



April 10, 2013

## NFIP Changes in October and Interagency Statement on BW 12

FEMA recently issued a multipart [bulletin](#) detailing specific changes to the NFIP effective October 1, 2013. In addition to the annual general premium rate increases for flood insurance, many of the changes relate to the phase-in of rate increases and the removal of subsidies for certain properties pursuant to the requirements of BW 12. As enumerated in the bulletin, the October changes necessitate extensive modifications to several NFIP forms and systems—mainly to incorporate data elements necessary for implementing BW 12. Another change to the NFIP that will become effective October 1 (explained in more detail in a separate [bulletin](#)) is the elimination of the exception to the 30-day waiting period for new flood policies on existing loans that lack flood insurance, when the lender determines the property to be in the Special Flood Hazard Area.

Also recently, the Federal Lending Regulators issued an [Interagency Statement](#) providing their position on the implementation timing for certain sections of BW 12. According to the statement, the Regulators consider that the provision on force placement (that allows for the charging of premiums/fees from the date of lapsed or insufficient coverage while requiring the refund of force-placed premiums/fees during any overlap period – Section 100244), and the provision on the increase and cap removal of civil money penalties (Section 100208), became effective upon enactment of the legislation. Furthermore, the Regulators consider that the provision on the required acceptance and disclosure of private flood insurance (Section 100239) and the provision on expanding the escrow requirement to any residential loan (Section 100209), are not effective until regulations are issued through notice and comment rulemaking.

We anticipate that the NFIP changes and implementation related to BW 12 will be a major topic of discussion at this year's [National Flood Conference](#) kicking off on May 5. Several [workshops](#) scheduled during the conference will address various aspects of the legislation. In the meantime, we will continue to monitor and track the implementation of BW 12, and will communicate updates through our Guide to BW 12 which will be released later this month.

Feel free to contact our Compliance Department at [FloodCompliance@corelogic.com](mailto:FloodCompliance@corelogic.com) with any questions related to this *Industry Alert*. Also, please consider forwarding this alert to colleagues who may be interested in receiving this information, or who would like to [sign up](#) for future *Industry Alerts*.

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