



OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ADMINISTRATIVE MEMORANDUM OFFICE OF MULTIFAMILY PRODUCTION

Memorandum For: All Multifamily Mortgagees
All Third-Party Project Design and Needs Assessment
Providers
All Multifamily Regional and Satellite Office Directors
& Production Staff

From: Willie Fobbs, III, Director, Office of Multifamily
Production

Subject: Implementation of New Federal Flood Risk Management
Standard Final Rule for Multifamily FHA Programs

This memo establishes an implementation plan for the transition from the previous floodplain regulations to the new Federal Flood Risk Management Standard final rule.

I. Background

HUD published a [final rule](#) to implement the Federal Flood Risk Management Standard (FFRMS) on April 23, 2024. The final rule updates [24 CFR Part 55](#) to redefine the floodplain of concern, increase the required elevation for new construction and substantial improvement activities, strengthen public notice requirements, clarify flood insurance requirements, and incorporate limited flexibilities in allowing HUD assistance in floodways for existing HUD-projects when certain criteria are met.

II. Compliance Dates

The rule went into effect on May 23, 2024 and the compliance date is June 24, 2024 for most HUD programs. However, almost all Housing programs have an optional extended compliance date through January 1, 2025 where applicants may choose which rule to follow.¹

The optional extended compliance period covers programs subject to Chapter 9 of the Federal Housing Administration's (FHA) Multifamily Accelerated Processing (MAP) Guide:

¹ The 2013 version of 24 CFR part 55 can be found [here](#).



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- FHA Multifamily
- Section 202 and 811 capital advance grants
- Transfers under 8bb and 209, and Section 8 Renewals with Capital Repairs
- RAD conversions to PBRA
- Green and Resilient Retrofit Program

And other mortgage insurance programs subject to Part 55:

- FHA Residential Healthcare Facilities and Hospitals
- FHA Risk Share

The January 1, 2025, extended compliance deadline for Housing programs in the FFRMS final rule is tied to a completed floodplain management review, not to an application date. Projects may meet the Part 55 compliance deadline two ways:

- HUD has completed and certified the full environmental review by Jan 1, 2025, OR
- HUD has completed the 8-step process including two public notices by Jan 1, 2025.

III. Implementation Plan

The extended compliance period will allow HUD to continue to complete applications and pre-applications under the previous floodplain regulation for new construction or substantial rehabilitation projects currently in process that are in the FFRMS floodplain when the applicant provides sufficient information for HUD to complete the full environmental review in the HUD Environmental Review Online System (HEROS) or conduct a floodplain 8-step. Because the compliance date is tied to a completed environmental review or floodplain management review, HUD has established a September 1, 2024, threshold application date for new pre-applications and new straight to firm applications to continue to follow the previous floodplain regulation.

Threshold Application Dates for projects in the FFRMS floodplain

Project Milestone	Threshold Date	Notes	Compliance Recommendation
223(f)- all applications	NA	The vast majority of 223(f) applications will not include rehabilitation that exceeds Part 55’s substantial improvement definition of 50% of market value. Therefore, elevation changes not required, but the project must complete the 5-step for expanded FFRMS and must require compensatory mitigation if over 1 acre of wetlands impacted under the new rule.	HUD encourages new 223(f)s to follow new Part 55 requirements. If lenders submit new applications under previous floodplain requirements and HUD has not completed the HEROS review by Jan 1, 2025, the lender and consultant will need to provide updated information so HUD can amend HEROS to follow the FFRMS rule.



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		223(f) applications with rehab exceeding the substantial improvement definition in Part 55 should follow dates set for SR/NC pre-applications.	
SR/NC- current in-process applications and pre-applications	NA	HUD’s first choice is to complete and certify the environmental review in HEROS by Jan 1, 2025. If this is not possible, HUD will ask the lender and consultant to provide the information needed for HUD to complete the 8-step analysis under the previous floodplain rule (but for the expanded FFRMS floodplain) including publishing two notices, by Jan 1, 2025.	HUD intends to process already received applications under the previous Part 55 requirements (unless project opts to use new Part 55 for floodway flexibilities), but for the expanded FFRMS floodplain, with support from the lender/consultant.
SR/NC Pre-applications and Straight to Firm applications	September 1, 2024	HUD’s first choice is to complete and certify the environmental review in HEROS by Jan 1, 2025. If this is not possible, HUD will ask the lender and consultant to provide the information needed for HUD to complete the 8-step analysis under the previous floodplain rule (but for the expanded FFRMS floodplain) including publishing two notices, by Jan 1, 2025.	HUD intends to process pre-applications received by September 1 under the previous Part 55 requirements (unless project opts to use new Part 55 for floodway flexibilities), but for the expanded FFRMS floodplain, with support from the lender/consultant.

For all applications in process or submitted by September 1, 2024, HUD’s first choice is to complete and certify the environmental review in HEROS by Jan 1, 2025. If this is not possible, HUD will need applicants with projects in the FFRMS floodplain to provide the information needed for HUD to complete the 8-step analysis under the previous floodplain rule including publishing two notices, by Jan 1, 2025. HUD strongly recommends that all applications for structures in the FFRMS floodplain include this information if submitted between now and September 1.

Multifamily has attached suggested language for floodplain notices in these scenarios to this memo.



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HUD staff must actively review and complete the 8-step analyses. HUD must review both public notices before the applicant posts them. Multifamily plans to request REO/FEO consultation on 8-step analyses for projects over 200 units to avoid potential issues after January 1, 2025.

IV. Using HEROS before and after the Compliance Deadline

As of the memo signature date, the HEROS Floodplain screen still reflects the requirements of the previous version of Part 55. On July 1, 2024 HUD will update HEROS so that the Floodplain screen reflects the requirements of the new Part 55. Applicants and consultants wishing to use the new Part 55 should wait until the HEROS update to complete the Floodplain screen if possible. If not, applicants and consultants should select an exemption from the first question in the Floodplain screen, replace the text in the Compliance Determination text box with an explanation, and complete and upload the attached worksheet and all supporting documentation.

After the HEROS update, applicants for eligible programs will have the option to select the previous Floodplain screen and should do so if planning to meet the compliance deadline as described above.

On January 1, 2025, the HEROS Floodplain screen will automatically switch to the new FFRMS requirements for all entries still in progress. HUD staff and applicants will therefore need to carefully track any projects that have met the deadline via the 8-step process and not via a completed HEROS review.