

National Flood Determination Association

NFDA Certification Program

A Framework for Flood Zone Determination
Certification and Administration

January 2010

Table of Contents

- Proprietary Statement**
 - Acknowledgements.....2

- NFDA**
 - Mission Statement.....3
 - Goals3

- Purpose of Certification**
 - Purpose.....4

- NFDA Code of Ethics**.....5
 - Honesty and Integrity
 - Compliance with Law
 - Advertising
 - Professional Conduct
 - Responsibilities to Professional Colleagues
 - Competence
 - Dispute Resolution
 - Basis of Flood Zone Determination
 - Prohibition Against Discrimination
 - Public Interest

- Framework for NFDA Certification**.....7
 - Accuracy Validation.....7
 - Business
 - Recovery.....10
 - Experience in Business.....12
 - Financial Viability.....13
 - Flood Zone Determination Training Program.....14
 - Life of Loan.....15
 - Quality Assurance.....16
 - Record Keeping.....17
 - Audit Report.....18
 - Certification Term.....18
 - Certification Fee.....18
 - De-certification.....19
 - Arbitration.....19
 - Mergers and Acquisitions.....19

- Confidentiality**
 - Confidentiality.....20
 - Confidentiality Agreement.....21

- NFDA Application for Certification**.....23

Proprietary Statement

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Acknowledgments

The National Flood Zone Determination Association wishes to acknowledge the members of the NFDA Certification Committee for their dedication and contributions to this Framework Guide.

NFDA

The National Flood Determination Association (NFDA) is a national non-profit organization comprised of flood zone determination companies, their vendors, and re-sellers. The association is dedicated to promoting the interests and success of members involved in making, distributing, and reselling flood zone determinations. NFDA serves as a collective industry voice on legislative and regulatory issues. NFDA supports the National Flood Insurance Program (NFIP) and the agencies that serve the NFIP.

Mission Statement

"To promote the common interests and well being of companies engaged in making, distributing, or selling flood zone determinations."

Goals

The goals of NFDA are:

1. To promulgate industry guidelines of standards and ethics.
2. To provide mechanisms for communication and the exchange of information within the industry.
3. To foster awareness of the role and importance of the industry among other NFIP constituencies.
4. To serve as a collective industry voice on legislative and regulatory issues.

Purpose of Certification

Purpose

The NFDA Certification Program is designed to recognize companies that operate within the guidelines set forth by NFDA to maintain standards of excellence, foster professionalism, and advocate quality services within the flood zone determination industry.

The Certification Program requires companies to meet certain standards in each of the following distinct areas:

1. Accuracy Validation
2. Business Recovery
3. Experience in Business
4. Financial Viability
5. Flood Zone Determination Training
6. Life of Loan
7. Quality Assurance
8. Record Keeping

The areas specified above have been identified as being fundamental to the goals of the NFDA to maintain standards of excellence, foster professionalism, and advocate quality services within the flood zone determination industry.

The Certification Program cannot guarantee the performance of an individual company; however, it will reflect that a company, at a certain point in time, met the standards set forth in the Certification Program.

A company is not required to be a member of the NFDA in order to apply for or become a certified company through the Certification Program.

Each company applying for certification (“Applicant Company”) will be required to engage the services of the Certified Public Accounting firm selected by the NFDA to validate the company’s performance relevant to the criteria established in the certification categories (“Independent Auditor”).

Important Note: The Accuracy Validation process will only take place after a company has successfully met the standards for the other criteria.

NFDA Code of Ethics

NFDA members and companies that have been certified through the Certification Program (“Certified Companies”) are dedicated to improving competence, maintaining standards of excellence, accuracy and quality service in the rendering of flood zone determinations and improving the flood zone determination industry as a whole. As a result of this dedication to excellence, NFDA members and Certified Companies have adopted the following Code of Ethics to govern professional conduct.

