

FEMA's Map Modernization Alters Portfolio Protection

By Mark Reedy, President, LPS National Flood

When it comes to portfolio risk, much of the mortgage industry's focus has been directed toward loss mitigation and foreclosures. Of course, that focus is appropriate and important given the market conditions over the past couple of years. However, servicers must also remain diligent when it comes to keeping other forms of risk out of their portfolios. The ongoing condition of collateral assets is particularly important since damage to the assets – such as that caused by flooding – can substantially undermine the value of properties in the portfolio.

In 2008, the number of updated maps had doubled compared to 2006, reaching roughly 18,000 map panels.

For decades, servicers have been monitoring their portfolios for changes to flood hazards and corresponding insurance requirements. Up until the past few years, such changes were minimal because the majority of the nation's flood maps remained unchanged. So, what has changed that has made the past few years different, and how will it impact servicers in the coming years?

The Plan

In 2003, the Federal Emergency Management Agency (FEMA), which administers the National Flood Insurance Program (NFIP) and maintains and updates the Flood Insurance Rate Maps (FIRMs), launched the Flood Map Modernization program, a multi-year, Presidential initiative supported by Congress. At first, the

initiative focused primarily on digitizing the majority of the existing paper-based flood maps to more efficiently provide stakeholders with access to the flood data they need. The initiative's goals also included some minor map updates for areas that were not previously studied or where significant changes had taken place.

In 2006, FEMA reviewed the progress of the Map Modernization program up to that point, which resulted in the issuance of the Mid-Course Adjustment report. According to this report, FEMA's understanding of the nation's mapping needs and how those needs should be approached had changed since the program's inception. Instead of focusing on digitizing all of the existing maps and then planning subsequent engineering studies for only a few select areas, FEMA shifted its focus to making sure flood boundary information has been updated prior to the digitalization of the maps. These mapping updates would apply to the highest risk and most rapidly developing communities, covering approximately 92% of the nation's population.

As a result of FEMA's revised plan, volumes of updated flood maps started to increase in 2006. In 2008, the number of updated maps had doubled compared to 2006, reaching roughly 18,000 map panels. And while 2008 technically marked the end of the original five-year Map Modernization initiative, only 45% of the communities funded for new studies had new maps published by the end of the fiscal year. As a result, updated flood maps for the remaining funded communities will continue to be released through 2010.



NATIONAL FLOOD
A LENDER PROCESSING SERVICES COMPANY

1521 N Cooper St | 4th Floor
Arlington, TX 76011

Lender Customer Phone Number:
(800) 833-6347

Insurance Customer Phone Number:
(877) 436-8353

Hours of Operation:
M-F 7:00am to 9:00pm, Central

Customer Service:
Press "2" at voice prompt
flood@lpsvcs.com

Technical Support:
Press "3" at voice prompt
floodsupport@lpsvcs.com

Product Information:
Press "4" at voice prompt
floodinfo@lpsvcs.com

This is just a portion of the full article which was published in the May edition of Servicing Management. You can view the entire article at http://www.lpsnational-flood.com/Content_Public/News.aspx

www.lpsnationalflood.com

A Full Spectrum of Origination Solutions – highlight on **LPS Property Tax Solutions**



At LPS National Flood, we are narrowly focused on providing the finest flood service available. Our customers should know that **Lender Processing Services (LPS)** is the nation's leading provider of mortgage processing services, settlement services, mortgage performance analytics and default solutions. The company's high performance technology, data and services empower lenders and servicers by providing them with the solutions they need to achieve their business goals and succeed in today's competitive marketplace.

In this edition of the National Flood Observer, we are highlighting **LPS Property Tax Solutions**, an established, innovative leader in the real estate tax service business specializing in customized technological and property tax data solutions for lenders and servicers. LPS Tax leverages its extensive

national tax database and integrations with a wide range of servicing and origination platforms to support their client's need for tax data during all aspects of the loan life cycle (origination, acquisition and default). LPS Tax also provides its clients with specialized tax related services that assist in reducing staff, increasing efficiencies and accuracy for specific tax related functions.

LPS Property Tax Solutions Overview:

- **Tax Service Reporting** – Nationwide tax service reporting for escrowed or non-escrowed loans that includes tax bill procurement and delinquency reporting.
- **Property Tax Direct Plus** – a first-to-market web services application that provides ad hoc, comprehensive property tax reporting throughout the life cycle of a loan. Property Tax Direct can meet multiple business use applications including Good Faith Estimates, Refinance/Loan Closing/Modifications, Pre-Acquisition Analysis and Default Services. System access is

available either through web inquiry or B2B integration (XML exchange).

- **LPS Desktop Tax Management (Tax Desktop)** – A web based application that replaces the need for traditional tax outsource services by allowing the lender/servicer to utilize tax data and technology solutions to increase process efficiencies, improve accuracy and provide revenue opportunities for tax functions performed in house. LPS Desktop Tax Management is fully integrated with the industry-leading LPS Desktop suite of services and LPS / MSP, thereby saving time and money in systems implementation.
- **Tax Data Sales** – Bulk data is available to companies that require detailed tax data for either specific tax jurisdictions or on a national level.

