



Buying in a Flood Zone on Long Island: How Flood Insurance Changes What You Can Afford



Scan for the live
version with
working links

LOCAL MARKET

Buying in a Flood Zone on Long Island: How Flood Insurance Changes What You Can Afford

Coltrain Mortgage Team · October 18, 2026 · 8 min read

You found the one. Walk to the bay, a dock out back, sunsets over the Great South Bay. Then the lender says the words nobody wants to hear: "This house is in a flood zone." After more than 20 years of closings on Long Island, we can tell you that phrase doesn't have to kill a deal. But it does add a real monthly cost, and the best time to find out what that cost is comes before you make an offer, not three days before closing. Here's how flood zones, flood insurance, and your mortgage fit together on the South Shore and East End.



Zones A & V Require It



**It's Part of Your
Payment**



**Some Policies
Transfer**



**Private Policies
Allowed**

Why Flood Zones Matter So Much on Long Island

Long Island is surrounded by water, and a lot of our most loved neighborhoods sit right on it: the canal communities of the South Shore, the barrier beaches, the bayfront streets in Nassau, and plenty of the East End. FEMA's flood maps cover all of it, and if the home you're buying sits inside what FEMA calls a Special Flood Hazard Area, flood insurance stops being optional the moment you finance it with almost any mainstream mortgage.

Here's the part that catches buyers off guard: a standard homeowners policy doesn't cover flood damage at all. Flood coverage is a separate policy, with its own premium, and your lender will count that premium in your monthly housing payment when it decides how much you qualify for. So flood insurance doesn't just cost money, it can change your buying power.

FEMA Flood Zones, Explained in Plain English

You'll see a lot of letters on a flood map. These are the ones that matter for Long Island buyers. Tap each one to see what it means for your mortgage.

Coastal High Hazard Area

FLOOD INSURANCE REQUIRED

What it means: The highest-risk coastal areas, where a 1% annual chance flood also comes with waves. On Long Island, think oceanfront and some exposed bayfront and barrier beach properties.

For your mortgage: If you're financing with a federally regulated lender or a Fannie Mae, Freddie Mac, FHA, or VA loan, flood insurance is mandatory. Expect the highest premiums, and expect construction and elevation to matter a lot.

Special Flood Hazard Area

FLOOD INSURANCE REQUIRED

What it means: Areas with at least a 1% chance of flooding in any given year, the so-called "100-year floodplain." This is where most South Shore canal and bayside homes land.

For your mortgage: Flood insurance is required for a mainstream mortgage. The premium depends on the home's specific risk, including its elevation and distance to water, not just the zone letter.

Moderate Risk (0.2% annual chance)

USUALLY OPTIONAL

What it means: The "500-year floodplain." Lower risk than an A zone, but these areas can and do flood, especially in big coastal storms.

For your mortgage: Federal rules don't require flood insurance here, though an individual lender can. Coverage is typically much cheaper than in an A or V zone, and many homeowners near the water buy it anyway.

Minimal Risk

OPTIONAL

What it means: Outside the mapped 0.2% floodplain. Lower risk isn't no risk, since heavy rain and drainage problems can flood a basement anywhere.

For your mortgage: No federal requirement. If the house has a finished basement or sits low on the block, it's still worth pricing a policy. It's often inexpensive in these areas.

Zone descriptions summarize FEMA's flood zone definitions. Always check the current map for the specific address, since maps are updated over time.

When Is Flood Insurance Required for a Mortgage?

The rule comes from federal law. If a home is in a Special Flood Hazard Area (any zone starting with A or V) and your mortgage comes from a federally regulated or insured lender, or is sold to or insured by Fannie Mae, Freddie Mac, FHA, or VA, you must carry flood insurance for as long as you have the loan. That covers the vast majority of mortgages on Long Island.

How much coverage? For Fannie Mae loans on 1-4 unit homes, the required building coverage is the smallest of three numbers: the home's replacement cost, the maximum available from the National Flood Insurance Program (NFIP), which is \$250,000 for a residential building, or the loan balance. Your lender will spell out the exact amount on your approval, and it will want proof of the policy before closing.

Good news on timing. NFIP policies normally have a 30-day waiting period before coverage starts. That wait is waived when the policy is bought in connection with a new mortgage, so a flood policy can take effect the day you close. It still takes time to get a quote and bind a policy, so start early.

How Flood Insurance Is Priced Now: Risk Rating 2.0

FEMA overhauled NFIP pricing with a system called Risk Rating 2.0. Instead of leaning mostly on the zone letter and elevation, it looks at the individual home: how often floods happen there, the types of flooding (storm surge, heavy rain, river overflow, coastal erosion), the distance to water, the home's elevation, and what it would cost to rebuild. Two houses on the same street, in the same zone, can get very different quotes.