Honesty and Integrity

To maintain and broaden public confidence, NFDA members and Certified Companies shall, through their actions and the conduct of their business, perform all responsibilities in an honest, truthful, fair, and reasonable manner with the highest level of personal and professional integrity.

Compliance with Law

NFDA members and Certified Companies shall strive to conduct business in compliance with both the spirit and letter of all applicable laws, rules, and regulations of any government, government agency, or regulatory organization governing the flood zone determination industry.

Advertising

NFDA members and Certified Companies shall endeavor to be clear, honest, and complete in all advertisements and promotional material to ensure customers are aware of the exact nature of the products and services offered.

Professional Conduct

In the interest of promoting cooperation and enhancing professional image, NFDA members and Certified Companies are encouraged to conduct business activities professionally and with respect toward competitors and to refrain from criticism of other flood zone determination companies. Members and Certified Companies are also urged not to seek to obtain business by way of fraud, misrepresentation, or any other deceptive method or to engage in any other activity that may reflect poorly on the flood zone determination industry.

Responsibilities to Professional Colleagues

NFDA members and Certified Companies shall strive to establish and maintain dignified and honorable relationships and shall communicate, cooperate, and exchange industry knowledge with fellow NFDA members and Certified Companies, and shall not knowingly attempt to injure the professional reputation of fellow members, Certified Companies, or members of other professions.

Competence

NFDA members and Certified Companies shall strive for high standards of professionalism and seek to maintain professional competence through expanding and disseminating the knowledge upon which the flood zone determination industry is based.

Dispute Resolution

NFDA members and Certified Companies shall accept responsibility for their actions and adopt policies

and procedures to address the resolution of customer disputes, including the maintenance of historical records, the timeliness of response, and the final resolution of such disputes. It is important for flood zone determination companies to work together in a spirit of cooperation to resolve any disputes.

Basis of Flood Zone Determination

NFDA members and Certified Companies shall make all flood zone determinations based on the most current legal FEMA documents or digital data available.

Prohibition Against Discrimination

NFDA members and Certified Companies shall engage in professional relationships and render flood zone determinations without bias because of race, religion, sex, age, national origin, handicap, or other protected class.

Public Interest

NFDA members and Certified Companies shall act in a manner that will serve the public interest, honor the public trust, and demonstrate commitment to the flood zone determination industry.

Framework for NFDA Certification

Accuracy Validation

Accuracy is the most significant factor when making flood zone determinations. The impact of inaccurate flood zone determinations not only affects the flood zone determination industry and its clients, but the viability of the NFIP and Federal disaster relief programs.

As a component of the Certification Program, companies must demonstrate a minimum 99.000% rate of accuracy in identifying properties inside or outside of Special Flood Hazard Areas (“SFHAs”). For the purposes of the Certification Program, for properties that lie within the SFHA, no distinction will be made between the various zone designations within the SFHA. Likewise, for properties that lie outside the SFHA, no distinction will be made between the various zone designations outside the SFHA.

SPECIAL FLOOD HAZARD AREAS	NON-SPECIAL FLOOD HAZARD AREAS
All zone designations beginning with “A”	C and X zones
All zone designations beginning with “V”	B, Shaded X zones, X500 zones (“500-year floodplain”)
	D zones
	Unstudied areas with no flood zone designations

Applicant Companies are required to provide the Independent Auditor with a set of records for all determinations completed during a consecutive 12-month period. The record set may extend up to, but not more than, 15 months prior to the date of collection. From this record set, the Independent Auditor along with the services of an independent data management company will generate a randomly selected sample of determinations for review.

Listed below are guidelines for the creation of the complete record set. The record set must include the following:

Any determination returned on the Standard Flood Hazard Determination Form, including those determinations classified as “partials,” or information sent to client for the purpose of reproducing on the Standard Flood Hazard Determination Form.

Applicant Companies are expected to provide the record set in an electronic format. Technical guidelines such as file format and table structure will be made available by the Independent Auditor and may be made available on the NFDA website.

