

## BOARD ACTION MEMORANDUM

**TO:** NCUA Board

**DATE:** October 10, 2014

**FROM:** Office of General Counsel /s/

**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 23, 2014.

**OTHER OFFICES CONSULTED:** N/A.

**VIEWS OF OTHER OFFICES CONSULTED:** N/A.

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

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

**RESPONSIBLE STAFF MEMBER:** Frank Kressman, Associate General Counsel, Office of General Counsel.

**SUMMARY:** The NCUA, Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Farm Credit Administration (collectively, the Agencies) propose 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 certain provisions affected 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. The proposal would also implement 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 are not affected by HFIAA.

**RECOMMENDED ACTION:** We recommend the Board approve the interagency proposed rule.

**ATTACHMENT:** Proposed rule.