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19 December 2014

**- 12 CFR Part 760; RIN 3133-AE40**  
**- 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 certain provisions of the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA), which amends some of the changes to the Flood Disaster Protection Act of 1973 mandated by the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters). Specifically, the proposal would establish requirements with respect to the escrow of flood insurance payments, consistent with the changes set forth in HFIAA. The proposal also would incorporate an exemption in HFIAA for certain detached structures from the mandatory flood insurance purchase requirement. The Agencies plan to address in a separate rulemaking other provisions of Biggert-Waters over which the Agencies have jurisdiction that have not been affected by HFIAA.

Regulatory clarity and usability

I support the intent of the proposed rules. However, some of the definitions employed are so subjective, ambiguous and arbitrary as to make some of the proposals unworkable. Just giving one Important example here, proposed § 760.4(c) states that the flood insurance requirements do not apply with respect to: "Any structure that is a part of any residential property but is detached from the primary residential structure of such property and does not

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

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

serve as a residence.” The terms “structure”, “part of”, “residential property”, “detached from” and “residential structure” and open to interpretation, but more importantly, the whole paragraph is open to wide interpretation, which makes this proposal unworkable. I would rather recommend that you propose a more objective test that would be reasonable, practicable and workable in the context of loan origination, administration and controlling.

Yours faithfully

C.R.B.

Chris Barnard