Applicant Companies that operate solely with paper records and do not maintain a database, or whose database for the selection period contains less than 1000 records, should immediately contact the Certification Committee Chair.

The Accuracy Validation portion of the Certification Program will be based on a blind review of the generated random sample. The review will be conducted by 3 separate flood zone determination providers chosen from a pool of providers who have volunteered their services and

will act as control companies. The identity of the Applicant Company and the determination rendered by the Applicant Company will not be made known to the control companies. Upon completion of their review, the control companies will return their results to the data management company, who in turn will collate the data and report the findings to the Certification Committee Chair.

Sample Selection Process:

The random sample generated from the database of each Applicant Company will be compiled by the Independent Auditor and independent data management company. The following information is provided for Applicant Companies to better understand how the random sample will be generated.

The NFDA engaged Dr. N. Shirlene Pearson, Director, Center for Statistical Consulting and Research at Southern Methodist University to provide a formula for determining the statistically valid sample size for measuring the accuracy of companies in the flood zone determination industry. The formula set forth below is the result of that effort.

The Accuracy Validation portion consists of a statistically valid random sample based upon the following formula that has been adopted by the NFDA:

$$n = (1521.2736 \times N) / (N + 1520.2736)$$

where “n” is the sample, and “N” is the total population for the 12-month period.

Example for a company whose 12-month volume equals 65,000 determinations

$$n = (1521.2736 \times 65000) / (65000 + 1520.2736)$$

$$n = (98882784) / (66520.2736)$$

$$n = 1487$$

Assumptions:

1. The population size, N, is the number of records from which a sample of size n will be drawn.
2. The sample drawn is a random sample.
3. If m is the number of records found to be in error, then the estimate for the population value of p is $\hat{p} = m / n$
4. The margin for error is 0.005, meaning that the true value for p will be $\hat{p} \pm 0.005$.
5. The probability of a Type I error will be $\alpha = 0.05$, that is, there is a 5% chance that the null hypothesis will be rejected; when in fact it is true. This means there is a 5% chance of failing to certify a company whose records are 99.5% accurate.

Where n should be rounded upward. If the number of correct records is $0.99 \times n$, rounded upward, then the company will be certified. This formula will not be used for population sizes less than 1,000.

Rationale:

The NFDA recognizes that the accuracy of flood zone determination is critical. To establish a minimum standard and to provide an objective basis for testing the accuracy of a company's flood zone determinations, it was determined that the Accuracy Validation portion would only address identification of SFHAs and not the sub-category of type of SFHAs.

As reflected in the Quality Control and Flood Zone Determination Training Program requirements, Applicant Companies must demonstrate an understanding as to the importance of all aspects of flood zone determinations. NFDA urges all companies to pursue a goal of 100% accuracy on all aspects of flood zone determinations.

Results of the Accuracy Validation portion will be available, upon written request by the Applicant Company. The results will not be made available to any other party and shall be considered confidential information by the NFDA.

Business Recovery:

Flood zone determination companies' customers operate in a time sensitive environment, thus it is a reasonable and prudent business practice for Certified Companies to provide timely and uninterrupted service. Certified Companies shall have a comprehensive plan and process for minimizing any business interruption.

To be certified, a company must have a documented Business Recovery Plan that details the company's ability to continue to operate during a business interruption event. The Business Recovery Plan must allow the company to receive, complete, and return the flood-related products and services during any unplanned event that can shut down business operations, disrupt business operations, cause physical or environmental damage, or threaten a company's financial standing. The Business Recovery Plan must also indicate that the Applicant Company is able to provide support to levels that meet customer requirements in the occurrence of a business interruption event.

The Business Recovery Plan shall document methods and practices for periodic reviews and updates with walk-through exercise/testing of the plan including the results.

The Business Recovery Plan shall also identify the financial resources required and the source thereof for the implementation of the Business Recovery Plan.

