

STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS

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**SUBJECT:** Prohibited Flood Disaster Assistance - Flood Insurance Requirement

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**NUMBER:** 2.10.76

**EFFECTIVE:** June 2014

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**SANDY CDBG-DR**

**PAGE 1 OF 7**

**APPROVAL:**



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Laura Shea, Director  
Sandy Recovery Division

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**PURPOSE:**

This document sets forth the policy and procedure used to verify that no recipient of CDBG-DR funds is prohibited from receiving this disaster recovery assistance as a function of:

1. The applicant having previously received disaster recovery assistance for the property under the Stafford Act, after September 14, 1994, which required them to obtain and maintain adequate and necessary flood insurance; and
2. Failed to maintain adequate and necessary flood insurance coverage.

This policy applies to recipients of funding from RREM, LRRP, New Jersey Housing and Mortgage Finance Agency, the New Jersey Economic Development Authority, or any other recipient of CDBG-DR funds.

**POLICY:**

Consistent with the provisions of the Stafford Act, as impacted by the National Flood Insurance Reform Act of 1994 and the Riegle Community Development and Regulatory Improvement Act of 1994, the Department of Community Affairs and its subrecipients have adopted the following policy, as applicable.

The Act(s) state that no disaster recovery assistance made available in a flood disaster area may be used to make a payment (including a loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time since September 14, 1994 has received federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

If a transfer of property ownership has occurred, the transferor had a duty to notify the new owner in writing of the requirement to obtain and maintain flood insurance. If such notification occurred and the new owner failed to obtain and maintain appropriate flood insurance, then they are deemed ineligible

STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS

---

---

**SUBJECT:** Prohibited Flood Disaster Assistance - Flood Insurance Requirement

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---

**SANDY CDBG-DR**

**PAGE 2 OF 7**

---

for additional Federal disaster assistance. If the transferor failed to notify the new owner of the flood insurance requirements, and as a result, the new owner fails to obtain flood insurance and incurs damage, and federal disaster relief is provided to the new owner, the transferor will be required to reimburse the Department of Community Affairs which will in turn reimburse the Federal Government for the full amount of Federal disaster relief provided to the new property owner.

The State will notify the homeowner of their responsibility related to the Act and will encourage that grant or loan documents clearly state these requirements for all recipients of Sandy CDBG-DR funds. Each grant or loan agreement shall contain certifying language signed by the applicant or beneficiary confirming their acknowledgement and understanding of this requirement. (Exhibit B).

**PROCEDURE:**

This policy has **immediate** effect.

All applicants to CDBG-DR programs will be required to respond to specific flood insurance questions either at the time of application or in the course of application processing, or prior to disbursement of CDBG-DR funds. Exhibit A contains the recommended Flood Insurance Certification questions to be completed and signed by applicants/awardees of CDBG-DR applicable programs.

The Department of Community Affairs, the New Jersey Housing and Mortgage Finance Agency, the New Jersey Economic Development Authority and all other affected sub recipients, including public agencies and non-profit organizations funded under the Sandy CDBG-DR programs, will take the necessary steps to implement this policy and to retain affirmative documentation in project files.

See Exhibit C for listing of Federally Declared Disasters in which flooding occurred.

**SUBJECT:** Prohibited Flood Disaster Assistance - Flood Insurance Requirement

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**EFFECTIVE:** June 2014

**SANDY CDBG-DR**

**PAGE 3 OF 7**

**Exhibit A**

**FLOOD INSURANCE CERTIFICATION**

<p><b>BENEFIT FROM PREVIOUSLY-DECLARED DISASTER:</b>                  Have you applied for, and received, any flood event related assistance for damage to this property from any Federal source for any previous Presidentially-declared disaster (occurring after September 14, 1994) that required the mandatory purchase of flood insurance pursuant to National Flood Insurance Program (NFIP) regulations?                   If YES, proceed with this section.                  If NO, do not proceed.</p>	<p align="right"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>1. For which flood disaster event(s) did you receive federal funds (i.e. FEMA, SBA, NFIP) for rehabilitation or structure damage to your home?</p>	
<p>2. How much federal assistance related to flood did you receive?</p>	
<p>3. Were you carrying flood insurance at the time of Superstorm Sandy?</p>	<p align="right"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>4. Is the insurance coverage currently in effect?</p>	<p align="right"><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

**WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.**

<b>Signatures:</b>		
<i>Signature-Head of Household</i>	<i>Print Name</i>	<i>Date</i>
<i>Other Household Member</i>	<i>Print Name</i>	<i>Date</i>
<i>Other Household Member</i>	<i>Print Name</i>	<i>Date</i>

**SUBJECT:** Prohibited Flood Disaster Assistance - Flood Insurance Requirement

---

**NUMBER:** 2.10.76

**EFFECTIVE:** June 2014

---

**SANDY CDBG-DR**

**PAGE 4 OF 7**

---

**Exhibit B**

Grant or Loan Agreement Language:

I, \_\_\_\_\_ (applicant/beneficiary) certify that it has not received any prior federal disaster funds conditioned on obtaining flood insurance or, if it has received prior federal disaster funds conditioned on obtaining flood insurance, applicant/beneficiary has maintained the requisite flood insurance.

**STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS**

**SUBJECT:** Prohibited Flood Disaster Assistance - Flood Insurance Requirement

**NUMBER:** 2.10.76

**EFFECTIVE:** June 2014

**SANDY CDBG-DR**

**PAGE 5 OF 7**

**Exhibit C**

<b>Federally Declared Disaster</b>	<b>Impacted Counties</b>
<b>Hurricane Sandy - October 30, 2012 (DR-4086, EM-3354)</b>	<b>Atlantic County, Bergen County, Burlington County, Camden County, Cape May County, Cumberland County, Essex County, Gloucester County, Hudson County, Hunterdon County, Mercer County, Middlesex County, Monmouth County, Morris County, Ocean County, Passaic County, Salem County, Somerset County, Sussex County, Union County and Warren County.(PA and IA)</b>
<b>New Jersey Severe Storms and Straight-Line Winds - July 19, 2012 (DR-4070)</b>	<b>Atlantic County, Cumberland County and Salem County (PA only no IA)</b>
<b>New Jersey Severe Storm - November 20, 2011(DR-4048)</b>	<b>Bergen County, Cape May County, Essex County, Hunterdon County, Middlesex County, Morris County, Passaic County, Somerset County, Sussex County, Union County and Warren County.(PA only no IA)</b>
<b>New Jersey Remnants of Tropical Storm Lee - October 11, 2011 (DR-4039)</b>	<b>Hunterdon County, Mercer County, Passaic County, Sussex County and Warren County.(PA only no IA)</b>
<b>New Jersey Severe Storms and Flooding - September 15, 2011(DR-4033)</b>	<b>Cumberland County, Gloucester County and Salem County.(PA only no IA)</b>
<b>New Jersey Hurricane Irene - August 31, 2011(DR-4021)</b>	<b>Atlantic County, Bergen County, Burlington County, Camden County, Cape May County, Cumberland County, Essex County, Gloucester County, Hudson County, Hunterdon County, Mercer County, Middlesex County, Monmouth County, Morris County, Ocean County, Passaic County, Salem County, Somerset County, Sussex County, Union County and Warren County.(PA and IA)</b>
<b>New Jersey Severe Storms and Flooding - April 2, 2010(DR-1897)</b>	<b>Atlantic County, Bergen County, Burlington County, Cape May County, Cumberland County, Essex County, Gloucester County, Mercer County, Middlesex County, Monmouth County, Morris County, Ocean County, Passaic County, Somerset County and Union County.(IA and PA)</b>

**STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS**

**SUBJECT:** Prohibited Flood Disaster Assistance - Flood Insurance Requirement

**NUMBER:** 2.10.76

**EFFECTIVE:** June 2014

**SANDY CDBG-DR**

**PAGE 6 OF 7**

Federally Declared Disaster	Impacted Counties
New Jersey Severe Storms and Flooding Associated with Tropical Depression Ida and a Nor'easter - December 22, 2009 (DR-1867)	Atlantic County, Cape May County and Ocean County(PA only, no IA)
New Jersey Severe Storms and Inland and Coastal Flooding - April 26, 2007 (DR-1694)	Atlantic County, Bergen County, Burlington County, Camden County, Essex County, Hudson County, Mercer County, Middlesex County, Passaic County, Somerset County, Sussex County, Union County and Warren County. (IA and PA)
New Jersey Severe Storms and Flooding - July 7, 2006(DR-1653)	Hunterdon County, Mercer County, Sussex County and Warren County.(IA and PA)
New Jersey Severe Storms and Flooding - April 19, 2005(DR-1588)	Bergen County, Essex County, Gloucester County, Hunterdon County, Mercer County, Morris County, Passaic County, Sussex County and Warren County.(IA only, no PA)
New Jersey Tropical Depression Ivan - October 1, 2004 (DR-1563)	Hunterdon County, Mercer County, Sussex County and Warren County.(IA and PA)
New Jersey Severe Storms and Flooding - July 16, 2004 (DR-1530)	Burlington County and Camden County.(PA and IA)
New Jersey Severe Storms, Flooding And Mudslides - August 17, 2000 (DR-1337)	Morris County and Sussex County.(IA and PA)
New Jersey Hurricane Floyd - September 18, 1999 (DR-1295)	Bergen County, Essex County, Hunterdon County, Mercer County, Middlesex County, Morris County, Passaic County, Somerset County and Union County.(IA and PA)

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---

**SANDY CDBG-DR**

**PAGE 7 OF 7**

---

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<b>New Jersey Coastal Storm - March 3 1998 (DR-1206)</b>	<b>Atlantic County, Cape May County and Ocean County.(IA and PA)</b>
<b>New Jersey Flooding - September 23, 1997(DR-1189)</b>	<b>Atlantic County(IA and PA)</b>
<b>New Jersey Severe Storms/Flooding - November 19, 1996 (DR-1145)</b>	<b>Hudson County, Middlesex County, Morris County, Somerset County and Union County.(IA only)</b>