA Regional Office, the following information must be submitted:

- Name of creeks and the number of stream miles that need to be studied;
- Description of the existing and proposed development in the floodplain of the named creek;
- Summary of the flooding history along the creek; and,
- A prioritization of the streams needing study if more than one

stream is submitted.

Once requests have been made, FEMA contracts the study work out to federal agencies, such as the U.S. Army Corps of Engineers, or to private engineering firms. Contractors are given up to \$35,000 to do all projects

within a district. Due to limited funds, FEMA prioritizes studies based on community needs. For this reason, it would be to your benefit to emphasize your community's needs when submitting mapping requests.✚



## Partnerships for Building Safer Communities... We've Come A Long Way Since Noah

(Richard T. Moore, Associate Director for Mitigation, FEMA)  
Natural Hazards Observer, July 1995  
an invited comment

**T**wo years ago, after touring the areas devastated by the Midwest floods, President Clinton promised the American people that when a disaster hits their community, his administration will help them respond to and recover from that disaster. The President committed to deliver disaster assistance more efficiently and effectively, and to rebuild safer communities by mitigating the impacts of future disasters.

Despite significant advances in our efforts to protect people from natural hazards, the tension between hazards and the built environment continues to escalate, causing untold suffering, billions of dollars in property losses, and environmental degradation.

While mitigation of natural hazards has been an important focus of programs within numerous federal and state agencies for some time, and, while progress has been made in mitigating the impacts of some hazards, there is an obvious need for intergovernmental coordination, cooperation with the private sector, improvement of technical standards, evaluation of progress in mitigation, and the setting of long-term national goals.

Consequently, the President directed the Federal Emergency Management Agency (FEMA) -- under the leadership of Director James Lee Witt -- to develop a strategy to reduce the loss of life and property through mitigation.

Those who have built a new home, or know someone who has, can appreciate the effort that has gone into developing the National Mitigation Strategy. What do constructing a building and formulating public policy have in common? The concept of National Mitigation Strategy as a shelter from natural hazards is not farfetched.

For instance, a lot of things happen before we acquire land on which to build -- surveys, title searches, legal steps, etc. Similarly, a lot happened to help reduce the impacts of natural hazards before FEMA was asked to develop a National Mitigation Strategy, for example:

- ▼ Developing fire and building life safety codes for much of the nation to reduce major urban fires and building failures;
- ▼ Establishing a national program of floodplain management with strong mitigation provisions to significantly reduce flood losses;
- ▼ Developing a national system of emergency management with a coordinated federal response plan;
- ▼ Establishing a National Earthquake Hazards Reduction Program to increase the availability of applied seismic research and an enhanced National Hurricane Program to minimize loss of life from hurricanes through better tracking, warning, and evacuation procedures;
- ▼ Developing a national assessment of hazards and of the efforts to prepare for, respond to, and mitigate their impacts; and
- ▼ Developing a National Inventory of Dams that has identified high hazard dams and encourage warning systems and emergency plans for these facilities under federal regulation.

After we've acquired our land on which to build, the next step is to clear the site. Similarly, the public policy "landscape" had to be cleared before anyone could start building a National Mitigation Strategy.

The Clinton Administration and the Congress have, in the past two years, helped "clear the site" for mitigation by "reinventing" FEMA with mitigation as its cornerstone, increasing by as much as six times the funding previously available for postdisaster mitigation through the Volkmer Amendment to the Stafford Act, and reforming the National Flood Insurance Program to provide mitigation grants and mitigation insurance.

Mitigation has also been integrated with emergency response and recovery following disasters. For example:

- ▼ Following the Midwest and subsequent flood disasters, we are working with communities to move people out of repeatedly flooded areas. In Missouri alone, we are removing approximately 4,300 structures from the floodplain, saving the state an estimated \$200 million in future disaster costs over the next 15 years.
- ▼ In Northridge, California, for the first time and at the direction of FEMA, residential building inspectors recommended and estimated costs for mitigation options so that they could be applied to damaged homes as soon as repairs began.

However, just as we need a site plan and blueprints before we start building, the actions above and other steps will not guarantee safer communities without a comprehensive plan. We need to institutionalize safety measures -- mitigation -- at all levels of government, with the private sector, and as a basic responsibility of every American.

Therefore, we needed to develop the architectural plans. Of course, we went to the professionals for the actual design -- the emergency managers, building and land-use experts, and others. However, like many homeowners, we sought advice from friends, neighbors, literature, and other sources as we held our series of Mitigation Strategy Forums and other information-gathering activities.