The Independent Auditor may consider the inclusion of the following in the company's Business Recovery Plan:

1. FIRM and FHBM map backup procedures
2. Backup procedures for pertinent company records, including but not limited to administrative files and determination database
3. Resource map and source material backup procedures
4. Life-of-Loan tracking backup procedures (if applicable)
5. Telephone and telecommunications equipment contingency plans
6. Computer operations and network contingency plans
7. Off-site facilities location or alternative agreement with another flood zone determination provider
8. Purchase of business interruption insurance

Rationale:

The flood zone determination industry is devoted in part to assisting its customers in mitigating the effects of natural disasters, which may have a significant impact on the continuation of business activities. NFDA believes that, because of this purpose, it is imperative that companies seeking certification take steps to ensure that they are not impacted by the very events they assist in mitigating.

In addition to the Certification Program, the NFDA recommends that the company's Business Recovery Plan include provisions for life safety, property protection, insurance, recovery and restoration, communications and community outreach, and administrative matters.

Information in this section is based, in part on FEMA's publication titled "Emergency Management Guide for Business and Industry" (FEMA 141, October 1993). The entire publication can be found at www.fema.gov/business/guide/index.shtm. Flood zone determination companies seeking to develop a Business Recovery Plan or assess their current place are encouraged to review this document.

Experience in Business:

Weather and economic cycles directly impact the flood zone determination industry, creating issues that are unique to the industry. Flood zone determination companies seeking NFDA certification must have a minimum level of experience that reflects a comprehensive understanding of these unique issues.

To be certified, an Applicant Company must have been in business for a minimum of two (2) years from the date of the first completed determination.

If formed by merger and/or acquisition, the two-year term can be met by the prior or existing company.

Rationale:

Weather cycles that cause flooding are neither regular nor reasonably predictable. As a result, it is critical for a company to have produced flood zone determinations for a period of time sufficient to have experienced a weather cycle. This tests the company's ability to resolve issues from these unique events (e.g. an increase in the number of claims which occur as the result of inaccurate determinations, increased dispute volumes, increased customer service levels). The NFDA recognizes that in some regions these cycles may occur less often, this term was selected as being a reasonable time within which companies will at least have the opportunity to observe how the industry manages these cycles.

Similarly, economic cycles also place increased pressure on companies in the flood zone determination industry. For example, in periods of low mortgage interest rates, the volume of mortgage originations increases dramatically creating significant demand on companies to produce timely and accurate flood zone determinations within a relatively short period of time. As with weather cycles, it is difficult to predict these cycles, however, the NFDA believes that two years is a reasonable term for companies to have experienced changes in demand for their services.

Financial Viability:

Financial viability is an important element in a company's ability to fulfill its contractual guarantees to its customers.

To be certified, Applicant Companies need to demonstrate their financial viability in three areas:

1. Guarantees, Warranties and Contractual Obligations:

The Applicant Company must have a minimum of one million dollars (\$1,000,000) in the form of an errors and omissions insurance policy. An exception can be made for companies with self-insurance that provides comparable coverage.

2. Life-of-Loan and Re-mapping Obligations:

A company must have insurance, reserves or other guarantees to cover any obligations under Life-of-Loan and re-mapping services.

3. General Financial Obligations Required for Certification:

A Company shall provide evidence of its financial ability to meet any financial obligations detailed in its certification submission.

The Independent Auditor may accept audited financials and/or any other documentation of the company's ability to meet these obligations.

Rationale:

This criterion is not intended to produce a financial audit of a company. While audited financials will provide evidence of compliance with these criteria, NFDA is not seeking to have the companies audited solely for the purpose of applying for certification.

The Applicant Companies shall provide evidence to substantiate their solvency and specific evidence of ability to meet the financial obligations of the Certification Program. The application should not be supported with proprietary or confidential information that would not normally be available in a standard financial audit. It is the responsibility of the Applicant Company to protect its proprietary and confidential information.

