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*via email to regs.comments@occ.treas.gov, regs.comments@federalreserve.gov,
comments@fdic.gov*

Chief Counsel's Office,
Attention: Comment Processing,
Office of the Comptroller of the Currency,
400 7th Street SW, Suite 3E-218,
Washington, DC 20219
Docket ID OCC-2020-0008

Ann E. Misback
Secretary, Board of Governors of the Federal Reserve System 20th Street and Constitution
Avenue, NW
Washington, DC 20551

Robert E. Feldman
Executive Secretary
Attention: Comments/Legal ESS Federal Deposit Insurance Corporation 550 17th St NW
Washington, DC 20429

Subject: Loans in Areas Having Special Flood Hazards; Interagency Questions and Answers
Regarding Flood Insurance

Thank you for the proposed Interagency Questions and Answers Regarding Flood Insurance (Proposed Q&As). I don't have any comments or questions about the questions or answers that have been proposed. In fact, I support every one of them. I'm writing because I believe the biggest "elephant in the room" for flood insurance is defining what is a "reasonable period of

time" when considering the delivery of the Notice of Special Flood Hazards. Question VII. #2 mentions "a lender must provide the Notice . . . within a reasonable time before the completion of the transaction" but it does not provide clarity about what is a "reasonable time."

I am the President of Banker's Compliance Consulting. We work with and represent hundreds of banks and credit unions. We consistently see the FDIC, OCC and NCUA interpret "reasonable time" to generally mean 10 days prior to loan closing but these agencies allow shorter periods of time, when appropriate. The FRB, on the other hand, has a very strict definition of "reasonable time" to only mean 10 days, with no exceptions. We've attempted to assist clients who are regulated by the FRB with this unreasonable interpretation, without success. In fact, one of our clients recently paid a Civil Money Penalty (CMP) because of a handful of loan extensions where their borrowers needed loan proceeds as soon as possible. In all cases, the borrowers had adequate insurance and a new Notice was provided, but because the Notices were not delivered 10 days prior to the effective date of the extensions, the FRB examiners cited the bank. As mentioned previously, this shockingly escalated to a CMP.

I frequently speak at State and National conferences. Nearly every one of these has a regulatory panel. When appropriate, I ask the regulators about this. In all cases, the FRB representatives publicly reply that reasonable means 10 days without exception. The other regulators (typically, FDIC and OCC) say 10 days is not firm and it can vary depending on the situation. I've also had many opportunities to discuss this personally with FRB Field Examiners. In every case, the individual examiners tell me this issue is "pushed down from higher up" and indicate they do not personally agree with the directive they have been given.

I explain all of this to emphasize the need for clarification on this topic. Disappointingly, the Proposed Q&As don't address this issue. Why not? If the answer is because everyone understands it isn't a clear cut 10 days in all cases, please instruct the FRB of this fact. The fact that the FRB clearly interprets this requirement differently from the other regulatory agencies should cause the FFIEC to pause and examine this issue. We either need the FRB to interpret this issue consistently with the other banking regulators or we need guidance. Proper compliance with this rule should not be dependent on an inconsistent interpretation from one bank regulatory agency.

Thank you again for the opportunity to provide this feedback. I trust this issue will be resolved when the final guidance is issued.

David A. Dickinson
President
Banker's Compliance Consulting