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NATIONAL CREDIT UNION ADMINISTRATION

Agency Information Collection Activities: Submission to the Office of Management and Budget for Review; Reinstatement of a Previously Approved Collection; Comment Request; Loans in Areas Having Special Flood Hazards

AGENCY: National Credit Union Administration (NCUA).

ACTION: Request for Comment.

SUMMARY: National Credit Union Administration is announcing that a proposed collection of information has been submitted to the Office of Management and Budget (OMB) for review and clearance under the Paperwork Reduction Act of 1995 (Pub. L. 104-13, 44 U.S.C. Chapter 35).

The purpose of this notice is to allow for 30 days of public comment.

This information collection is published to obtain comments from the public. The information collection relates to the requirements under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (Flood Acts),¹ as amended by the National Flood

¹ These statutes are codified at 42 U.S.C. 4001-4129.

Insurance Reform Act of 1994.² NCUA has implemented these flood insurance requirements in its regulations. Under the Flood Acts and the regulations, federally insured credit unions must follow recordkeeping and disclosure provisions regarding certain loans that require flood insurance.

DATES: Comments will be accepted until [INSERT DATE 30 days from the date of publication in the FEDERAL REGISTER].

ADDRESSES: Interested persons are invited to submit comments to:

(i) Desk Officer for the National Credit Union Administration, 3133-0143

U.S. Office of Management and Budget

725 17th Street NW, #10102, Washington, DC 20503

oirasubmissions@omb.eop.gov; and

(ii) Jessica Khouri

National Credit Union Administration

1775 Duke Street, Alexandria, VA 22314-3428

Fax No. 703-837-2861

OCIOPRA@NCUA.GOV.

FOR FURTHER INFORMATION CONTACT: Requests for additional information, a copy of the information collection request, or a copy of submitted comments should be directed to Jessica Khouri by mail at the National Credit Union Administration, 1775 Duke Street,

² Title V of the Riegle Community Development and Regulatory Improvement Act of 1994, also known as the National Flood Insurance Reform Act of 1994, comprehensively amended the Federal flood insurance statutes. *See* Public Law 103-325, 108 Stat. 2255 (1994).

Alexandria, VA 22314-3428, by fax at Fax No. 703-837-2861, or by email at OCIOGRA@NCUA.GOV.

SUPPLEMENTARY INFORMATION:

I. Abstract and Request for Comments

NCUA is reinstating a previously approved collection of information for 3133-0143 (12 CFR part 760, Loans in Areas Having Special Flood Hazards). The Flood Acts made the purchase of flood insurance mandatory in connection with loans made by regulated lending institutions (such as credit unions) when the loans are secured by improved real estate or mobile homes located in a special flood hazard area in a participating community. NCUA, along with other financial institution regulators, issued regulations governing the lending institutions they supervise.

Therefore, under part 760 of NCUA's regulations, a federally insured credit union shall not make, increase, extend, or renew any designated loan unless the building or mobile home and any personal property securing the loan is covered by flood insurance for the term of the loan. A designated loan means a loan secured by a building or mobile home that is located or to be located in a special flood hazard area in which flood insurance is available under the Flood Acts. The credit union must also provide certain disclosures to borrowers and abide by recordkeeping requirements.

Specifically, a federally insured credit union is required to:

- Retain a completed copy of the Standard Flood Hazard Determination Form developed by the Federal Emergency Management Agency (FEMA). This form is used by lenders, such as credit unions, to document their determination of whether a building or mobile

home offered as collateral security for a loan is or will be located in a special flood hazard area in which flood insurance is available.

- Notify a borrower and the servicer when a building or mobile home offered as collateral security for a loan is determined to be in a special flood hazard area and notify them whether flood insurance is available.
- Notify a borrower and the servicer if the secured property becomes newly located in a special flood hazard area due to remapping of flood hazard areas by FEMA, which would obligate the borrower to obtain flood insurance. In addition, the credit union or its servicer must purchase flood insurance on the borrower's behalf if the borrower, after notification, fails to obtain mandated flood insurance due to remapping, and charge the borrower for the cost.
- Notify a borrower whose mandated flood insurance policy has expired or if the policy covers an amount less than the required amount, of the borrower's obligation to obtain a flood insurance policy for the required amount. If the borrower fails to obtain a flood insurance policy for the required amount following this notification, the credit union or its servicer must purchase flood insurance on the borrower's behalf and charge the borrower for the cost.
- Notify FEMA of the identity of, and any change in, the servicer of a loan secured by a building or mobile home located or to be located in a special flood hazard area.

