

**§ 1806.26 Coverage and premium rates.**

Exhibit A sets forth limits of coverage and chargeable premium rates under the program. Insurance policies under the program can be obtained from any licensed property insurance agent or broker serving the eligible community or from the National Flood Insurers Association Serving Company (Serving Company) for the state. The Servicing Company for each state is shown in exhibit B.

**§ 1806.27 Acceptable policies and servicing.**

The general acceptance of policies and servicing of insurance will be performed in accordance with Subpart A of this part. Any unusual situations that may arise with respect to obtaining or servicing flood insurance should be referred to the State Director. The State Director will attempt to resolve any problems concerning the flood insurance program in the state with the Servicing Company. Flood hazard boundary maps, insurance rate tables, the insurability of specific structures, and other information concerning the program may be obtained from the Servicing Company. Difficulties in administering the program which the State Director is unable to resolve should be referred to the National Office for Assistance.

**§ 1806.28 Borrowers required to escrow.**

For borrowers required to use escrow accounts for the payment of real estate taxes and insurance, the flood insurance premium will be paid when due from funds contained in the escrow account. If the escrow account contains insufficient funds to pay the flood insurance premium when due, the County Supervisor will request the borrower to pay an amount equal to the difference between the premium due and the escrow balance in a lump sum within 30 days after notification. If the borrower fails to remit the amount requested, the amount will be advanced and charged to the borrower's account as a recoverable cost. The amortization period for an advance due to an escrow shortage will be one year. Amortization of the charge will be handled in accordance with 7 CFR part 3550. When

a borrower has more than one loan secured by the real estate on which the flood insurance premium is being paid, the advance will be charged to the initial or lowest numbered loan.

[56 FR 6946, Feb. 21, 1991, as amended at 67 FR 78326, Dec. 24, 2002]

**EXHIBIT A TO SUBPART B OF PART 1806—  
COVERAGE AND PREMIUM RATES**

1. The following table sets forth the limits of coverage available under the program:

Type of structure	Structure coverage		Contents of coverage <sup>4</sup>	
	Sub-subsidized	Total <sup>3</sup>	Sub-subsidized	Total <sup>3</sup>
Single family, residential <sup>1</sup> .....	\$35,000	\$70,000	\$10,000	\$20,000
All other, residential <sup>1</sup> .....	100,000	200,000	10,000	20,000
All nonresidential <sup>2</sup> .....	100,000	200,000	100,000	200,000

<sup>1</sup> For Alaska, Hawaii, and the Virgin Islands, the following limits of coverage apply: Structure coverage for one family residential is \$50,000 subsidized and \$100,000 total coverage, and structure coverage for other residential is \$150,000 subsidized and \$300,000 total coverage.

<sup>2</sup> Includes hotels and motels with normal occupancy of less than 6 months.

<sup>3</sup> Coverage in amounts exceeding the subsidized limits is available only after an actuarial cost has been established and flood insurance rate may be issued.

<sup>4</sup> Contents of a building must be insured separately from the building. However, coverage is applicable to contents only while in an enclosed building. Therefore, coverage cannot be written on the contents of a three-walled machinery shed or a similar type open building.

2. The following table sets forth the applicable premium rates:

Type of structure	Rates per \$100 of coverage (subsidized only)	
	Structures	Contents
All residential .....	<sup>1</sup> \$0.25	\$0.35
All nonresidential .....	1.40	.75

<sup>1</sup> Actuarial (nonsubsidized) rates are applicable to any structure, the construction or substantial improvement of which started after Dec. 31, 1974, or the date on which the initial rate map was issued, whichever is later, in identified areas having special flood or mudslide hazards.

**EXHIBIT B TO SUBPART B OF PART 1806—  
SERVICING COMPANY**

The servicing company office to be contacted for information relative to the availability of coverage under the national flood insurance program, flood hazard boundary maps, insurance rate tables, and related material.

E.D.S. Federal Corporation, National Flood Insurance, P.O. Box 34294, Bethesda, Md.

**Pt. 1810**

**7 CFR Ch. XVIII (1-1-05 Edition)**

20034, phone toll-free 800-638-6620; commercial phone 301-898-5900.

(7 U.S.C. 1989; 42 U.S.C. 1480; 42 U.S.C. 2942; 5 U.S.C. 301; delegation of authority by the Secretary of Agriculture, 7 CFR 2.23; delegation of authority by the Assistant Secretary for Rural Development, 7 CFR 2.70)

[43 FR 18538, May 1, 1978]

**PART 1807 [RESERVED]**

**PART 1809 [RESERVED]**

**PART 1810—INTEREST RATES, TERMS, CONDITIONS, AND APPROVAL AUTHORITY**

**Subpart A—Interest Rates, Amortization, Guarantee Fee, Annual Charge, and Fixed Period**

Sec.

1810.1 Information concerning interest rates, amortization, guarantee fee, annual charge, and fixed period.

1810.2 Adjustment of interest rates for certain loans involving use of or construction on prime or unique farmland.

**Subpart B [Reserved]**

AUTHORITY: 7 U.S.C. 1989; 14 U.S.C. 1480; 7 CFR 2.23; 7 CFR 2.70.

**Subpart A—Interest Rates, Amortization, Guarantee Fee, Annual Charge, and Fixed Period**

**§ 1810.1 Information concerning interest rates, amortization, guarantee fee, annual charge, and fixed period.**

(a) Tables for computing the interest rates (including the annual charge rates and length of fixed period for initial repurchase agreement for insured loans), tables for use in determining the amounts of interest on loans at different rates, tables providing factors in amortizing loans, and the guarantee fee for guaranteed loans, may be obtained from any County, District, or State Office of FmHA or its successor agency under Public Law 103-354 or from its National Office at 14th and Independence Avenue SW., Washington, DC 20250.

(b) In the event that the tables provided for in paragraph (a) of this section do not furnish adequate information, questions should be directed to the Assistant Administrator, Finance Office, Farmers Home Administration or its successor agency under Public Law 103-354, 1520 Market Street, St. Louis, Missouri 63103.

[56 FR 11503, Mar. 19, 1991]

**§ 1810.2 Adjustment of interest rates for certain loans involving use of or construction on prime or unique farmland.**

(a) For essential community facility loans, insured farm ownership loans for recreation or non-farm enterprises, insured farm operating loans for recreation enterprises, soil and water loans for recreation purposes, individual recreation loans, and insured business and industry loans, the interest rate will be increased by two per centum per annum if the project being financed will involve the use of, or construction on, prime or unique farmland. Prime or unique farmland is as defined in § 657.5 (a) and (b) of title 7, Code of Federal Regulations (1980).

(b) The two per centum interest rate increase will not apply if the applicant/borrower is a public body or Indian tribe and has demonstrated to FmHA or its successor agency under Public Law 103-354 that there are no suitable options for locating the proposed essential community facility project on land that is not prime or unique farmland.

(c) For each essential community facility loan and insured business and industry loan the District Director, after consultation with the Soil Conservation Service (SCS), will determine whether the proposed project will involve the use of, or construction on, prime or unique farmland. For each insured farm ownership loan for a recreation or non-farm enterprise, insured farm operating loan for a recreation enterprise, soil and water loan for a recreational purpose, or individual recreation loan, the County Supervisor, after consultation with SCS, will determine whether the proposed