

December 06, 2013

National Credit Union Administration  
Gerald Poliquin, Secretary of the Board  
1775 Duke Street  
Alexandria, VA 22314-3428

RE: Comments on "Loans in Areas Having Special Flood Hazards"; RIN 3133-AE18

Dear Gerald Poliquin,

I am writing on behalf of Xceed Financial Credit Union, which serves over 300 Select Employer Groups nationwide. We have 67 thousand members and 998 million assets under management.

As a national lender, Xceed Financial Credit Union fully supports the new enhancements to the Federal Flood Insurance Regulations. We feel that the new additions will further protect the lenders and borrowers. The past experiences have greatly proven the need for better regulations in this area. Although, the act seems cumbersome for financial institutions which frequently do not lend in highly impacted areas, it still serves, educates and protects the borrowers at the time of need. The lenders need to team up with appropriate national vendors to monitor the changes in the areas they lend in.

We do feel that the part regarding the mandatory establishment of escrow accounts for flood insurance premiums and fees for any loans secured by residential improved real estate or a mobile home could negatively impact the slow growing economy in some parts of the country, especially the areas that previously were heavily impacted by such natural disasters. The federal government may need to consider additional relief for buyers, especially first time buyers with limited budgets.

Moreover, the part regarding requiring the lenders to accept private flood insurance that is at least as broad as the standard flood insurance policy under the National Flood Insurance Program (NFIP) is not as clear and may cause further misunderstanding. It includes a safe harbor under which a private insurance policy would be deemed compliant if a state insurance regulator determines in writing that the policy satisfies the requirements for an acceptable policy. This process could lead to misunderstanding and lack of proper coverage when a disaster occurs.

All in all, we feel these enhancements are good steps towards right direction and hopefully, with additional clarification will further protect the lenders and the borrowers.

Thank you for the opportunity to comment on this interagency proposal and for considering our views on the proposed flood insurance amendments.

Sincerely,

Teresa Freeborn  
CEO  
Xceed Financial FCU

cc: CCUL