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# News Release

## **Homeowners With Substantial Damage/Improvement to Homes Have Options**

**RALEIGH, N.C.** – In communities affected by Hurricane Florence, local building officials or floodplain managers may find that a structure has been “substantially damaged” and must be updated to meet the requirements of floodplain ordinances.

“Substantial damage” applies to a severely damaged home or other structure in a Special Flood Hazard Area in National Flood Insurance Program participating communities. If the cost of repairing the structure is 50 percent or more of its market value before the disaster, it is considered substantially damaged.

For example, if your home’s market value before a disaster – as determined by local officials – was \$200,000 and repairs are estimated to cost more than \$100,000, the home is determined to be substantially damaged. Land value is not considered when determining if the home is substantially damaged.

The same rules apply for “substantial improvement,” where the cost of improvements would equal or exceed 50 percent of the market value of the structure.

Rebuilding a substantially damaged structure in a floodplain or making substantial improvements to one requires that the property be brought into compliance with local floodplain management regulations. In order to this you may need to:

- Elevate the building to a height determined by local officials.
- Relocate the structure outside the floodplain.
- Demolish the home.
- Floodproof a non-residential structure.

You should check with local building officials to determine which permits for repairs are required before beginning work.

If you are an NFIP policyholder whose home was damaged severely by flooding, you can ask your claims adjuster or insurance agent about Increased Cost of Compliance coverage.

This coverage may provide flood insurance policyholders additional funds to meet rebuilding requirements after a flood. Policyholders may receive up to \$30,000 through ICC to help meet the cost of complying with local building codes and ordinances.

FEMA specialists are assisting local officials in inspecting damaged buildings, but FEMA does not make a determination of substantial damage. Only local officials can do this.

Homeowners with questions about a “substantial damage” or “substantial improvement” determination for their property should contact their local floodplain manager.

For more information on general flood insurance questions, contact your local floodplain administrator, the NFIP at **800-427-4661**, or your insurance agent. You can also email [FloodSmart@dhs.gov](mailto:FloodSmart@dhs.gov) to request information in a language other than English. Information also is available at [FEMA.gov](http://FEMA.gov) and [FloodSmart.gov](http://FloodSmart.gov).

For more information on North Carolina’s recovery from Hurricane Florence, visit [ncdps.gov/Florence](http://ncdps.gov/Florence) and [FEMA.gov/Disaster/4393](http://FEMA.gov/Disaster/4393). Follow us on Twitter: [@NCEmergency](https://twitter.com/NCEmergency) and [@FEMARegion4](https://twitter.com/FEMARegion4).

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