The specific financial obligations required are limited to those arising from this Certification Program. For example, to be certified, an Applicant Company must demonstrate the financial capability to implement the Business Recovery Plan and meet its contractual guarantees.

The NFDA recognizes the industry faces future financial obligations, which are presently not quantifiable. For example, contractual obligations for re-mappings, Life-of-Loan and claims.

Flood Zone Determination Training Program:

Properly trained and educated employees who complete flood determinations (“Research Analysts”) are central to a flood zone determination company's ability to produce quality products and services.

Applicant Companies are required to develop a training program for Research Analysts.

The program shall provide a training manual and formal training for Research Analysts covering the following areas:

1. Basic determination guidelines and sources
2. Base Flood Elevation
3. Basic scaling techniques
4. CBRA/OPA
5. Flood zone definitions
6. Items found on the current SFHDF
7. LOMC fundamentals and process
8. Plotting techniques
9. Property records
10. NFIP history and purpose
11. FIRMS, Digital Data

Independent Auditor may also consider the following elements in the training program:

1. Continuing education
2. Employee training records
3. Method of training: classroom, one-on-one, CBT, etc.
4. Size of company
5. Types of services and products offered
6. Testing of knowledge
7. Additional certifications (e.g. Certified Floodplain Manager (CFM))

Rationale:

Training is central to ensuring accurate and quality products and services. Due to the unique nature of the flood zone determination industry, the NFDA believes that it is unlikely that a company can ensure the delivery of timely and accurate flood zone determinations without a training program. While the NFDA supports training programs and continuing education for employees in all positions at certified companies, the intent of these criteria is to cover employees who perform flood zone determinations.

Life of Loan:

The purpose of this criterion is not to dictate a company's internal procedures as to the processing of Life of Loan ("LOL") service, but to simply verify that the process is being completed.

Therefore, to be certified, Applicant Companies that provide LOL services must be able to produce proper documentation affirming that those services have been performed when appropriate.

The Independent Auditor will evaluate performance by reviewing records relative to past re-mappings within a given time-frame, respective of the geographic areas in which the Applicant Company completes flood zone determinations and or provides LOL tracking services.

Rationale:

LOL re-mapping services play an integral role in the flood zone determination process. It is imperative not only for the credibility of the NFDA Certification Program, but for the flood zone determination industry as a whole, that LOL obligations are met.

Quality Assurance:

To be certified, Applicant Companies must maintain a documented Quality Assurance program, which should include error statistics, and procedures and methodologies used to determine accuracy tests. Applicant Companies should understand that the quality assurance requirement focuses on the company's internal controls for accuracy. This requirement is separate from the Accuracy Validation process.

The Applicant Company's Quality Assurance program shall provide for accuracy testing of the following Data Elements: The referenced data elements are all required fields on the FEMA Standard Flood Hazard Determination ("SFHD") form current at the time the determination was completed.

1. Flood Zone
2. Community participation status in the NFIP
3. NFIP Map Number or Community-Panel Number and date
4. CBRA & OPA status
5. LOMA & LOMR status
6. NFIP community name and number

The Quality Assurance program shall document a process to detect and identify errors and problems in the company's processes, procedures and databases and the correction of any such errors and problems in a timely manner.

The Independent Auditor may take into consideration whether the plan contains the following:

1. Documented procedures that incorporate a random sample review of completed determinations.
2. Documented results of testing that occurs at least annually (calendar year).
3. Timely notification was sent to the client for those determinations in which an error was discovered. Notifications would only need to be sent for zone, community status, and CBRA & OPA errors.
4. Data provided for the elements listed above should be in conformance with the current SFHD form instructions.
5. Whether the sample records would be selected at a single point in time. (The work could be completed and reviewed between January and December but the flood information for each record should reflect the data as of the date the sample was compiled.)

