



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL- 23-2008
March 21, 2008

FLOOD INSURANCE

Proposed Revisions to Interagency Questions and Answers Regarding Flood Insurance

Summary: The FDIC, along with the other federal bank, thrift, credit union and Farm Credit System regulatory agencies, requests public comment on proposed revisions to the Interagency Questions and Answers regarding flood insurance, which were first published in 1997. Comments are due by May 20, 2008.

Distribution:
FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:
Chief Executive Officer
Compliance Officer
Chief Lending Officer

Attachment:
Notice and Request for Comment; Interagency Questions and Answers Regarding Flood Insurance

Contact:
Mira Marshall, Sr. Policy Analyst (Compliance),
mmarshall@fdic.gov or 202-898-3912
John Jackwood, Sr. Policy Analyst (Compliance),
jjackwood@fdic.gov or 202-898-3991

Note:
FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2008/index.html.

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Highlights:

- The proposed revised Interagency Questions and Answers contain guidance that addresses the most frequently asked questions and answers about flood insurance to help financial institutions meet their compliance responsibilities under the federal flood insurance laws and regulations, and to increase public understanding of the flood insurance regulations.
- New questions and answers, as well as substantive and technical revisions to the existing guidance, touch on several topics, including construction loans, residential condominium loans, loan syndications and participations, gap insurance policies, and mandatory civil money penalties.
- After public comment has been received and considered and the Interagency Questions and Answers have been adopted in final form, the revised Interagency Questions and Answers will supersede the 1997 Interagency Questions and Answers.