

## NFDA Certification Program Instructional Memorandum--January 2010

The National Flood Determination Association (“NFDA”) is currently accepting applications for the current Certification Program Cycle (“Certification Cycle”). It is the NFDA’s sincere hope that through the Certification Program (“Certification Program”), we can further represent our industry as professional businesses committed to the critical services we provide and to the success of the National Flood Insurance Program.

This memorandum is to notify you that applications for the current Certification Cycle will be accepted through the **APPLICATION CLOSE DATE of February 3, 2010**. The application and Certification Program guidelines and requirements must be downloaded from the NFDA website at [www.nfdaflood.com](http://www.nfdaflood.com). Additionally, you may contact Cheryl Small, Certification Committee Chair (“Committee Chair”) with questions or for clarification. A brief description of the Certification Program process is outlined below.

### **The Certification Program will consist of three phases:**

#### **Phase I: Application and Audit:**

1. Completed application for certification and payment of application fees.  
*Applicant Company must send application and fees directly to the Committee Chair by the application close date set forth above.*

The following items must be delivered to the NFDA no later than **March 26, 2010**.

2. Audit Report completed by the Independent Auditor designated by the NFDA to complete the audit (“Independent Auditor”) following a review of the Applicant Company’s business.  
*The Independent Auditor’s Report (“Audit Report”) will be submitted to the Committee Chair by the Independent Auditor.*
3. Complete Data Extract.  
*Applicant Companies should generate and deliver the data extract as specified in the “Technical Guide for Applicant Companies” document directly to the Independent Auditor. Any additional charges incurred from the Independent Auditor will be the responsibility of the Applicant Company.*

The contact information for the Independent Auditor is provided below. NFDA has engaged the services of one audit firm for the Certification Program. Each Applicant Company must sign an engagement letter with the specified Independent Auditor and is responsible for remitting any audit fees directly to the Independent Auditor. The Audit Report must be received by the NFDA no later than March 26, 2010 in order for your company to be included in the current Certification Cycle; therefore, it is imperative that your company representative contact the Independent Auditor immediately in order to ensure that adequate time is allotted for the audit and completion of the data extract.

#### **Phase II: Accuracy Validation:**

A data processing company will be used in order to generate a random sample from the Applicant Company’s data extract to be submitted to a group of flood zone determination companies who will act as Control Companies (“Control Companies”). The Applicant Company’s identity and results of their flood zone determinations will not be included in the random sample sent to the Control Companies. Control Companies’ flood zone determination results will be collected and reported to the Committee Chair. A comparison will be generated between the Applicant Company’s flood zone determinations and the Control Companies’ flood zone determinations. Applicant Companies will be notified of the flood zone determinations determined to be discrepancies. Applicant Companies will have the opportunity to supply information supporting their original determination as applicable.

#### **Phase III: Completed Process and Notification:**

The Certification Committee will complete its review of the Audit Report and results of the Accuracy Validation process. Upon completion of the process, Applicant Companies will be notified of their certification status for this Certification Cycle. Applicant Companies shall be notified in writing, by email or regular mail, of the results of the Certification Cycle. An announcement for those Applicant Companies achieving NFDA certification will be released after all applications are reviewed.

#### **Contact Information:**

##### **National Flood Determination Association Certification Chairperson**

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##### **Designated Independent Auditor:**

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