



MEMORANDUM

DATE: Tuesday, June 2, 2010

TO: OCC Regulated Lending Institutions

FROM: Compliance Department – CoreLogic Flood Services

SUBJECT: **MEMORANDUM: OCC Bulletin 2008-4**

As a preface to these comments, CoreLogic Flood Services does not establish or enforce government regulations, thus questions regarding compliance should be directed towards the particular regulatory agency or your internal Legal Department.

On February 25, 2008, the Office of the Comptroller of the Currency (“OCC”) issued a bulletin (OCC Bulletin 2008-4) regarding concerns it had identified in the servicing of Standard Flood Hazard Determinations. These are: (1) the use of sources other than the Community Status Bulletin (“CSB”) to verify a community’s National Flood Insurance Program (“NFIP”) participation status, and (2) the use of the “Comments” section of the Standard Flood Hazard Determination Form (“SFHDF”) to note revisions or updates to the determination.

Pursuant to the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994 (altogether, “the Act”), federally regulated mortgage lenders must require flood insurance as a condition of any loan secured by improved real estate located in a special flood hazard area and in a community where federal flood insurance is available. The availability of federal flood insurance is for the most part contingent on a community’s participation in the NFIP, a fact important to both lenders and insurers. In its bulletin, the OCC has affirmed that the CSB is the final authority for NFIP community status information, as this document gives the most current information available on the matter. The bulletin further puts lenders, both those who use third party flood zone determination vendors and those who service their own determinations, on notice that alternative resources such as the Flood Map Status Information Service may not provide up to date information. CoreLogic Flood Services (“CoreLogic”) recognizes the importance of providing the most accurate, up-to-date information for all facets of the flood zone determinations we make. Thus, specific to community status information, we rely solely on the CSB both to make new determinations as well as to track changes in community participation status for clients who use our Life-of-Loan Flood Determination service.

Regarding the second issue identified by the OCC’s bulletin, CoreLogic has long recognized the benefit to our clients of noting changes to a determination on the standard form. CoreLogic makes a practice of noting changes in the “Comments” section of the SFHDF (Section II, Box E) so that our clients may be assured of continuing compliance.

CoreLogic recognizes and appreciates any concern over this matter and hopes that this explanation helps to reassure you that the flood data we provide you is both current and compliant with federal flood insurance regulations. In summation, CoreLogic Flood Services uses resources advocated by FEMA, the NFIP and the OCC in performing work for its clients. Should you have any further questions on this matter, please do not hesitate to contact us. In an effort to best serve you, we will consider your concerns and make ourselves available to you for future discussions about this or any other matter.

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