

Substantial Damage Determinations

After a presidentially declared disaster, local officials inspect homes damaged by flood waters to determine whether a structure was damaged to the extent that it will have to meet current building codes and floodplain management regulations when it is repaired.

A determination of “substantial damage” applies to a severely damaged home or other structure in a Special Flood Hazard Area, regardless of the cause of damage, where the community participates in the National Flood Insurance Program (NFIP).

FEMA does not make substantial damage determinations; the determination is made by a local building official or floodplain manager.

If the cost of repairing the structure is 50 percent or more of its market value before the disaster, it is considered substantially damaged. Land value is not a consideration; the determination is based strictly on the value of the damaged structure.

Rebuilding a substantially damaged structure in a floodplain requires a permit for the property to be brought into compliance with local floodplain management regulations. Options may include floodproofing a non-residential structure, relocating the structure outside the floodplain, elevating the building to a height determined by local officials, or demolishing the home.

Increased Cost of Compliance (ICC) coverage is available to active flood insurance policyholders who need additional financial help to meet rebuilding requirements after a flood. Policyholders of substantially damaged structures may receive up to \$30,000 through ICC to help meet the cost of complying with building codes and ordinances.

For more information on general flood insurance questions, contact your local floodplain administrator, NFIP at 800-427-4661, or your insurance agent. You can also email FloodSmart@dhs.gov to request information in a language other than English. Information also is available at [FEMA.gov](https://www.fema.gov) and [FloodSmart.gov](https://www.floodsmart.gov).

For more information about Tropical Storm Fred recovery in North Carolina, visit [fema.gov/disaster/4617](https://www.fema.gov/disaster/4617) and [ncdps.gov/TSFred](https://www.ncdps.gov/TSFred). Follow us on Twitter: [@NCEmergency](https://twitter.com/NCEmergency) and [@FEMARegion4](https://twitter.com/FEMARegion4).



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