



**CDBG-DR PROGRAM
HOMEBUYER ASSISTANCE PROGRAM
NOTIFICATION TO PROSPECTIVE BUYERS OF PROPERTIES LOCATED IN A SPECIAL FLOOD
HAZARD AREA**

All federally funded projects and all activities related to such projects are subject to the provisions of the National Environmental Policy Act of 1969 (**NEPA**), 42 U.S.C. § 4321 et seq., as well as the U.S. Department of Housing (**HUD**) environmental review regulations set forth in 24 C.F.R. § 58. Therefore, an environmental review process is required to issue all awards under the Homebuyer Assistance Program (**HBA Program**). The environmental review aims to ensure the proposed activities do not have a negative impact on the surrounding environment and that the property does not adversely affect residents. The level of environmental review required for the HBA Program is described in 24 C.F.R. § 58.35(b)(5).

The 24 C.F.R. § 58.22 prohibits the allocation or use of federal or non-federal funds in an activity that may have an adverse environmental impact or limits the choice of reasonable alternatives before an environmental review is completed. Therefore, all awards issued under the HBA Program require an environmental clearance before committing federal or non-federal funds.

The Puerto Rico Department of Housing (**PRDOH**) and its authorized representatives will conduct environmental reviews as part of the property eligibility assessments. These environmental reviews must be completed before determining the award the HBA Program can offer an eligible applicant.

Since the HBA Program has identified that the property you wish to acquire is located in a Special Flood Hazard Area (**SFHA**), we are notifying you the implications of acquiring such property. Before proceeding with the HBA Program underwriting evaluation, you must review and sign the attached notice and certify you understand the implications of acquiring a property in an SFHA.

Please return this certification within **ten (10) calendar days** from the mailing date of the enclosed notice and deliver it to the Puerto Rico Housing Financial Authority (**PRHFA**) via email to HBA-info@afv.pr.gov or by mail to: Homebuyer Assistance Program, P.O. Box 71361, San Juan, PR 00936-8461.



[Date]

[Applicant's Name]

[Applicant's Postal Address]

[Applicant's Email]

Re: **Certification of Purchase of Property Located in a Special Flood Hazard Area
Homebuyer Assistance Program
Programa CDBG-DR**

Case Number: [Insert Case Number]

Dear [Name of Applicant]:

The Homebuyer Assistance Program (**HBA Program**) has identified that the property you want to purchase is located in a Special Flood Hazard Area (**SFHA**). The property address is: [Insert Property Address].

In accordance with federal regulation 24 C.F.R. § 58.6 (a)(2), if the property is located in an area identified by FEMA as an SFHA, it will be a requirement that Flood Insurance be filed and maintained. In addition, according to the federal regulation, 24 C.F.R. § 58.6(b) under section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 5154a, HUD disaster assistance available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration of flood damage to any personal, residential, or commercial property if the person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and failed to obtain or maintain it.

Please complete and sign the Certification of Purchase of Property Located in an SFHA attached to this letter within **ten (10) calendar days** of the mailing date of this notice. It must be submitted by one of the following methods:

- E-mail: HBA-info@afv.pr.gov
- Postal Mail: HBA Program, P.O. Box 71361, San Juan, PR 00936-8461

Failure to sign the attached certification will prevent the HBA Program from assisting with purchasing the Property located in an SFHA.

Kind regards,

[Signature]

[Insert Sender Name]

[Insert Sender Title]

Homebuyer Assistance Program

CERTIFICATION

I, _____, Applicant for the Homebuyer Assistance (**HBA**) Program administered by the Puerto Rico Housing Finance Authority (**PRHFA**), designated subrecipient of the Puerto Rico Department of Housing (**PRDOH**), CERTIFY that I am interested in purchasing a property located in the Special Flood Hazard Area (**SFHA**). The property address is the following:

By signing this document, I certify my interest in purchasing the above mention property and acknowledge the implications of acquiring such property. I recognize that my signature is required to ensure compliance with HUD regulations, as outlined in federal regulation 24 C.F.R. § 58.6 (a)(2), to ensure that I will obtain and maintain flood insurance. I acknowledge that if I do not obtain flood insurance, I will not be able to receive the Program assistance to purchase the property. I also acknowledge that if I do not maintain such insurance, I will not be able to receive federal assistance in the future.

Applicant's signature

Applicant's Name

Date