

Flood Industry Alert

Flood Updates

February 5, 2019

Private Flood Insurance Final Rule

The [Final Rule on private flood insurance](#) was released recently which includes the revised FDIC regulations ([12 C.F.R. 339](#)) to become effective July 1 according to this release. At this point it is expected that the other Federal Regulatory Lending Agencies will take action soon and the published Final Rule will appear in the Federal Register.

Once implemented, lending institutions (i) must accept a private flood insurance policy that meets the definition of “private flood insurance” under the regulation, (ii) may accept a policy if the policy includes a statement affirming that it meets this definition (a “compliance aid” for lenders), and (iii) have the discretion to accept a policy if certain requirements are met related to the insurer, the protections in the policy, and others. The definition of “private flood insurance” remains substantively the same as published in the 2016 [Proposed Rule](#) with slight modifications mostly for clarification.

We encourage you to review the Final Rule to consider the impact these changes may have on your business operations and compliance requirements.

Reform Legislation Introduced in 116th Congress

Early in the term of the 116th Congress, key committee chairpersons and individual members have made it clear that the National Flood Insurance Program will be a priority. Chairwoman Waters of the [House Financial Services Committee](#) and Chairman Crapo of the [Senate Banking Committee](#) included the NFIP as one of the respective committee’s priorities. In addition, we have seen at least five bills introduced by members of Congress including four from Congressman Luetkemeyer. These bills ([H.R. 469](#), [H.R. 470](#), [H.R. 471](#), and [H.R. 472](#)) reintroduce some of the reforms which were part of the reform bill (H.R. 2874) which passed the House in 2017 without further action. Others include bills introduced by Congressman Posey ([H.R. 342](#)) and Congressman Garamendi ([H.R. 830](#)).

We will continue to monitor the activities of and analyze the proposals from this new Congress.

National Flood Association Conference—Time to Register!

Private flood insurance final rule, another historic hurricane season, short-term extensions, Risk Rating 2.0 and other NFIP changes--now as much as ever Lenders and Servicers need to be engaged in discussions around flood insurance. One way is to attend this year’s National Flood Association (NFA) Conference in Scottsdale, Arizona, March 17-19.

This Conference will provide an opportunity for Lenders and Servicers to hear from FEMA officials, leaders in the private flood market, and industry experts in lending, insurance, and flood mapping. On the agenda this year is a Lender-focused workshop for participants to discuss compliance challenges, share best practices, and form working groups on issues of interest.

Register today and reserve your room at the Scottsdale Plaza Resort by going to <http://www.nfaconference2019.com/>. Contact Scott Giberson at sgiberson@corelogic.com for questions about the conference.

MBA Includes Flood Insurance Compliance Session at National Conference

The MBA [National Mortgage Servicing Conference](#) is in Orlando, Florida later this month (February 25-28). The schedule this year includes a [General Session](#) on natural disasters and evolving risks which

features Pete Carroll, Executive of CoreLogic's Public Policy & Industry Relations team. In addition, the compliance track includes a session on flood insurance titled "[Keep Your Head Above Water In Flood Insurance](#)" on Wednesday at 11 a.m. with CoreLogic's Compliance Principal Scott Giberson (Vice President, National Flood Association) representing the NFA as a panelist.

If you have questions or comments regarding the information shared in this Industry Alert, please contact us at floodcompliance@corelogic.com. Feel free to forward this alert to colleagues who may be interested in receiving this information. Individuals may also subscribe to future *Industry Alerts* [here](#).

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