The NCUA and other federal financial regulators (the Agencies) are proposing to reorganize, revise, and expand the Interagency Q&As Regarding Flood Insurance and solicit comment on all aspects of the amendments. To help lenders meet their responsibilities under federal flood insurance law and to increase public understanding of their flood insurance regulations, the Agencies have prepared proposed new and revised guidance addressing the most frequently asked questions and answers about flood insurance. Significant topics addressed by the proposed revisions include the effect of major amendments to flood insurance laws with regard to the escrow of flood insurance premiums, the detached structure exemption, and force-placement procedures.

The Agencies are proposing revisions to and new Interagency Q&As in light of the significant changes to flood insurance requirements pursuant to the Biggert-Waters Act of 2012 and Homeowner Flood Insurance Affordability Act of 2014 as well as regulations issued to implement these laws. Further, over the years, the lending industry has requested that the Agencies provide additional guidance on flood insurance compliance issues. Finally, pursuant to the Economic Growth and Regulatory Paperwork Reduction Act, certain Agencies are directed to conduct a joint review of their regulations every 10 years and consider whether any of those regulations are outdated, unnecessary, or unduly burdensome.

This 2020 proposal includes the introduction of new Q&As on escrow of flood insurance premiums, force placement of flood insurance, and the detached structures exemption. The Agencies are also proposing to revise and reorganize the existing Q&As into new categories by subject to enhance clarity and understanding for users, and improve efficiencies by making it easier to find information related to technical flood insurance topics. Once finalized, the new Interagency Q&As will supersede the 2009 and 2011 Interagency Q&As and supplement other guidance or interpretations issued by the Agencies relative to loans in areas having special flood hazards. Along with the finalized new Interagency Q&As, the Agencies plan to issue separately for notice and comment another set of proposed Q&As relating to the private flood insurance rule.

Click here for the complete list of Q&As (beginning on page 40454) as included in the proposal.

Please review the proposed revisions and share your thoughts with CUNA.

Comments on the RFC are due to NCUA by 11/3/2020.