

**From:** [JoBetsy Tyler](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Comments on Proposed Rule - Loans in Areas Having Special Flood Hazards; RIN 3133-AE18 from First Central CU  
**Date:** Tuesday, December 10, 2013 7:20:55 PM

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December 10, 2013

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: First Central Credit Union Comments on Proposed Rule - Loans in Areas Having Special Flood Hazards; RIN 3133-AE18.

Dear Ms. Rupp:

This letter represents the views of First Central Credit Union regarding NCUA's proposal on Loans in Areas Having Special Flood Hazards. First Central is located in Waco, TX and serves 11,200 members. First Central appreciates the opportunity to comment on this very important issue.

We understand that the Biggert-Waters Act Amendments require regulated lending institutions to escrow premiums and fees for flood insurance on residential improved real estate, unless the institution meets the small entity exception. Our credit union supports an exception for entities under 1 billion in assets. For credit unions that do not qualify for the exception, the escrow process is costly, complicated, and time consuming. Therefore, we request that NCUA provide any flexibility possible for credit unions working to comply with the new requirements.

Our credit union supports the proposed interpretation that the escrow requirements apply solely to residential loans and exclude commercial loans.

We understand the requirement to escrow at loan consummation any designated loans made on or after July 6, 2014. However, bringing outstanding designated loans into compliance will be even more complicated.

In relation, our credit union supports the aspect of the proposal which will permit credit union lenders to begin escrowing outstanding designated loans with the first loan payment after the first renewal date of the borrower's flood insurance policy that occurs on or after July 6, 2014. This approach will permit lenders flexibility to comply with the requirement

on a staggered basis rather than requiring credit unions to establish escrow accounts for all outstanding designated loans at one time.

Finally, we respectfully request that NCUA push back the implementation date to 2015 in order to provide credit unions with adequate time to comply.

Thank you for considering our comments. If you have any questions, please feel free to contact me at [jbtyler@firstcentralcu.com](mailto:jbtyler@firstcentralcu.com) or via telephone at (254) 761-3503

Sincerely,

JoBetsy Tyler  
President/CEO