Rationale:

This criterion recognizes the importance of producing accurate flood zone determinations, which include all the required fields on the SFHD form. While the Certification Program validates the accuracy of the determination with regards to the SFHA designation, each company is also expected to maintain an internal Quality Assurance program. This program should monitor, identify, and correct any errors that may occur, and put in place systems, that are designed to avoid such mistakes in the future. These criteria will not validate the quality assurance, but instead requires the company to demonstrate the existence and operation of a valid and comprehensive program.

Record Keeping

To be certified Applicant Companies must demonstrate a practice of maintaining determination records and documents in a reasonable format.

Requirements:

Certified Companies must maintain historical records, either electronic or paper of completed determinations. This includes “pay-off” but does not include “no-pays” and “fall-outs.”

“Pay-off” shall mean a mortgage (secured by improved real estate for which a flood zone determination has been made) obligation that has been satisfied.

“No pay” shall mean a determination for which payment has been demanded and not received.

“Fall-out” shall mean a mortgage application for which a flood zone determination has been made and the related loan transaction has not been closed.

An Applicant Company shall utilize the current version of the SFHD form and shall comply with all record keeping requirements of any applicable Federal or state law, rule, statute or regulation governing the Applicant Company’s business.

Rationale:

Accurate record keeping is critical for a flood zone determination company to be prepared for audits, serve its customers and substantiate findings in the event of a loss.

Audit Report:

Upon completion of the audit, the Independent Auditor firm will prepare a report (“Audit Report”) evaluating the Applicant Company’s ability to meet the criteria listed above (excluding the Accuracy Validation). The Audit Report will then be submitted to the NFDA Certification Committee for review. The Audit Report will only be valid with the current application submitted by the Applicant Company. All subsequent applications made by the Applicant Company will require a new Independent Auditor Audit Report.

Certification Term:

Certification terms, including renewal periods, shall be for a period of twenty-four (24) months. The company is responsible for meeting the published deadlines for new and renewal application periods.

Based upon the number of applications received during any review cycle, the Certification Committee has the authority to revise the next review cycle. If this is necessary a revised schedule will be published.

Certification Fee:

NFDA Member

Application Fee:	\$2,000	(to be included with application)
Audit Fee:	\$2,500	(payable to Independent Auditor)
Total Fees:	\$4,500	

Non-NFDA Member

Application Fee:	\$4,000	(to be included with application)
Audit Fee:	\$2,500	(payable to Independent Auditor)
Total Fees:	\$6,500	

- Application Fees are intended to cover expenses associated with the establishment and administration of the Certification Program and its ongoing expenses.
- Costs incurred to establish the Certification Program have come from legal consultation, statistical consulting, technical writing, meeting rooms, conference calls, and travel. Ongoing expenses will be incurred by the NFDA from an independent firm that has been contracted to provide the administration, processing and storage of the certification applications and corresponding data, and for the administration and management of the Accuracy Validation portion of the process.
- The Audit Fee includes the professional fees for the Independent Auditor as well as his/her travel, lodging and food expenditures. The firm of Davila Buschhorn & Associates has been selected by NFDA to complete the audit for each Applicant Company. Each company shall sign an independent engagement letter with the Independent Auditor and pay the appropriate fee directly to the audit firm.
- Fees will be the same for all member companies applying for certification, irrespective of company size. This is due to the standard fee that will be incurred for the application processing, administration and storage costs. Since the NFDA and its members have

spent considerable time and money to develop the Certification Program, it is appropriate for non-NFDA members to pay a larger Application Fee to help defray the costs already incurred by NFDA.

- The fee becomes fully earned once the application is submitted and is non-refundable.
- Each time a company applies for certification, a fee is required.

De-certification:

Triggering Events for Decertification:

The Certification Committee shall have the absolute right and authority to decertify a Certified Company at any time if it is determined that said Certified Company has:

1. Engaged in any act of fraud, deceit or willful or wrongful misconduct during any portion of the Certification Program;
2. Subjected the NFDA or any other member of the NFDA to an action of gross negligence or willful or wanton misconduct; or
3. The Certified Company is adjudicated, bankrupt or insolvent, or takes proceedings for liquidation by arrangement or composition with creditors; or
4. The Certified Company is indicted or convicted of a felony.

