FREE AGENT RESOURCE

Flood Zone AE Agent Checklist

Thestep bysteptransactionchecklist for real estate agents handling Flood Zone AE properties in the Birmingham area.

WHAT'S INSIDE

- ✓ Pre-offer flood zone verification steps
- ✓ Elevation Certificate request timeline
- ✓ Quote comparison and carrier selection workflow
- ✓ Lender documentation and clear to close requirements
- ✓ Buyer conversation scripts for flood disclosure
- ✓ Real world micro scenario from a Birmingham transaction

Flood Insurance Guru

floodinsuranceguru.com

Birmingham Area
Jefferson & Shelby County

Pre-Offer Verification

Before yourbuyer submits anoffer on anyproperty in the Birmingham area, run through these verification steps to identify flood zone exposure early.

FLOOD ZONE IDENTIFICATION

- [ ] Confirm FEMA flood zone designation using the property address Identify whether the property is in Zone AE, X, A, AH, or other designation Determine if the flood map has been recently updated or is pending revision Check if the property is in Jefferson County or Shelby County for jurisdiction context
- [ ] Verify whether a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) has been filed

MORTGAGE & INSURANCE REQUIREMENTS

- [ ] Confirm whether the buyer is using federally backed financing (FHA, VA, USDA, conventional)
- [ ] Determine if flood insurance will be mandatory based on zone and loan type
- [ ] Discuss potential flood insurance cost impact with the buyer before offer submission
- [ ] Confirm the buyer understands flood insurance will be added to monthly housing expense

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If you confirm the property is in Flood Zone AE before the offer is submitted, you give your buyer the opportunity to factor insurance cost into their budget. This single step prevents the most common Zone AE transaction failure: the buyer learning about mandatory flood insurance too late in underwriting.

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ELEVATION CERTIFICATE

- [ ] Request the Elevation Certificate from the seller, listing agent, or surveyor
- [ ] Review the Base Flood Elevation (BFE) listed on the certificate
- [ ] Confirm the lowest floor elevation relative to BFE
- [ ] Note the foundation type (slab, crawlspace, basement, elevated)
- [ ] Verify the certificate date and confirm it reflects current structure

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An Elevation Certificate that shows the lowest floor is above the Base Flood Elevation can significantly reduce premium cost. If the property does not have one, a licensed surveyor can produce one, but allow five to ten business days for completion.

QUOTE COMPARISON

- [ ] Obtain at least three private flood insurance quotes in addition to NFIP pricing
- [ ] Compare premium, deductible, coverage limits, and replacement cost vs actual cash value
- [ ] Review each carrier's underwriting requirements and documentation needs
- [ ] Evaluate policy issuance timeline for each carrier (24 to 48 business hours is common)
- [ ] Confirm whether first year premium must be paid in full before binding
- [ ] Select carrier and submit application with all required documentation

CRITICAL DEADLINE WARNING

Many private flood carriers require full first year premium payment before generating a declarations page. Only after the dec page is issued can the lender clear the flood insurance condition. Start this process immediately after flood zone confirmation, not during the final week before closing.

Underwriting & Lender Docs

UNDERWRITINGFACTORS

These factors directly influence premium pricing in a Flood Zone AE transaction. Understanding them helps you set accurate buyer expectations.

Elevation Relative to BFE

The single largest pricing variable. Structures below BFE face significantly higher premiums.

Foundation Type

Slab, crawlspace, elevated, or basement each carry different risk profiles and pricing.

Replacement Cost Valuation

Higher replacement cost increases coverage requirements and premium.

Prior Loss History

Properties with previous flood claims may face surcharges or limited carrier options.

Carrier Underwriting Model

Private carriers evaluate risk differently than NFIP. This creates pricing variation.

LENDER DOCUMENTATION CHECKLIST

- [ ] Confirm lender has received flood zone determination Submit declarations page to lender immediately upon policy issuance Verify coverage meets lender minimum requirements (dwelling amount, deductible limits) Confirm lender has cleared the flood insurance condition Ensure policy effective date aligns with closing date Retain copy of declarations page for transaction file
- [ ]

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Maintain direct communication with both the insurance specialist and the loan officer throughout the process. A single miscommunication between these parties is one of the most common causes of flood related closing delays.

Buyer Conversation Scripts

Theseconversation frameworkshelp youdisclose flood insurance requirements clearly and professionally, without creating unnecessary buyer anxiety.

INITIAL FLOOD ZONE DISCLOSURE

> ***"This property is located in Flood Zone AE, which means flood insurance will be required by your lender. I want to make sure we get a premium estimate early so you have a clear picture of your total monthly payment before we move deeper into underwriting."***

PREMIUM IMPACT ON QUALIFICATION

> ***"The flood insurance premium will be factored into your debt to income ratio during underwriting. I have connected you with a flood insurance specialist who will provide multiple quotes so we can find the most competitive option and make sure your qualification is not affected."***

TIMELINE MANAGEMENT

> ***"Flood insurance underwriting can take several business days to complete, especially with private carriers. We are starting this process now so there are no delays when your lender reaches the final documentation stage before closing."***

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The tone of your flood insurance disclosure matters. Position it as routine due diligence, not as a problem. Buyers respond better to 'we are handling this proactively' than 'there is an issue we need to address.' Confidence in your process builds buyer trust.

Real World Scenario

This micro scenarioisbased onan actual Birmingham area transaction and illustrates why timing is everything in a Flood Zone AE deal.

REALWORLDSCENARIO | BirminghamArea

In one recent Birmingham area transaction, flood insurance was started four days before closing. The private carrier required compliance clarification and payment confirmation, pushing policy issuance into the next business cycle and forcing a contract extension. The buyer was frustrated. The seller questioned the agent's preparation. The commission was at risk for a problem that could have been entirely avoided.

THE LESSON

Every step in the flood insurance process has its own timeline. When those steps are compressed into the final days before closing, a single documentation request or payment processing delay can push the entire transaction past the contract deadline.

RECOMMENDED TRANSACTION TIMELINE

- **Day 1 to 3**
  Flood zone confirmed. Buyer educated. Insurance specialist contacted.
- **Day 3 to 7**
  Elevation Certificate reviewed. Multiple carrier quotes obtained.
- **Day 7 to 10**
  Carrier selected. Application submitted. Payment processed.
- **Day 10 to 14**
  Declarations page issued. Lender documentation submitted.
- **Day 14+**
  Flood insurance condition cleared. No closing delays.

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Print this timeline and keep it visible during every Zone AE transaction. Agents who follow this sequence consistently report zero flood related closing delays.

Ready to Protect Your Next Transaction?



Flood Zone AEdoes not haveto jeopardize adeal. When flood insurance is handled early and correctly, your transactions stay predictable and your clients stay confident.

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