



FEMA

W-08025

April 25, 2008

MEMORANDUM TO: Write Your Own (WYO Program Principal Coordinators
and the National Flood Insurance Program (NFIP) Servicing Agent

FROM: *Juan de la Cruz*
Juan de la Cruz
Branch Chief, Underwriting
Risk Insurance Division

SUBJECT: CRS Discounts for Buildings with Subgrade Crawlspaces

Effective May 1, 2008, flood insurance policies for buildings that are rated as having the lowest floor one foot or more below the base flood elevation (BFE) will no longer be eligible for the community's CRS discount. It has already been clarified that this does not apply to properties in V Zones that have unfinished enclosures with breakaway walls that are used only for building access, storage, and/or parking.

This memo is to clarify that buildings with subgrade crawlspaces are eligible for the community's CRS discount provided that they have a letter from a community official certifying that the subgrade crawlspace is built in compliance with the NFIP requirements for crawlspace construction, as outlined on pages three through five in Technical Bulletin 11-01, *Crawlspace Construction for Buildings Located in Special Flood Hazard Areas*.

In addition to meeting the NFIP requirements applicable to all crawlspace construction in Special Flood Hazard Areas (SFHAs), buildings with subgrade crawlspaces must also meet special requirements for subgrade crawlspaces. These additional requirements are briefly summarized as follows:

- The interior grade of a crawlspace below the BFE must not be more than 2 feet below the lowest adjacent exterior grade (LAG).
- The height of the below-grade crawlspace, measured from the interior grade of the crawlspace to the top of the crawlspace foundation wall, must not exceed 4 feet at any point.
- There must be an adequate drainage system that removes floodwaters from the interior area of the crawlspace. The enclosed area should be drained within a reasonable time after a flood event.

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- The velocity of flood waters at the site should not exceed 5 feet per second for any crawlspace.

The full text of the NFIP requirements for subgrade crawlspace construction can be found in Technical Bulletin 11-01, which is available online at <http://www.fema.gov/pdf/fima/tb1101.pdf>.

Transaction Record Reporting and Processing (TRRP) Plan requirements are to be modified to add two new obstruction codes to report whether or not an elevation-rated building with a subgrade crawlspace has certification from the community that the subgrade crawlspace is constructed in compliance with the requirements in Technical Bulletin 11-01.

Because of the late date (relative to the May 1, 2008, effective date) that this bulletin is being issued, companies are not expected to have completed this reporting modification by May 1, 2008. The modification is, however, to be completed when submitting the July 2008 TRRP Plan data to the NFIP Bureau. Related changes and clarifications to the TRRP Plan and the WYO Edit Specifications are addressed in the memorandum W-08023 dated April 22, 2008, titled May 2008 TRRP Changes (Change 12) and Edit Specifications Updates (Change 5).

Please make sure that policies issued or renewed effective on or after May 1, 2008, for elevation-rated buildings with subgrade crawlspaces, rated without the application of the CRS discount, are endorsed effective the beginning of the policy term to include the CRS discount when the community's certification of compliance for the subgrade crawlspace is received.

If you have any questions, please contact your WYO Business Analyst.

cc: Vendors, IBHS, FIPNC, and Government Technical Representative

Required Routing: Claims and Underwriting