We are now ready for the foundation. Past efforts to promote hazard mitigation have led to the emergence of a new partnership for building safer communities involving all levels of government, public and private sectors, communities, and individuals and families. Therefore, the foundation of our mitigation strategy is to strengthen existing partnerships and create new ones. However, we can't build a foundation without first selecting a solid concept for the cornerstone, and we

chose "civic responsibility."

Natural disasters are neither "Acts of God," -- as they have been called -- nor are they necessarily caused by nature. They are the direct result of our ill-considered decisions to live too near the coast, in floodplains, along seismic faults, or among wooded wildlands. We must build in ways that protect us and our families and those who will use those structures after us. We must limit the possibility that natural hazards will cause those structures to fail and thus adversely impact the rest of the community. We must exercise civic responsibility.

We can visualize five strategic elements that hold the structure together -- four "pillars" of our strategy and a "roof" overhead:

- ▼ The first pillar is public awareness and education. We must create a broad-based public understanding of natural hazards that leads to public support for mitigating those risks. This public information program must answer two questions: Does the message reach the widest possible audience? Is it presented in unique or thought-provoking ways that help the public to accept and advocate mitigation?
- ▼ The second pillar is hazard identification and risk assessment. We must conduct studies to identify hazards and assess the associated risks for communities. Does the mitigation effort identify all relevant hazards, determine the degree of risk, and address the vulnerability of people and the built and natural environments? Does it use the latest technology to assist in setting mitigation priorities?
- ▼ The third pillar is applied research and technology transfer. Does the mitigation effort effectively transfer ideas or technology to messages or products that can be readily understood and applied to identify, assess, and mitigate natural hazards risks?
- ▼ The fourth pillar is incentives and resources. We must use these to encourage mitigation and redirect resources from both the public and private sectors to achieve national mitigation goals. Does the mitigation effort demonstrate cost-effective use of limited resources, provide new or reprogrammed resources, or use scarce or limited resources to promote or serve the goal of mitigation?

Our "roof" atop these four columns is the umbrella of leadership and coordination. We must provide national leadership and coordination among federal agencies to promote hazard mitigation throughout all federal programs and policies, and coordination with other levels of government and the private sector as well. Does the mitigation effort demonstrate the benefits of mitigation, encourage mitigation on the part of others, or challenge old assumptions about natural hazards? Does it build coalitions or partnerships to maximize benefits or enhance resources? Does it encourage individual, family, or private-sector participation and cooperation in support of hazard identification and mitigation?

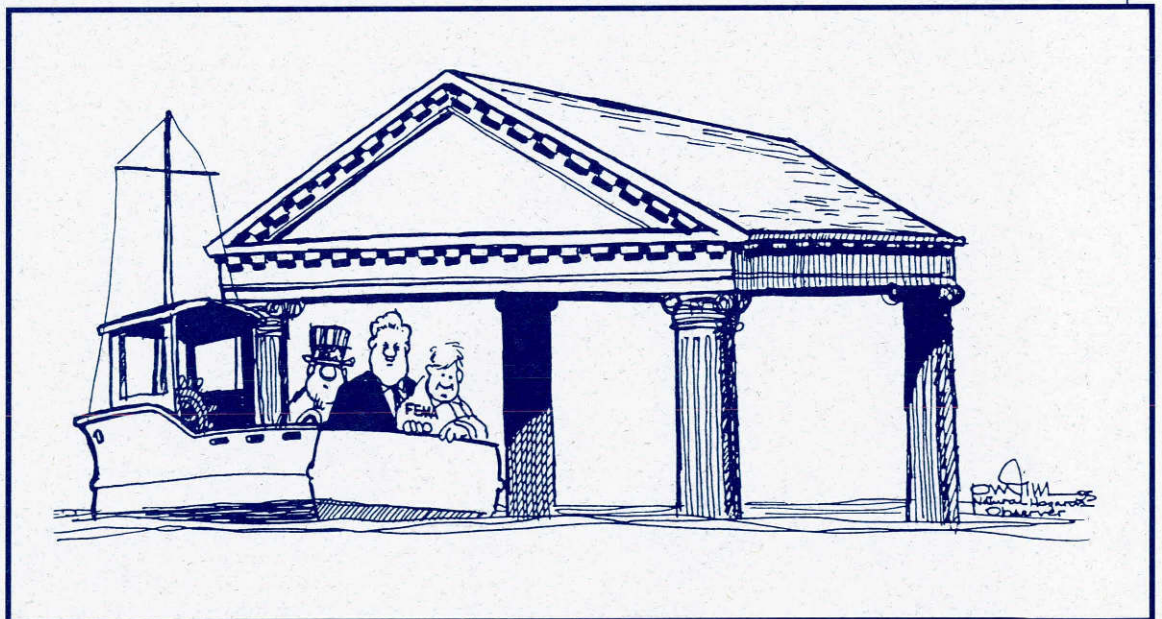
To hold this shelter together, the mortar consists of the implementation of various objectives that support each of the five strategic elements.