Notice of Decertification: In the event the Certification Committee takes action to decertify a Certified Company based on any reason stated above, the Certification Committee shall provide the Certified Company written notice within a reasonable period of time of such decision, but in no event later than the effective date of decertification.

Effects of Decertification: Any decertified company is strictly prohibited from using any certification designation in the conduct of its affairs.

Arbitration:

In an effort to expedite any dispute arising from the certification process, the Certification Committee has determined that binding arbitration would be mutually beneficial. The Certification Committee has developed in conjunction with the American Arbitration Association, an arbitration process to achieve these goals. The Applicant Company must agree that any and all controversies, disputes, or claims arising out of or related to this application or the decision on the application shall be settled by binding arbitration by the American Arbitration Association in accordance with the Commercial Dispute Resolution Procedures as currently supplemented by NFDA (all such current supplements are available for review upon request).

Mergers and Acquisitions:

Certified Companies shall immediately notify the Certification Committee of any merger, acquisition of or by any company in the flood zone determination industry. The resulting entity shall be required to apply for certification within 12 months of the closing date.

Certified Companies shall also notify the Certification Committee immediately upon any change in name of the Certified Company but may not be required to reapply for certification. The Certification Committee will need to authorize the transfer of the certification to the newly named company.

Confidentiality:

The Certification Committee recognizes that the Certification Program involves the release of certain confidential, proprietary and sensitive information. To encourage full disclosure, the members of the Certification Committee and NFDA will execute the attached Confidentiality Agreement to protect the Applicant Company.

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT made this ___ day of _____, ___ by and between the National Flood Determination Association (“NFDA”), a Colorado nonprofit corporation having its principal place of business at The Granite Building, Second Floor, 1228 15th Street, Denver, Colorado 80202, and certain appointed members of the certification committee (“Members”) involved with the NFDA certification program (“Certification Program”).

WHEREAS, the NFDA will, from time to time, be receiving certain confidential and proprietary information from companies seeking certification from the NFDA for the express purpose of reviewing said information and determining whether the Applicant Company meets the requirements for the Certification Program adopted by NFDA; and

WHEREAS, NFDA is willing to provide such confidential and proprietary information to Members for the limited purpose noted above and under the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

1. “Confidential Information” shall mean all information, documentation and devices, whether tangible or intangible, disclosed or made available by any Applicant Company to NFDA, including, but not limited to the Applicant Company’s financial statements, business recovery plans, business qualifications, training manuals and records, flood zone determination records, quality control programs and independent audit results. Confidential Information shall also mean any of the information described above concerning an Applicant Company which may be verbally disclosed to Members during participation on the NFDA certification committee.

2. Members acknowledge and agree that the Confidential Information submitted by an Applicant Company is proprietary to, and a valuable trade secret of, the Applicant Company and that the NFDA has agreed as part of the Certification Program to take steps to maintain such confidentiality and any disclosure or unauthorized use thereof will cause irreparable harm and loss to the Applicant Company and NFDA.

3. In consideration of the disclosure of the Confidential Information to Members, Members agree to treat the Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) to use the Confidential Information for the sole purpose of determining whether the Applicant Company meets the requirements of the Certification Program adopted by NFDA;

(b) not to copy, in whole or in part, the Confidential Information;

(c) not to disclose the Confidential Information to individuals or entities outside of the permitted purpose of the NFDA certification committee;

(d) to limit dissemination of the Confidential Information to only those Members who have a present need to know to perform the limited tasks set forth in (a) above and who become signatories to this Agreement prior to such dissemination; and

(e) to return the Confidential Information, including all copies, records and notes thereof, regardless of the form of media in which it was received, to NFDA, upon receipt of request therefore from NFDA or upon completion of the application process, whichever is sooner. NFDA shall be

responsible for securing the return of the Confidential Information to the Applicant Company from all Members to whom such Confidential Information was disseminated pursuant to the terms hereof.

