



OCC BULLETIN 2014-26

Subject: Flood Disaster Protection Act
Date: May 30, 2014

To: Chief Executive Officers of All National Banks and Federal Savings Associations, Department and Division Heads, All Examining Personnel, and Other Interested Parties

Description: Interagency Statement on Increased Maximum Flood Insurance Coverage for Other Residential Buildings

Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, the Farm Credit Administration, the National Credit Union Administration, and the Federal Deposit Insurance Corporation (collectively, the agencies) developed the attached statement. This statement informs financial institutions about supervisory expectations concerning the availability of increased flood insurance coverage under the National Flood Insurance Program (NFIP) for "Other Residential Buildings."

Highlights

- Under section 100204 of the Biggert-Waters Flood Insurance Reform Act of 2012, the maximum limit of building coverage available for non-condominium residential buildings designed for five or more families has been increased from \$250,000 per building to \$500,000. The NFIP classifies these types of buildings as "Other Residential Buildings."
- New coverage limits are available for new policies, policy renewals, or existing policies with change endorsements that are effective on or after June 1, 2014.¹
- If a financial institution (or its servicer) receives notification of the increased flood insurance limits available for an Other Residential Building securing a designated loan, the agencies expect the institutions they supervise to take any steps necessary to determine whether the property securing that loan requires increased flood insurance coverage.
- Although a lender is not required to perform an immediate full file search of its loan portfolio, for safety and soundness purposes a lender may want to review its loan portfolio to determine whether additional flood insurance is required for certain loans in light of the availability of increased flood insurance coverage for Other Residential Buildings.

Note for Community Banks

This guidance is applicable to all OCC-supervised institutions.

Further Information

Please contact Kimberly Hebb, Director for Compliance Policy, at (202) 649-5470.

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¹ An endorsement is a written document attached to an insurance policy that modifies the policy by changing the coverage afforded under the policy.

Related Link

- ["Interagency Statement on Increased Maximum Flood Insurance Coverage for Other Residential Buildings" \(PDF\)](#)