On August 12, 2013, NCUA published a notice in the Federal Register (78 Fed. Reg. 48912) requesting public comments for 60 days on the reinstatement of 3133-0143, a previously

approved information collection for 12 CFR part 760 (Loans in Areas Having Special Flood Hazards). NCUA received no comments.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NCUA requests that you send your comments on this collection to the locations listed in the addresses section. Your comments should address: (a) The necessity of the information collection for the proper performance of NCUA, including whether the information will have practical utility; (b) the accuracy of our estimate of the burden (hours and cost) of the collection of information, including the validity of the methodology and assumptions used; (c) ways we could enhance the quality, utility, and clarity of the information to be collected; and (d) ways we could minimize the burden of the collection of the information on the respondents such as the use of automated collection techniques or other forms of information technology. It is NCUA's policy to make all comments available to the public for review.

II. Data

Title: Loans in Areas Having Special Flood Hazards, 12 CFR Part 760.

OMB Number: 3133-0143.

Form Number: None.

Type of Review: Reinstatement of a previously approved collection.

Description: Federally insured credit unions are required by the Flood Acts and 12 CFR part 760 to make certain disclosures and maintain compliance records related to flood insurance.

Borrowers use the disclosed information to make valid purchase decisions. NCUA uses the maintained records to verify compliance with the Flood Acts and part 760.

Respondents: Federally insured credit unions granting real estate loans.

Estimated No. of Respondents: 4,032 credit unions.

Frequency of Response: Annually.

Estimated Total Annual Burden Hours: 102,144.

Estimated Total Annual Cost: \$4.43 million.

The following are the specific underlying ICRs that comprise the total:

ICR related to required recordkeeping of the Standard Flood Hazard Determination Form.

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 270.

Estimated Time per Response: 2.5 minutes (1/24 hour) per loan.

Estimated Annual Burden: 45,360 recordkeeping hours.

ICRs related to disclosures:

1. Notice of Special Flood Hazards to Borrower and Servicer

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 54.

Estimated Time per Response: 5 minutes (1/12 hour) to execute this notice.

Estimated Annual Burden: 18,144 reporting hours.

2. Notice to FEMA of Servicer

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 54.

Estimated Time per Response: 5 minutes (1/12 hour) to execute this notice.

Estimated Annual Burden: 18,144 reporting hours.

3. Notice to FEMA of Change in Servicer

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 27.

Estimated Time per Response: 5 minutes (1/12 hour) to execute this notice.

Estimated Annual Burden: 9,072 reporting hours.

4. Notice to Borrower of Lapsed Mandated Flood Insurance

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 11.

Estimated Time per Response: 5 minutes (1/12 hour) to execute this notice.

Estimated Annual Burden: 3,696 reporting hours.

5. Purchase of Force-Placed Flood Insurance

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 3.

Estimated Time per Response: 15 minutes (1/4 hour) to execute this notice.

Estimated Annual Burden: 3,024 reporting hours.

6. Notice to Borrower and Servicer of Remapping

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 5.

Estimated Time per Response: 5 minutes (1/12 hour) to execute this notice.

Estimated Annual Burden: 1,680 reporting hours.

7. Purchase of Force-Placed Flood Insurance for Borrower from Remapping

Respondents: 4,032 credit unions.

Estimated Annual Frequency of Response: 3.

Estimated Time per Response: 15 minutes (1/4 hour) to execute this notice.

Estimated Annual Burden: 3,024 reporting hours.

Therefore, NCUA estimates that the total burden hours for this collection of information is:

45,360 recordkeeping hours.

56,784 disclosure hours.

102,144 total burden hours.

By the National Credit Union Administration Board on May 21, 2015.

Gerard Poliquin,

Secretary of the Board.

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