

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** October 7, 2016

**FROM:** Office of General Counsel

**SUBJ:** Interagency Proposed Rule Regarding Loans in Areas Having Special Flood Hazards – Part 760

**ACTION REQUESTED:** Board approval of the attached interagency proposed rule regarding loans in areas having special flood hazards.

**DATE ACTION REQUESTED:** October 27, 2016

**OTHER OFFICES CONSULTED:** E&I.

**VIEWS OF OTHER OFFICES CONSULTED:** Concur.

**BUDGET IMPACT, IF ANY:** None.

**SUBMITTED TO INSPECTOR GENERAL FOR REVIEW:** Yes.

**RESPONSIBLE STAFF MEMBERS:** Sarah Chung, Staff Attorney, Office of General Counsel, and Judy Graham, Program Officer, Office of Examination and Insurance.

**SUMMARY:** The NCUA, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and the Farm Credit Administration are issuing a new proposal to amend their regulations regarding loans in areas having special flood hazards to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act). Specifically, the proposed rule would require regulated lending institutions to accept policies that meet the statutory definition of private flood insurance in the Biggert-Waters Act and permit regulated lending institutions to accept private flood insurance policies that do not meet the statutory definition of “private flood insurance” on a discretionary basis, subject to certain restrictions.

**RECOMMENDED ACTION:** Board approval of the attached interagency proposed rule.

**ATTACHMENT:** Proposed rule.