



MFM Bulletin: 001-2025

Date: January 20, 2025

Subject: FHA New Construction Elevation Requirements

FHA has issued Mortgagee Letter 2024-20, which makes significant changes to property eligibility for new construction of site-built housing or units in condominium projects located in a Flood hazard area. The following changes are effective immediately:

Properties in Flood Hazard Areas:

If any portion of the dwelling and related structures or equipment essential to the Property Value is located in an SFHA, the Property is not eligible for FHA mortgage insurance unless the following is provided:

- A FEMA-issued final LOMA or LOMR that removes the Property from the SFHA; or
- A FEMA NFIP Elevation Certificate (FEMA Form FF-206- FY-22-152) based on the finished construction, documenting that when the **building permit application submission date, or its equivalent date, is:**
 - **Before January 1, 2025:** The lowest floor of the residential building, including the basement, and all related structures or equipment essential to the Property Value are built at or above the 100-year flood elevation in compliance with the NFIP criteria; or
 - **On or after January 1, 2025:** The lowest floor of the property improvements, including the basement and other permanent enclosures, and all related structures or equipment essential to the Property Value are at least two feet above the FEMA determined Base Flood Elevation (BFE).
 - **The building permit application submission date, or its equivalent date, will be required on form HUD-92541, Builder's Certification of Plans, Specifications, and Site.** In jurisdictions where building permits are not issued, an equivalent application submission date represents the request for jurisdictional approval to start construction. The construction start date serves as the equivalent date when no prior application submission date is available.

Flood Insurance must be obtained when a FEMA NFIP Elevation Certificate (FEMA Form FF-206-FY-22-152) documents that the Property remains located within an SFHA. The eligibility requirements for manufactured homes in Flood Hazard Areas have not changed.

Eligibility for Existing and New Construction Manufactured Housing in SFHAs:

The finished grade level beneath the Manufactured Home must be at or above the 100-year return frequency flood elevation. If any portion of the dwelling and related Structures or equipment essential



to the Property Value for both new and existing Manufactured Homes is located in an SFHA, the Property is not eligible for FHA mortgage insurance, unless:

- A FEMA-issued LOMA or LOMR is obtained that removes the Property from the SFHA; or
- A FEMA NFIP Elevation Certificate (FEMA Form FF-206- FY-22-152) is obtained showing that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation.

Flood Insurance must be obtained when a FEMA NFIP Elevation Certificate (FEMA Form FF-206-FY-22-152) documents that the Property remains located within an SFHA.

Eligibility for Existing Construction:

When any portion of the improvement is located in a Flood Hazard Area, Flood Insurance must continue to be obtained.

Please contact the MFM Underwriting Dept. (underwriting@memberfirstmortgage.com) if you have any questions or concerns.

Thank you