From: Shirley Best [mailto:sbest@freedombnk.com]
Sent: Wednesday, November 23, 2011 4:24 PM
To: Comments
Subject: Norcom | RIN number 3064-ZA00

Re: Q & A regarding flood insurance – force placement

Flood insurance program's primary purpose is ensuring continuous flood insurance coverage during the life of the loan.
To avoid the expiration of insurance the lender should be allowed to remind the borrower when flood insurance on the collateral is about to expire.
Prior to due date of flood insurance premium – mail notice to borrower – reminding of their obligation to maintain flood insurance coverage on their property and if they fail to provide the coverage the lender will be required to force place the flood insurance, which will result in a higher cost to the borrower than if they would continue their current coverage.

Whether a borrower may ever be charged for the cost of flood insurance that provides coverage for the 45-day force-placement notice period:
The borrower should be charged for the cost of the flood insurance coverage for the 45-day force-placement notice period. The borrower has been counseled that they must carry the flood insurance as a condition of the loan. The borrower should pay for the consequences of their action (or lack of action) rather than the lender.
Why should the lender pay for the borrower's flood insurance, greatly increasing the cost of servicing the loan. I feel that if the lender must cover the cost of the insurance during the 45-day period, it might be a deterrent to loaning in flood hazard areas.

I would like to see the Q & As on the force placement of flood insurance include a table with the timelines for sending notices, actual force-place coverage and when borrower can be charged for the force-placed policy during the 45-day force placement period.
Please set the guidelines on the timing requirements for force-placing, how shall we remain in compliance if there are gray areas in the timelines?

Thank you for the opportunity to comment.
Shirley Best