The management company for the shelter will be the proposed National Multi-Hazard Mitigation Council, which will monitor the shelter's management, evaluate how it is functioning, and make repairs or additions as necessary. The member federal agencies, states, communities, academic institutions, professional association, etc., will provide various services to help maintain the shelter.

Naturally, the shelter isn't free -- we have to pay the increased cost of building safer -- out of floodplains, or away from the coasts and other hazardous areas -- because the American people are all investors who own shares in the National Mitigation Strategy.

Building a shelter from natural hazards is nothing new.

After all, isn't that what Noah did? However, the National Mitigation Strategy, unlike the biblical ark, which sheltered only two of each species, is design to protect all Americans -- if we all get on board!



**Note:** A recent report describing the Mitigation Directorate's activities during its first year, **Placing the Cornerstone - A Year in Review** (1995, 16pp., free), can be obtained from **FEMA**, Publications Distribution Facility, 8231 Stayton Drive, Jessup, MD 20794; (800) 480-2520; (202) 646-3484; fax: (301) 497-6378.

# Your Toxic Trash Quiz

**1. True or False:** Federal law allows homeowners to throw away the same chemical that factories must send to special hazardous waste facilities.

**2. Which chemicals catch fire if mixed together in the trash?**

- a. pool chlorine and car brake fluid
- b. ammonia and suntan lotion
- c. charcoal lighter and bleach

**3. What's the biggest source of lead in U.S. landfills?**

- a. cans of lead-based paint
- b. old water pipes and radiators

- c. car batteries
- d. newspapers

**4. True or False:** More used motor oil is dumped on the ground, tossed into landfills and poured into sewers every year that was released during the Exxon Valdez oil spill in Alaska.

**5. What should you do with old gasoline?**

- a. mix it with kerosene and use it in camping stoves
- b. dilute each gallon of gas with 10 gallons of water and pour it down the sewer
- c. pour the gas onto concrete and allow it to evaporate

d. none of the above

**6. Can these products be recycled?**

- | Yes                      | No                       |                     |
|--------------------------|--------------------------|---------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | household batteries |
| <input type="checkbox"/> | <input type="checkbox"/> | car batteries       |
| <input type="checkbox"/> | <input type="checkbox"/> | used motor oil      |
| <input type="checkbox"/> | <input type="checkbox"/> | auto antifreeze     |
| <input type="checkbox"/> | <input type="checkbox"/> | pesticides          |
| <input type="checkbox"/> | <input type="checkbox"/> | toilet bowl cleaner |

**7. What should you do with cans of old paint?**

- a. allow the paint to harden and place it in the trash
- b. mix the paint together and use it as primer
- c. donate the paint to a

theater group or charity

d. take the paint to a household hazardous waste center

**8. What does the word "nontoxic" on a label mean?**

- a. the product contains no toxic ingredients
- b. the product does not harm the environment
- c. the product does not harm people when used as directed
- d. all of the above

**Answers: 1. True; 2. a; 3. c; 4. True; 5. d; 6. car batteries, motor oil, & antifreeze; 7. b, c & d; 8. c**

## IMPORTANT PHONE NUMBERS FOR FLOODPLAIN ADMINISTRATORS

Texas Natural Resource Conservation Commission  
Floodplain Coordination Team (512) 239-4710  
Water Utilities District Administration  
(512) 239-6161  
General Information (512) 239-1000

Federal Emergency Management Agency (FEMA),  
Region VI (817) 898-5127  
FEMA Publications (800) 480-2520  
FEMA Floodplain Maps & Flood Insurance Studies  
(800) 358-9616

U.S. Army Corps of Engineers District Offices  
Tulsa District (918) 669-7401  
Albuquerque District (915) 568-1359  
Fort Worth District (817) 334-2681  
Galveston District (409) 766-3930



Texas  
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Agriculture & Watershed Management,  
Floodplain Management Team, MC 158  
P.O. Box 13087  
Austin, TX 78711-3087

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