

Subject: FDIC and Loans in Areas Having Special Flood Hazards, comment

“FDIC” and “Loans in Areas Having Special Flood Hazards.”

We are a small-\$75 million in assets-credit union in California. Although we do make 1st mortgages and Home Equity lines of credit, we do not require escrow payments for insurance or taxes.

The need to escrow for flood insurance would cause us to just simply not make loans where we are required to escrow flood insurance, thus resulting in few loans and fewer choices for consumers.

In many cases, we can be more flexible than the big banks (or big credit unions) and have been able to make the dream of ownership possible-even when other financial institutions were unwilling to do so.

It just seems like overkill to require escrow for flood insurance when other parts of the government (Freddie Mac and Fannie Mae) and now moving to 3% down payments instead of 20%!