



FEMA

FEB 07 2012

Vicki Chenault
Senior Vice President
CoreLogic Escrow Services
11902 Burnet Road
Austin, Texas 78758

Regarding: Docket ID FEMA 2010-0017 (SFHDF)

Dear Ms. Chenault,

We have received the comments submitted by CoreLogic, dated December 21, 2011, in response to Docket ID FEMA-2010-0017, submitted by the NFDA. Those comments were received in response to the notice published on November 21, 2011, in the Federal Register.

All responses received by FEMA will be reviewed to determine further action as needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Kuhns".

Dennis Kuhns
Division Director
Risk Insurance Division
Federal Insurance and Mitigation Administration

DK: sb



11902 Burnet Road
Austin, Texas 78758

800.447.1772
corelogic.com

December 21, 2011

Office of Information and Regulatory Affairs
Office of Management and Budget
Attention: Desk Officer for Department of Homeland Security, Federal Emergency Management Agency
Via electronic mail to oir.submission@omb.eop.gov

Re: Comment Request – Standard Flood Hazard Determination Form; Docket ID FEMA-2011-0017

Dear Madam or Sir:

CoreLogic Flood Services, LLC (“CoreLogic”) is a leading provider of flood determination services for lenders and servicers throughout the United States. We complete the Standard Flood Hazard Determination Form (SFHDF, FEMA Form 81-93) millions of times each year on behalf of our clients and have a unique understanding of the way in which this form impacts lenders and servicers.

On November 21, 2011, the Federal Emergency Management Agency (FEMA) issued a notice within the Federal Register that also included summaries of comments collected regarding the upcoming revision to the SFHDF, which is set to expire December 31, 2011. FEMA also prepared a proposed new version of the SFHDF and has shared it with the National Flood Determination Association (NFDA), of which CoreLogic is a founding member. We commend FEMA for being responsive to the input that has been received from commenters, but believe that there are several differences in the proposed form that would create new burdens on lenders to properly document their compliance with federal flood insurance regulations.

In July 1995, when FEMA and the Federal Lending Regulatory Agencies issued their respective Final Rules to introduce the SFHDF, the agencies “intentionally limited the amount of information contained on the form” in order to keep the SFHDF “as brief and concise as possible” and “as simple as possible” (60 FR 35276). The SFHDF has remained virtually unchanged since that time as FEMA and the Federal Regulators have been reluctant to increase the administrative burden on those completing the form by making changes which do not improve compliance efforts. In fact, we believe the SFHDF has been sufficient for lenders and servicers and that there is no known vital information needed which the current form fails to capture.

Given that most lenders and servicers utilize loan origination software and maintain the SFHDF electronically, the addition of new data fields and other changes to the form will require system modifications that mandate considerable effort and expense. Similarly, CoreLogic and other service providers would realize a severe administrative burden as we will be required to make process and system changes in order to obtain the additional information, to store this data and populate the SFHDF, and to deliver the new SFHDF in a manner that is compatible with our clients’ numerous and varied systems and platforms. While CoreLogic fully supports updates that are useful to lenders and servicers in their compliance efforts, we caution against changes that are not so useful. We strongly recommend that FEMA examine the value to lenders and servicers of the proposed changes in light of our specific comments provided below. Further, we urge FEMA’s consideration of the comments submitted jointly by NFDA and MBA (Mortgage Bankers Association) dated December 20, 2011.

Section I.2 – “Collateral (Building/Mobile Home/Personal Property) Property Address”. While we recognize that in some cases additional information is necessary, we believe it is possible that some users may misunderstand the added language to mean that a lot number or “other identifiers” are required to complete the field even though a complete street address adequately describes the collateral. Also, the nature of this language, which is repetitive of language that already exists on the Instructions to the SFHDF, occupies valuable space

which may be needed to record all of the collateral information, such as a legal description (when necessary). For these reasons we recommend that this new language be removed from the SFHDF such that Section I.2 remains unchanged from its current form.

Section II.B.3 – “LOMA/LOMR”. The proposed new LOMA/R number field does not appear to have been added in response to any of the comments collected before November 21, and CoreLogic is unaware of the need by a lender or servicer to include the FEMA LOMA/R Case Number. We request clarification as to why this field is necessary, or in the alternative we recommend that this new “LOMA/R Number” field be stricken or clearly made optional to form users.

Section II.C – “Federal Flood Insurance Availability”. The proposed changes to this section add new data requirements that do not appear necessary and create contradictions and confusion. Similar to the new “LOMA/R Number” field noted above, the addition of a new program date field does not appear to add value for lenders and servicers and presents logistical issues for those managing SFHDF data in an electronic format. Further, it is unclear as to the date to select or the source to rely upon for this date given the various FEMA and NFIP databases available. CoreLogic recommends this new field be removed or clearly made optional.

We are aware that from time to time questions arise because of the current content within this section, in particular because some form users find it confusing when both lines 1 and 3 are checked. However, this confusion is usually alleviated upon explanation that line 1 speaks to the availability of flood insurance in the community and line 3 speaks to the possibility that a given property may not be eligible because of its location in the CBRA/OPA. The effect of the proposed change is that line 3 is now a dependent clause of line 2 and would together read, “Federal flood insurance is not available for this building/mobile home because: Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available.” This statement contradicts itself and does not accurately capture all possible implications of an insurable structure being within a CBRA or OPA. Therefore, we would recommend that FEMA reconsider how to alleviate the confusion inherent in this section or maintain the language of the current version of the SFHDF.

Section II.D – “Determination”. As written, the proposed new language is confusing as it implies that action has been taken which has reduced the risk to flood for the property while not completely removing the risk. According to the NFIP, over 25% of NFIP’s flood insurance claims are on policies issued for properties outside of the SFHA. Given that flood losses occur to properties outside of the SFHA and that flood risks change over time, we caution against FEMA putting lenders in a position of advising borrowers of a reduced flood risk for a property simply because the property is not shown in the SFHA on the effective flood map for the community. Further, the SFHDF is designed for use by lenders, servicers, government sponsored enterprises and federal regulators, and there is no requirement under existing federal laws or regulations that the SFHDF be given to loan applicants, borrowers or property owners. To avoid any confusion or insinuation that the lender or servicer has any new obligation with respect to the SFHDF, CoreLogic suggests that the proposed new language not be added.

CoreLogic appreciates FEMA’s consideration of the regulatory use and purpose of the SFHDF and the resulting administrative burden on lenders and servicers when considering any changes to the SFHDF. Given the implications of any changes, both to the form itself and to the official Instructions, we request that you allow for another public comment period to allow for analysis of any proposed changes to the SFHDF and its Instructions. We believe that we have valuable perspective on the SFHDF and its use given our experience and, more particularly, our constant and close interaction with our lender and servicer clients, and so we appreciate the opportunity to provide comments and your willingness to consider them as the new SFHDF is finalized.

Sincerely,



Vicki Chenault, Senior Vice President
CoreLogic Escrow Services