For more information on the range of services offered by LPS Property Tax Solutions, please contact Alex Barber at **(626) 345-2387** or alex.barber@lpsvcs.com.

LPS' Dedicated Account Managers



Did you know that LPS National Flood has a dedicated Account Management team? Our Account Management team is "second to none", ready and able to assist with any flood compliance questions including, help with your contract, legislative changes, and overall flood portfolio compliance.

Our Account Managers provide a single point of contact for all issues escalated above customer service. They develop a close and long term relationship with our clients and possess an intimate knowledge of products utilized, order methods and service level agreements. As the compliance needs of our customers change over time, our Account Managers help to tailor our service to those evolving needs and help to manage any special projects such as portfolio reviews,

direct connections and enhancements. LPS National Flood recognizes the importance of monitoring changes to legislation, industry regulations and updates to FEMA guidelines to address the impact on our internal processes as well as to understand how we can best support the needs of our customers. Together, our Account Management and Compliance teams monitor industry resources to keep abreast of all legislative and regulatory changes, keeping our clients apprised to support their flood compliance needs via news releases, quarterly newsletters and our website.

Each of our Account Managers has over seven years of Customer Service and Flood Compliance experience. Feel free to contact us anytime at **(800) 833-6347**. We are here to assist.

Dana.Sattler@lpsvcs.com	ext. 631	Lender & Insurance Clients
Diane.Blair@lpsvcs.com	ext. 204	Lender Clients
Juli.Geer@lpsvcs.com	ext. 630	Business Partners/Lender Clients
Lisa.Koenig@lpsvcs.com	ext. 633	Lender & Insurance Clients/Account Setup
Jill.Sorenson@lpsvcs.com	ext. 632	LOS Integrations/Custom Interfaces
Kim.Kastor@lpsvcs.com	ext. 637	OnePointCity
Judy.Lesch@lpsvcs.com	ext. 635	Business Partners/Insurance Clients
Mark.Schnellinger@lpsvcs.com	ext. 636	VP of Account Management
Natascha.DeVries@lpsvcs.com	ext. 101	VP of Account Management

End of the Year Map Revisions

FEMA's fiscal year ends September 30, and the release of many of the flood map revisions are concentrated in July, August and September, including, a substantial number of high population counties. The resulting impact on the life of loan tracking obligation of LPS National Flood and other flood vendors is millions of new Flood Zone Determinations over a short time frame. LPS National Flood's unique combination of industry leading technology, proactive process of integrating revised maps, and economies of scale, allow us to meet all of our life of loan tracking obligations in a challenging environment. Many of you may be interested to see the list below of high population counties whose revised flood maps will be released throughout the rest of 2009. For a full list of FEMA Map Revisions go to: <http://lender.floodapp.com>

7/7/2009	BRISTOL	MA
7/20/2009	SUMMIT	OH
8/3/2009	ALAMEDA	CA
8/3/2009	JOHNSON	KS
8/3/2009	TULSA	OK
8/18/2009	PINELLAS	FL
9/11/2009	MIAMI DADE	FL
9/11/2009	NASSAU	NY
9/25/2009	TARRANT	TX
9/25/2009	SUFFOLK	NY
9/25/2009	ORANGE	FL
9/25/2009	SALT LAKE	UT
9/25/2009	MONMOUTH	NJ
9/25/2009	GENESEE	MI
9/25/2009	YORK	PA
9/25/2009	SUFFOLK	MA
10/16/2009	SAN JOAQUIN	CA
11/18/2009	DELAWARE	PA
12/3/2009	ORANGE	CA
12/18/2009	OKLAHOMA	OK



Risk MAP Approved

Building on the success of the Map Modernization Program, FEMA is initiating Risk Mapping, Assessment, and Planning (Risk MAP) and has developed a multi-year plan spanning 2010-2014. Risk MAP is a seamless program aimed at reducing losses of life and property through effective local mitigation activities enabled by quality flood hazard data, risk assessments and mitigation planning. Risk MAP will provide an integrated national assessment of risks based on digital flood hazard data and web-accessible data.

Risk MAP Goals

Goal 1: Flood Hazard Data

Address gaps in flood hazard data to form a solid foundation for risk assessment, floodplain management

and actuarial soundness of the National Flood Insurance Program.

Goal 2: Public Awareness/Outreach

Ensure that a measurable increase of the public's awareness and understanding of risk results in a measurable reduction of current and future vulnerability.

Goal 3: Hazard Mitigation Planning

Lead and support states, local, and tribal communities to effectively engage in risk-based mitigation planning resulting in sustainable actions that reduce or eliminate risks to life and property from natural hazards.

Goal 4: Enhanced Digital Platform

Provide an enhanced digital platform that improves management of Risk

MAP, manages information produced by Risk MAP, and improves communication and sharing of risk data and related products to all levels of government and the public.

Goal 5: Alignment and Synergies

Align Risk Analysis programs and develop synergies to enhance decision-making capabilities through effective risk communication and management.