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Chris Barnard

25 November 2013

**- 12 CFR Part 760; RIN 3133-AE18**  
**- Loans in Areas Having Special Flood Hazards**

Dear Sir.

Thank you for giving us the opportunity to comment on your Joint notice of proposed rulemaking: Loans in Areas having Special Flood Hazards.

The Agencies<sup>1</sup> are proposing to amend their regulations regarding loans in areas having special flood hazards to implement provisions of the Biggert-Waters Flood Insurance Reform Act of 2012. Specifically, the proposal would establish requirements with respect to the escrow of flood insurance payments, the acceptance of private flood insurance coverage, and the force-placement of flood insurance. The proposal also would clarify the Agencies' flood insurance regulations with respect to other amendments made by the Act and make technical corrections. Furthermore, the OCC and the FDIC are proposing to integrate their flood insurance regulations for national banks and Federal savings associations and for State non-member banks and State savings associations, respectively.

Use of private insurance to satisfy mandatory purchase requirement

Section 100239 of the Act addresses the use of private insurance to satisfy mandatory purchase requirements. Proposed § 760.3(c)(1) requires regulated lending institutions to accept private flood insurance as satisfaction of the mandatory requirements, provided that the private flood insurance meets the definition of private flood insurance in proposed § 760.2(i),<sup>2</sup> and coverage under the flood insurance policy meets the mandatory coverage

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<sup>1</sup> OCC, Board, FDIC, FCA and NCUA.

<sup>2</sup> For example the private flood insurance policy must be issued by an approved insurance company that provides flood insurance coverage which is at least as broad as the coverage provided under a

Please note that the comments expressed herein are solely my personal views

requirements. This is in line with the Act, and I support this proposal as reasonable and fair. It should stimulate activity and increase transparency and competition in the private flood insurance market, and lead to: improved data and experience analyses; underwriting and risk management; and flood-pricing techniques. In order to improve efficiency and reduce burden on smaller institutions, I also support proposed § 760.3(c)(2) that introduces a safe harbour that allows State insurance regulators to determine whether a private flood insurance policy meets the definition of private flood insurance under the Act.

In summary, I support these proposals as they will stimulate the private flood insurance market and increase competition and choice therein.

Yours faithfully

C.R.B.

Chris Barnard

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standard flood insurance policy under the NFIP, including when considering deductibles, exclusions, and conditions offered by the insurer.