

National Association of REALTORS® FAQ Sheet

First Street Foundation “Flood Factor”

July 17, 2020

What is Flood Factor™?

Flood Factor™ is flood risk visualization tool from First Street Foundation, a nonprofit research and technology group. The First Street Foundation Flood Model was developed by more than 80 world-renowned scientists and flood experts and includes data for more than 142 million homes and properties across the U.S.

Flood Factor™, accessible at <https://floodfactor.com>, features comprehensive flood risk data displayed at the property level. Flood Factor™ includes a flood risk score ranging from 1 (minimal risk) to 10 (extreme risk) and an indication of whether that risk is increasing, decreasing, or constant over the next 30 years. A property's Flood Factor score is determined by its cumulative likelihood of flooding and the potential depth of that flood.

For example, a property with an 8-percent chance of flooding 16 inches at least once within 30 years would have a score of 5. A property with more than a 96-percent chance of any depth of flooding would have a Flood Factor™ of 7 or greater. Click [here](#) to learn more about how a property's risk score is calculated.

In addition, Flood Factor™ includes detailed flood risk information about the property including steps an owner can take to mitigate the risk.

How does Flood Factor™ help real estate professionals?

Anywhere it rains, it can flood. Yet to date, FEMA's flood maps covers the flood risk for less than one third of the nation's rivers and streams and does not include risk factors such as heavy rainfall events. In fact, more than 20 percent of all flood insurance claims come from property owners located in the “low-risk” zones on FEMA's maps.

Because Flood Factor™ is based on a more comprehensive flood risk assessment, property buyers and sellers can gain additional context, guidance and insights regarding the potential flood risk for properties and communities across the country.

Flood Factor™ data augments FEMA's maps, so real estate professionals can use both tools to help:

- Reduce the number of clients who buy high-risk properties by surprise or list properties before mitigating the risk.
- Reduce flood-related surprises at the closing table by helping their buyer and seller clients perform due diligence and increase confidence in real estate markets particularly where FEMA does not currently map.

Why should my clients be concerned about flood risk?

A home is often a family's biggest asset, so it's important to understand any potential risks and ensure that the home is properly protected. As indicated above, every home in America has some flood risk; it is only a matter of degree. However, most property owners are lulled into a false sense of security because they are not “inside” the high-risk flood zone where flood insurance is required for a mortgage.

Flood Factor™ helps home buyers and owners make informed real estate decisions as they collaborate with their real estate and lending professionals. The experience helps foster trust and confidence during the home buying and selling process. It also provides great value



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to homeowners, whose improved understanding of flood risk could inform and lead to protective measures that could prevent flooding and/or cost savings of tens or even hundreds of thousands of dollars in damages.

How is this information different than what FEMA provides?

The First Street Foundation Flood Model integrates all major flood types (from tides, coastal surges, rains, and rivers) and not only uses historical flooding events to calculate risk, but also considers future environmental changes.

Because of limited resources, FEMA must limit its coverage to the highest population and risk centers, and cannot update maps as frequently. The First Street Model overcomes cost and labor challenges by leveraging advanced modeling and remote sensing technologies (e.g., from satellites) that have been proven for decades and are already widely used by insurance companies, actuaries, lenders and investors.

FEMA itself has acknowledged that the First Street’s Flood Model is a complementary tool to FEMA’s maps that can be used to better inform property owners and communities about flood risk. FEMA also acknowledges the need to integrate changing environmental conditions into its own model as well as a faster and more continuous process for updating its flood maps, both of which First Street already reflects in its Flood Model.

Here are some distinguishing features for both:

Flood Factor™

- Provides accurate, property-level flood risk information
- Incorporates current and future environmental changes
- Maps multiple flood zones and risk levels
- Includes more flood sources such as heavy rainfall
- Nationwide coverage and updated quarterly
- Assesses historic flood patterns and projects future risk

FEMA

- Provides detailed, community-wide flood risk information
- Maps the 100-year flood zone and indicates whether a property is “in or out” of this zone
- Does not provide information specific to individual properties
- Based on site specific, engineering studies but limited to two risks (riverine and storm surge)
- Limited geographic coverage and not updated frequently
- Assesses historic flood patterns
- Used by community regulators, banks and lenders

What resources should I provide to my clients who ask me about flood risk?

