



Nov. 13, 2018
DR-4393-NC FS 062

Fact Sheet

Acquisition of Property After a Flood Event

If your home is flooded as a result of Hurricane Florence or has flooded repeatedly in the past and you are hoping for a buyout, there is some important information you should know.

After a presidentially declared disaster, local officials may decide to request money from the state to purchase properties that have either flooded or been determined substantially damaged.

The decision to offer buyouts is made by the state using money that FEMA allocates through its Hazard Mitigation Grant Program to reduce future disaster losses. Seventy-five percent of any buyout cost is paid by FEMA and the rest is paid by the state and/or local government.

It is not a simple process and requires agreement by your local government officials, the state and FEMA. It is important to note that many flooded properties don't qualify for a buyout, funding is limited and requests for funding may exceed available resources.

Buyouts are voluntary and no one is required to sell their property. It is a lengthy process and many factors are taken into consideration before a decision is rendered. What are the factors?

- After a disaster, the state sets priorities for how it will spend its FEMA mitigation funds and this may or may not include the acquisition of properties.
- Local officials will make the decision whether to request funds from the state to acquire flooded properties and owners interested in a buyout will express their interest via their local emergency manager or floodplain administrator.
- The state will review the requests and will determine the communities that will be considered for buyouts.
- Communities interested in buyouts will submit letters to the state and the state will review the proposals.
- FEMA will review all proposals and ensure that they follow regulation and are environmentally sound and cost-effective.

How do I know if my property is eligible?

Local officials will make the determination whether your home will be included in the request for buyout. The purpose of a buyout is to mitigate against future flood losses. To be eligible, properties usually are in Special Flood Hazard Areas and are primary residences.

My home is determined eligible, so what is next?

If a home is eligible for acquisition, the homeowner is offered a pre-disaster fair-market value for the property as determined by a certified appraiser. There is an appeals process available for homeowners who disagree with the appraisal value of the property.

Before the homeowner can receive funds from the sale, funds received and not used to repair the home from FEMA's Individual Assistance or flood insurance will be deducted. Homeowners are strongly encouraged to keep all receipts for repairs they have made to ensure accuracy of deductions.

If the homeowner still owes a mortgage on the home, the balance due will be deducted and paid to the lienholder. After required payment(s) have been made, the structure is then demolished and the land is deeded to the local government with its use restricted to open space. The land must remain open in perpetuity.

Projects that are not approved because of limited funding are kept on file in the event that funding becomes available in the future.

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