



Office of Thrift Supervision  
Department of the Treasury

John F. Downey  
Director of Supervision

1700 G Street, N.W., Washington, D.C. 20552

July 28, 1995

**MEMORANDUM FOR:** Chief Executive Officers

**FROM:** John F. Downey *John F. Downey*  
Director of Supervision

**SUBJECT:** Standard Flood Hazard Determination Form

The Federal financial regulatory agencies (Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, and the Office of Thrift Supervision) and the Farm Credit Administration (the agencies) have promulgated a joint final rule that amends their regulations concerning loans in areas having special flood hazards. Their final rule requires depository institutions to use a new Standard Flood Hazard Determination Form (the standard form) in determining whether real property offered as collateral for a loan is located in a special flood hazard area. Enclosed is a copy of the joint final rule that was published in the *Federal Register* on July 6, 1995. See 60 *Fed Reg* 35286 (July 6, 1995). The rule is effective January 2, 1996.

Section 528 of the National Flood Insurance Reform Act of 1994 (Title V of the Riegle Community Development and Regulatory Improvement Act of 1994 (Pub. L. 103-325, 108 Stat. 2160) (Reform Act)) requires the Federal Emergency Management Agency (FEMA) to develop a standard form for use in determining whether property offered as collateral for a loan is located in a special flood hazard area. FEMA published a notice of proposed rulemaking to establish the standard form on April 7, 1995 (60 *Fed Reg* 17758). Their final rule was published on July 6, 1995 (60 *Fed Reg* 35276). Also enclosed is a copy of their final rule and a copy of the new standard form.

Section 528 also requires the agencies to promulgate regulations that require the use of the standard form by regulated lending institutions. The enclosed joint final rule implements this statutory requirement. Use of the standard form will help ensure that borrowers obtain the required flood insurance for improved real property and mobile homes located in special flood hazard areas. Copies of the standard form may be obtained from FEMA by contacting their special FAX number (202-646-3362) and referring to Document No. 16002, or by contacting Tere Martin at (202) 646-3430.

The Reform Act directs the agencies to promulgate regulations to implement statutory requirements relating to, for example, compliance with the flood insurance purchase requirements, escrow of flood insurance payments, and notice requirements. Interagency efforts are underway to issue those regulations. We will inform you when they are published for notice and comment in the *Federal Register*.

Questions should be directed to Larry A. Clark, Program Manager, Compliance Policy, (202) 906-5628, or Catherine Shepard, Senior Attorney, Office of the Chief Counsel, (202) 906-7275.