4. The restrictions and obligations of Paragraph 3 of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind the Members, their successors, heirs and assigns.

5. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado. All parties agree that all actions brought pursuant to this Agreement must be brought either in the United States District Court for the District of Colorado, located in Denver, Colorado or in the state court of the competent jurisdiction in the State of Colorado. The prevailing party in any action brought pursuant to this Agreement shall be entitled to receive attorney's fees and costs of bringing such action as part of its damages. All parties acknowledge that a breach of this Agreement could cause irreparable damages to NFDA and that NFDA shall be entitled to equitable relief including, but not limited to, specific performance and the granting of an appropriate injunction.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

NFDA:

MEMBER:

By:

By:

Title:

Title:

Date:

Date:



Application for Certification

<p>The Certification Committee Chair's receipt of the Application and Application Fee initiates the certification process.</p> <p>Completed Audit Report and Data Extract are required to complete the certification process.</p>	<p>Direct Applications and Correspondence to: National Flood Determination Association Cheryl Small, Certification Chair 11902 Burnet Road Austin, TX 78758</p>
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INFORMATION ON APPLICANT:

Company Name:		Address:	
Type of Entity:		State of registration:	
City:		State:	Zip Code:
Contact Person/Title:		Telephone:	Fax:
E-mail:		Web Address:	

INFORMATION ON CPA EVALUATOR:

Company Name: Davila Buschhorn & Associates		Address: 7207 McNeil Dr.	
City: Austin		State: TX	Zip Code: 78729
CPA Evaluator's Name: A. Lane Buschhorn		Telephone: 512-258-6637	E-mail: Lane@dbtxcpa.com
		Fax: 512-258-7699	

COMPANY STATEMENT OF GOOD FAITH:

In consideration of the acceptance of our application for certification and the certification of our company, the applicant ("Applicant") 1) agrees to be bound by the terms and conditions as established by the Code of Ethics of the NFDA and the 2010 Framework for Flood Zone Determination Certification and Administration guidebook, 2) certifies by execution of this application that the Applicant has read and understands that the decision of the Certification Committee is final and binding on the Applicant unless Applicant establishes with clear and convincing evidence that the decision of the Certification Committee was arbitrary and capricious, and any and all controversies, disputes, or claims arising out of or related to this application or the decision on the application shall be settled by binding arbitration by the American Arbitration Association in accordance with the Commercial Dispute Resolution Procedures as currently supplemented by the Certification Arbitration Program, September, 2005 (All such current supplements are available for review upon request or are available on the NFDA website, www.nfdaflood.com), 3) represents and warrants that all of the information provided to the NFDA in conjunction with this application is complete, true and correct, 4) shall hold the NFDA harmless and defend them against any claim against them because of our acts or failure to act, or for any other reason which is founded upon or arising out of our certification from the NFDA, 5) agrees to pay any costs and expenses in connection with the defense thereof and will indemnify or pay any judgment rendered against the NFDA arising out of such actions, and 6) certifies that the person executing this application for certification is duly authorized and has the requisite power and authority to bind the Applicant, and 7) recognizes that the NFDA will not act upon any application which is incomplete, will consider only the documents submitted in support of the application and the failure to timely submit such information may result in the denial of such application.

Name & Title of Authorized Company Official:	Signature:	Date:
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PAYMENT OF FEES

The application fee for certification is non-refundable and fully earned upon submission. Make checks payable to the National Flood Determination Association (NFDA) and send to the NFDA at the address provided above. No application will be considered complete until all fees are paid. Check the appropriate fee and enclose payment of same.

NFDA Member (\$2000)	Non-Member (\$4000)
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