
Flood Insurance Requirements and Holiday Closure

Purpose

This announcement includes the following topic:

- ✓ Flood Insurance Requirements – *Reminder*
 - ✓ Holiday Closure – *Veterans Day*
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**Flood Insurance
Requirements**

Reminder

- Policies obtained through the National Flood Insurance Program (NFIP), **one** of the following is required:
 - Flood policy declarations page evidencing that a flood insurance policy is in force for the subject property
 - Complete flood insurance application (signed and dated by insurance agent) and proof that the first year’s premium has been paid in full
 - Policies obtained through private flood insurance:
 - Complete private flood insurance policy
 - Documentation showing that **one** of the following has been met and validates compliance with the Office of the Comptroller of the Currency (OCC) 12 Code of Federal Regulations 22.3:
 - ❖ The private flood insurance policy contains this statement “This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation”
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Flood Insurance Requirements and Holiday Closure, Continued

**Flood Insurance
Requirements,**
continued

- ❖ The private flood insurance policy meets the definition of private flood insurance as outlined in OCC 12 CFR 22.2
- ❖ The rationale for discretionary acceptance provides sufficient protection of the designated Loan, consistent with general safety and soundness principles, and the supervised institution documents its conclusion regarding sufficiency of the protection of the Loan in writing.

➤ Escrow / impound account

- An escrow/impound account must be established for payment of flood insurance premiums for all loans, regardless of LTV and/or federal Exemptions

Note:

- ✓ Conventional, VA and USDA allow for private flood insurance if it meets all requirements.
 - ✓ FHA requires NFIP.
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Holiday Closure

FSM will be closed in observance of Veterans Day

- ✓ Thursday, November 11, 2021
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Questions

Retail – Please contact your manager with any questions

Mod Corr – Please send all questions to FSMTPO@fsmloans.biz
