NAR MYTH BUSTER

Realtor.com® Flood Factor™ Data

October 15, 2020

On August 26, 2020, realtor.com® began displaying Flood Factor™ map data on real estate listings. There have been a number of misconceptions about the decision by Move – the company that owns realtor.com® -- and the implications for real estate professionals. This document clears up some of the myths with fact.

MYTH: Displaying flood data on realtor.com® will "stigmatize" high-risk properties.

FACT: No, buyers with some tolerance of flood risk will continue to purchase these properties as confirmed by years of survey and actual data including in markets recently hit by a hurricane. What this will do is help avoid purchases of high-risk homes by low-risk-tolerance buyers in more places.

MYTH: The flood data must be inaccurate because my home has never flooded in 30 years.

FACT: Just because it hasn't happened yet does not prove it can't. Every flooded home has a first time, and it is not unusual for properties in very "high risk" areas to go extended periods without a flood. In fact, there is a 74-percent chance of NOT flooding over 30 years in special flood hazard areas on FEMA's maps. That's because these maps include the very low probability floods that are not yet part of the historic record.

MYTH: The data doesn't match my real estate agent's experience with flooding in neighborhoods.

FACT: The same could be said of many neighborhoods in Florida after Hurricane Michael and New Jersey after Sandy. Flood risk assessment is outside the training and license of real estate professionals. The data shown has been developed by flood risk experts and scientists who have years of specialized training and are specifically credentialed to perform this kind of work.

MYTH: My home is up on stilts but the data mistakenly shows it is high risk.

FACT: Less than 2 percent of homes are in special flood hazard areas where new construction is required to be built to flood standards. In addition, many of these standards have not been recently updated to reflect the current data and risk. If there are specific questions about a home's flood data there is a process for appeal. Please contact realtor.com®'s Customer Care team at 877-909-6640 or floodfeedback@realtor.com.

MYTH: All we need are FEMA's maps to accurately disclose the flood risk for a property.

FACT: All flood experts agree that FEMA misses many high-risk properties because most of their maps have not been updated in at least 5 years and are limited to the NFIP areas along major rivers and some of the coast. Flood Factor™ as shown on realtor.com® includes alternative maps that include more flood risks (e.g., rainfall), cover all of the United States, and are updated quarterly with the most current and highest resolution data for each community.

500 New Jersey Ave, NW
Washington, DC 20001-2020
(800) 874-6500
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MYTH: My lender doesn't require flood insurance so I don't need it.

FACT: FEMA Zone "X" is still a flood zone with moderate risk. In fact, "low risk" properties in the X zones account for more than one-third of FEMA flood disaster aid and one quarter of the claims to the National Flood Insurance Program.

MYTH: Displaying flood maps increases the legal exposure of real estate professionals.

FACT: No, displaying the data up front on the listing can help reduce exposure. As a result, real estate professionals will no longer have to rely on others for timely notice and disclosure of flood risk.

MYTH: Real estate professionals will now have to offer flood insurance or risk assessments.

FACT: No, real estate professionals will continue to be an information source, not flood experts. Like mold, termites or other property risks that clients may ask about, share the facts about flood risk and be prepared with list of qualified, trained professionals who can answer property-specific risk questions.

MYTH: The flood maps were "bankrolled" by the insurance industry.

FACT: The maps were developed by the Federal Emergency Management Agency and the not-for-profit First Street Foundation. Zero funding to build the models and datasets came from for-profit entities.

MYTH: This is really about realtor.com® getting into the business of flood insurance.

FACT: No, realtor.com® does not receive any compensation or revenue sharing from flood insurance providers appearing in the flood data section of the site. Flood insurance information is offered so homeowners and buyers will have easy access to start researching their coverage options especially where likely to be required by a lender.

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