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

December 2, 2013

RE: FIL-48-2013 (Joint Notice of Proposed Rulemaking on Loans in Areas Having Special Flood Hazards)

Dear Sir or Madam,

I would first like to thank the FDIC for allowing public comment on this ruling. The Biggert-Waters Flood Insurance Reform Act of 2012 has been a burden not only on the Financial Industry but also on the consumers that live or plan to move into a flood zone participating in the National Flood Insurance Program (NFIP).

With flood insurance premiums increasing more than 100% over the next five years, has caused (or will cause) consumers to sell or abandon their homes. We have seen in circumstances around the country and in our area that premiums have increase 1000% from $400.00 to $4,000.00; this is a great concern of mine and my institution. With the new Ability-to-Repay and Qualified Mortgages on our horizon we will, industry wide, see a decline in home purchase/home sells in areas deemed to be in flood zones. Consumers will not be able to qualify for these mortgages unless they are in a high income bracket with low debt.

With this being said, specifically with the proposal in the FIL, I agree to the acceptance of private Flood Insurance. I believe this would allow for a better rate and more affordable coverage. I also agree with our institution being able to charge a customer for force place flood insurance without waiting 45 days. However, the only proposal I do not agree with is the escrowing of Flood premiums. As said earlier, premiums are increasing over the next five years unless the home is being purchased, which in this case the consumer would see the full 100% or more increase even under five years. If the financial industry is to escrow flood along with taxes and hazard insurance the initial escrow deposit would be tremendous. In some circumstances the initial escrow deposit will be larger than the down payment of the home being purchased. Thus, this again would affect the consumer's ability to repay and they would not qualify unless they were a high income low debt customer. Further than the FIL states, I do not agree that the Civil Money Penalty for not escrowing be $3,000. I think that this is not only unrealistic for the consumer to be able to afford the initial escrow deposit, but penalize the financial institution for not requiring the escrow.

In my opinion, I believe that flood insurance premiums need to be reduced to an affordable rate that the consumers can pay and that the escrow portion of the proposed rule be removed if premiums do not get reduced. If premiums do not get reduced, I forecast that homes in flood zones will not be sold or purchased driving home values down and possibly causing homes to be worth less than the amount owed. The vary customers that the CFPB is trying to protect will be hurt by this law, not any financial institution treating them unfair.

Sincerely,

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