There's a built-in brake, too. By law, most NFIP rates on existing policies can't go up more than 18% per year while they move toward their full-risk price. That brake matters a lot when you're buying, which brings us to the tip most buyers never hear.

Ask about the seller's policy

An NFIP policy can be assigned to you when you buy the home, and FEMA says any discount and the 18% annual cap on increases transfer with it. Sometimes that's a better deal than starting a brand new policy.

Not every seller's policy is a bargain, and some buyers get a better number from a new NFIP policy or a private one. The point is to compare. Ask the listing agent early whether the seller carries flood insurance and what they pay, then get your own quote to put next to it.

Private Flood Insurance Is an Option

The NFIP isn't the only game in town. Federal law requires Fannie Mae and Freddie Mac to accept qualifying private flood insurance, and FHA started accepting private flood policies that meet its requirements in December 2022. A private policy has to be at least as broad as an NFIP policy, and Fannie Mae requires it to cover replacement cost without deducting for depreciation. Private carriers sometimes offer higher coverage limits or a lower premium, especially for well-elevated homes. Sometimes they don't. We'd always price both.

Can You Get Out of a Flood Zone?

Sometimes, yes. If a home sits on ground that's actually higher than the flood level FEMA used, the owner can apply for a Letter of Map Amendment (LOMA). If FEMA agrees, it issues a letter the owner can send to the lender to ask that the federal flood insurance requirement be removed for that structure. There's a similar process, a LOMR-F, for properties raised with fill.

The key document in these cases is usually an elevation certificate, prepared by a licensed surveyor or engineer, showing how high the home sits compared to the expected flood level. Homes that were raised or rebuilt after Superstorm Sandy often have one, and New York's seller disclosure form now asks whether one exists. If the seller has an elevation certificate, ask for a copy. It can help with your insurance quote whether or not a LOMA is in the picture.

What New York Sellers Now Have to Tell You

New York tightened its disclosure rules. The Property Condition Disclosure Statement now asks sellers whether the home is in a FEMA 100-year or 500-year floodplain, whether it's subject to a flood insurance requirement, whether it currently has flood insurance, whether there's a FEMA elevation certificate, whether they've ever filed a flood damage claim, and whether they've received federal disaster assistance for flood damage. As of March 20, 2024, sellers can no longer skip the form by giving the buyer a \$500 credit. Read those answers carefully, and talk them over with your attorney and your agent.

See What Flood Insurance Does to Your Monthly Budget

Here's where it gets real. Plug in your own numbers below. We started it with sample figures, but swap in your actual quotes. If you already have a principal and interest payment from a loan estimate, add it for the full picture. If not, the tool still shows what flood insurance adds each month and how it moves your housing ratio.

Flood Insurance Payment Impact

INTERACTIVE

FLOOD INSURANCE (PER YEAR)

\$ 3,000

Sample figure. Use your real NFIP or private quote.

GROSS MONTHLY INCOME

\$ 15,000

All borrowers, before taxes.

PROPERTY TAXES (PER YEAR)

\$ 14,000

Check the listing or the town's tax bill.

HOMEOWNERS INSURANCE (PER YEAR)

\$ 2,400

Regular policy. It doesn't cover flood.

MONTHLY PRINCIPAL & INTEREST (OPTIONAL)

\$ OPTIONAL

Leave blank to see taxes and insurance only.

OTHER MONTHLY DEBTS (OPTIONAL)

\$ OPTIONAL

Minimum payments that show on your credit report.

FLOOD ADDS EACH MONTH

\$250

\$3,000 a year, paid through your escrow account

TAXES + INSURANCE, NO FLOOD

\$1,367

Per month

WITH FLOOD INSURANCE

\$1,617

Per month

Flood insurance uses up **1.7 points** of your monthly income before you even count the mortgage payment. Over ten years at today's premium, that adds up to **\$30,000**.

For illustration only. Sample figures are placeholders, not quotes or averages. Lenders set their own qualifying ratios, and your actual approval, payment, and terms depend on credit approval, the property, and the loan program. This is not a loan offer.

Lenders look at two ratios: your housing payment compared to your income, and your total monthly debts compared to your income. We break both down, with worked examples, in our **debt-to-income ratio guide**. Want a quick read on your overall price range first? Try our **affordability calculator**.

Your Flood Zone Game Plan, Before You Make an Offer

1

Look up the address on FEMA's map

The **FEMA Flood Map Service Center** is free. Type in the address and look for the zone letter. Your lender will order an official flood determination too, but you don't have to wait for it.

2

Ask what the seller pays and whether they have an elevation certificate

Your agent can ask the listing agent. Also read the flood answers on the Property Condition Disclosure Statement.

3

Get a real quote, or two

Price an NFIP policy and at least one private option. If the seller's NFIP policy can be assigned to you, compare that too.