In addition to Flood Factor™, you and your clients can access the following resources – and they’re all free-of-charge:

- [FEMA](#)
- [Floodsmart.gov](#)



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- Firststreet.org
- Your local floodplain management agency
- [NAR FEMA toolkit](#) for real estate professionals

Is Flood Factor™ reliable?

Flood Factor integrates advanced modeling, data and analysis from the First Street Foundation Flood Model, which was developed in partnership with climatology and hydrology experts, scientists, and technologists from more than 80 top universities and research institutions, including MIT, UC Berkeley, Columbia, Cornell, and The Wharton Business School at UPenn, and includes data for more than 142 million homes and properties across the U.S. The model integrates all major flood types (from tides, coastal surges, rains, and rivers) and not only uses historical flooding events to calculate risk, but also considers future environmental changes.

Does a property’s Flood Factor™ impact the buyer’s mortgage requirements?

No. Flood Factor™ helps home buyers and owners make informed real estate decisions as they collaborate with their agents and lenders. FEMA does not require communities or lenders to use this information for meeting their legal obligations under federal law. However, just because a property is not currently located in a high-risk zone on the latest map does not mean it is low risk. More than 20 percent of flood insurance claims come from properties located in “low-risk” areas.

The expert team at First Street Foundation has built upon the work of FEMA and other government agencies, but First Street’s flood model focuses on educating consumers based on a more comprehensive risk assessment of all homes in the U.S. and defining risk for individual properties rather than communitywide floodplain management.

My buyers don’t understand whether a property’s Flood Factor™ means they should get flood insurance. What should I tell them?

All homes have some flood risk, Flood Factor™ helps more home buyers and owners make informed real estate decisions as they collaborate with their agents and lenders. Please share the facts that flooding can occur anywhere, and many property owners not on FEMA’s maps can benefit from flood insurance. Your clients should consult their insurance agent or another insurance professional to learn more about whether flood insurance makes sense for them.

Avoid making statements beyond your license and training or discouraging buyer and seller clients from considering flood insurance or reviewing multiple sources of flood risk information. You may also simply hand the client this [brochure](#), which the National Association of REALTORS® developed in collaboration with FEMA.

My seller client’s home is not in a FEMA-designated flood zone. Why does the Flood Factor™ show a flood risk for that property?

FEMA flood maps were not created to define risk for individual properties and do not take into account as many flood risks such as heavy rainfall or changing environmental



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conditions in risk calculations. Based on a more comprehensive risk assessment methodology, many more property owners could be at moderate-to-high risk of flooding than is indicated on the current map and could benefit from considering flood insurance. FEMA is always in the process of updating and improving upon their model but at this time, the First Street Flood Model offers an additional, complimentary flood risk tool for your clients.

Flood Factor™ was developed specifically to provide consumers accurate, property-level, publicly available flood risk information and displays not only the current risk of property flooding, but also the likelihood of that property experiencing a flood event over the next 30 years.

I think the flood data for a home on Flood Factor is wrong. Can you correct it?

If any user has an issue or question about their property, neighborhood, city, county, or state, he or she can submit a question through First Street’s online [Help Center](#).

Should I look up the Flood Factor™ on my seller’s property?

First Street’s Flood Factor™ is designed to provide homeowners and home buyers with information about a property’s flood risk, including steps they can take to mitigate that risk. As a real estate professional, it may be tempting to look up a property. However, keep in mind the discovery and disclosure requirements in your state and, if you are a REALTOR®, your duties under the National Association of REALTORS® Code of Ethics. Watch this [video](#) to learn more about flood disclosures.

