

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

April 16, 2008

**BANKING SUPERVISION AND REGULATION:
REQUEST FOR COMMENT**

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, and Foreign Bank Offices
in the Twelfth Federal Reserve District

**Agencies Release Proposed Revisions to Interagency Questions and Answers Regarding
Flood Insurance**

The federal bank, thrift, credit union, and Farm Credit System regulatory agencies requested public comment on new and revised interagency questions and answers regarding flood insurance.

The *Interagency Questions and Answers Regarding Flood Insurance* was first published in 1997 under the auspices of the Federal Financial Institutions Examination Council. The agencies are proposing new questions and answers, as well as substantive and technical revisions to the existing guidance to help financial institutions meet their responsibilities under federal flood insurance legislation and to increase public understanding of flood insurance regulations. The proposed changes include substantive modifications to questions and answers pertaining to construction loans and condominiums. The agencies are also proposing new questions and answers in a number of areas including second lien mortgages, the imposition of civil money penalties, and loan syndications/participations. Finally, the agencies are proposing to revise and reorganize certain existing questions and answers to clarify areas of potential misunderstanding and to provide clearer guidance to users.

After public comments are received and considered and the Interagency Questions and Answers are final, they will supersede the 1997 Interagency Questions and Answers and supplement other guidance or interpretations issued by the agencies and the Federal Emergency Management Agency.

The agencies invite comment on the proposed changes and, more generally, on other issues regarding compliance with the federal flood insurance statutes and regulations. Comments are due May 20, 2008.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact our San Francisco Federal Reserve General Help Line at (866) 838-9247.

FEDERAL RESERVE BANK OF SAN FRANCISCO

Attachment: [Docket No. OP-1311](#)