4

Build it into your numbers

Send us the address and the quote. We'll run it through your approval so you know exactly what you qualify for with the flood premium included.

5

Bind the policy before closing

Your lender needs proof of coverage in the required amount. Line it up a couple of weeks out so it's not a last-minute scramble.

Why a broker helps here. Every lender reads flood requirements the same way at the federal level, but they differ on things like which private policies they'll accept and how they handle deductibles. Because Coltrain works with a range of wholesale lenders, we can match a waterfront purchase with a lender that's comfortable with it, instead of forcing it into one bank's box. Browse our local pages for **Nassau County** and **Suffolk County** buyers, or see how the **loan process** works from start to finish.

Found a house near the water? Send us the address.

COMMON QUESTIONS

Do I need flood insurance to get a mortgage on Long Island?

x

Only if the home is in a FEMA Special Flood Hazard Area, meaning a zone that starts with A or V. In that case, a mortgage from a federally regulated lender, or one sold to or insured by Fannie Mae, Freddie Mac, FHA, or VA, requires flood insurance for the life of the loan. In moderate or low risk zones (Zone X), it's usually optional, though an individual lender can still require it.

How much flood insurance does my lender require? ×

For Fannie Mae loans on 1-4 unit homes, building coverage must be at least the smallest of the home's replacement cost, the maximum NFIP coverage for a residential building (\$250,000), or the loan balance. Your approval will list the exact amount your lender needs.

Can I take over the seller's flood insurance policy? ×

An NFIP policy can be assigned to the buyer when the home sells. According to FEMA, any discount the policy has, along with the statutory limit that keeps most annual increases at or below 18%, transfers with it. It's worth comparing that against a new NFIP quote and a private policy.

Will my lender accept private flood insurance instead of FEMA's NFIP? ×

Usually, yes. Fannie Mae and Freddie Mac must accept private flood insurance that meets the federal definition, and FHA has accepted qualifying private flood policies since December 2022. The policy has to be at least as broad as an NFIP policy, so your lender will review it before closing.

How do I find out if a Long Island home is in a flood zone? ×

Search the address on FEMA's free Flood Map Service Center at msc.fema.gov. Also read the seller's New York Property Condition Disclosure Statement, which now asks about floodplain location, flood insurance, elevation certificates, and past flood claims. Your lender will order an official flood zone determination as part of the loan.

Can a home be removed from a flood zone? ×

Sometimes. If the home sits on ground higher than the flood elevation FEMA used, the owner can apply for a Letter of Map Amendment (LOMA). If FEMA approves it, the owner can send the letter to the lender and ask to have the federal flood insurance requirement removed for that structure. An elevation certificate from a licensed surveyor or engineer is usually the key document.

Information reflects FEMA, NFIP, Fannie Mae, HUD, and New York State rules as published at the time of writing and is subject to change. Flood zone designations and insurance pricing are property-specific; always confirm with the current FEMA map, a licensed insurance professional, and your attorney. All loans are subject to credit approval, underwriting, and property eligibility. This article is for educational purposes and is not a commitment to lend. Coltrain Mortgage is a mortgage broker; all loans are arranged through third-party lenders. Equal Housing Opportunity.

SOURCES

FEMA, **National Flood Insurance Program overview**

FEMA, **Risk Rating 2.0: Equity in Action**

FEMA, **Change Your Flood Zone Designation (LOMA and LOMR-F)**

FEMA, **Flood Map Service Center**

Fannie Mae Selling Guide, **B7-3, Property and Flood Insurance**

Consumer Finance Monitor, **HUD issues final rule permitting private flood insurance with FHA loans**

New York State Bar Association, **New rules on Property Condition Disclosure and flood risk**

← **Back to all posts**

READY WHEN YOU ARE

Looking at a home near the water?

Send us the address before you make an offer. We'll help you check the flood zone and build the insurance into your numbers, so there are no surprises at closing.



Ready to talk it through?

Scan to reach a loan officer, or call (631) 851-4420.
coltrain.com/our-staff

Call [\(631\) 851-4420](tel:6318514420) | coltrain.com

Coltrain Funding Group LLC, DBA Coltrain Mortgage (NMLS#10640) 140 Fell Court Suite 101 Hauppauge, NY 11788 is a Registered Mortgage Broker with the NYS Department of Financial Services. Licensed Mortgage Broker NJ Department of Banking & Insurance. Licensed Mortgage Broker, Florida Office of Financial Regulation. Licensed Mortgage Broker by the Pennsylvania Department of Banking and Securities. All loans arranged through a third party. We do not make any mortgage loan commitments or fund any mortgage loans. MORTGAGE BROKER ONLY, NOT A MORTGAGE LENDER OR MORTGAGE CORRESPONDENT LENDER. Rates subject to change without notice. Phone 631-851-4480 Fax 631-963-3209. www.coltrain.com