

FEMA Flood Insurance and Mitigation Administration, Risk Insurance Division, response to comments, 30-day notice, FEMA-2014-0034, OMB No. 1660-0040.

In response to the 30-day notice, FEMA-2014-0034, OMB No. 1660-0040, FEMA received joint comments from a coalition of lenders and flood determination groups (the American Bankers Association; Consumer Bankers Association; Consumer Mortgage Coalition; Credit Union National Association; Independent Community Bankers of America; Mortgage Bankers Association; National Association of Federal Credit Union; and the National Flood Determination Association). These comments are supplemental to those provided in a February 9, 2015 joint letter in response to the 60-day notice and are in direct response to the revised version of the Form made available by the Director of the Records Management Division upon request for copies of the information collection in March 2015.

The group's concerns regarding the planned changes to the Standard Flood Hazard Determination Form (SFHDF), FEMA Form 086-0-32, are:

By moving the OMB number and expiration date off of the Form itself, by maintaining page numbers inclusive of the Form itself, and by adding "(continuation)" to the Form itself, FEMA appears to be expanding the Form to a 3-page form. As a result, lenders and servicers will interpret the document to be a 3-page document inclusive of the instructions, and will be required to make system and process changes to receive, store, and retain each page for each loan. This will significantly increase burden, yet provides no commensurate increase in benefit in terms of performance or compliance, and should be avoided.

We strongly recommend that FEMA make the following simple changes to remove ambiguity as to the length of the Form itself—

- Ensure the Form's OMB number and expiration date appear on the Form itself,
- Remove page numbers from the lower right-hand corner, and
- Remove the word "(continuation)" from the Form's header.

Implementation Time is Required

Any revision to the Form requires implementation time for preparers, lenders, and servicers to update electronic forms, processes, and systems. Therefore, we request that the final notice related to the issuance of the revised version of the Form specifically mention that the currently effective version of FEMA Form 086-0-32 continues to remain effective and valid for 6 months from May 30, 2015.

Format Should Remain Flexible

Historically, preparers and users of the Form were given flexibility with regard to the non-material format of the Form, provided the required data was being collected. We request that the final notice related to the issuance of the Form expressly permit such flexibility. An example of a format choice is the "Yes/No" field in the Letter of Map Change field (Section II.B, Box 3).

The Instructions state that the "field can remain blank if no Letter of Map Change ... applies to the subject property[,]" therefore, a preparer may choose to not include the "Yes/No" field within the Form that it completes for its customers as the field contains no material information to the Form. This is non-substantive and reduces paperwork burden, and should be permissible.

Miscellaneous Corrections and Recommendations

The revised draft of the Form contains two typographical errors which need to be corrected. First, the current draft omits the word "Home" from the title of Section II.B which should state "National Flood Insurance Program (NFIP) Data Affecting Building/Mobile Home[.]" Secondly, for non-participating communities, the draft incorrectly states "community participates in the NFIP" in Section II.C, Box 2, which should state "Federal Flood Insurance is not available (community does not participate in the NFIP)".

Regarding the dates associated with the Form, both the effective date (current draft displays "03/15") and the expiration date (current draft displays "April 30, 2015") need to be updated appropriately.

With respect to LOMC case numbers, given that case numbers were not always recorded on early LOMC determination documents, we request that the Instructions acknowledge that a LOMC case number may not be available to report on the Form, perhaps with a simple reference such as adding the phrase "if available."

The group recommendations appear to be as follows:

1. The form should remain a single-page form.
2. The "Comments" section was moved to/on the form itself.
3. The parenthetical reference "(continuation)" to the Form's header should be removed.
4. The following Typographical errors need to be corrected:
 - a. The current draft omits the word "Home" from the title of Section II.B which should state "National Flood Insurance Program (NFIP) Data Affecting Building/Mobile Home [.]"
 - b. For non-participating communities, the draft incorrectly states "community participates in the NFIP" in Section II.C, Box 2, which should state "Federal Flood Insurance is not available (community does not participate in the NFIP)".
5. Ensure the Form's OMB number and expiration date appear on the Form itself, not just the first page
6. Remove unclear page numbering.
7. Ensure users have flexibility in how they use the form, such as noting that the LOMC number/date may not always be available (Section II.B., Box 3).

The Agency's response to the comments and recommendations are as follows:

1. The commenters request that the form should remain a single-page form. The Agency is unable to comply. The form has always included the instructions section. FEMA DHS requires that all forms and documents published by the Department/Agency meet formatting requirements, including that all forms display the burden statement at the top of the collection instrument (the form). The Burden Statement has always been at the top of the instructions section to allow the actual form as much room as possible. The only way to meet FEMA requirements while keeping the actual form a single page, is to keep the burden statement at the top of the instructions page and to move the instructions pages forward to the front of the document.
2. The coalition noted that "Comments" section has been moved to the form itself. The form has always included a comment section, there has been no change. While the comment section has been shortened to allow other sections to be lengthened, it's location on the form has not changed. We have tried to make adding comments as simple as possible. As noted in the instructions, comments are optional and if needed, additional pages can be attached.

The agency will comply with the following recommendations:

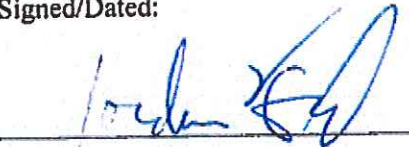
3. The parenthetical reference "(continuation)" to the Form's header has been removed.
4. The following typographical errors have been corrected:
 - a. The word "Home" has been added to the title of Section II.B. It now reads "National Flood Insurance Program (NFIP) Data Affecting Building/Mobile Home."
 - b. For non-participating communities, Section II.C, Box 2, has been corrected, to read as follows: "Federal Flood Insurance is not available (community does not participate in the NFIP)".
5. The agency will add the OMB number and expiration date on all pages of the form in the top right.
6. The Agency will correct the unclear page numbering as follows:
 - a. The one page form will read (SFHDF – FORM – page one of one) in the bottom right;
 - b. The two pages of instructions will read (SFHDF – Instructions – Page one of two) and (SFHDF – Instructions – Page two of two).
7. Ensure users have flexibility in how they use the form, such as noting that the LOMC number/date may not always be available (Section II.B., Box 3). The LOMC section has been updated as suggested. We believe that this information is substantive and can affect the risk determination. Users are referred to their lender or regulatory entity for guidance regarding use of the form. Any flexibility regarding its use would be more properly addressed by those entities, not FEMA.

The commenter also recommended that the final notice related to the issuance of the revised version of the Form specifically mention that the currently effective version of FEMA Form 086-0-32 continues to remain effective and valid for 6 months from May 30, 2015. The Federal Register is not the appropriate place to address a grace period for systems update. It is not appropriate for FEMA to determine the grace period for entities that we do not regulate. To the best of our ability, FEMA will address this concern on the actual webpage introduction to the form. Users will be referred to their Regulator or lender to determine their timing requirements regarding updating their internal systems for use of the new form.

The commenter recommended that the dates associated with the Form need to be updated appropriately. Please note all effective dates listed on the form will be updated when the final version of the form has been approved.

For further information, please contact Susan Bernstein, RID, FIMA at 202-212-2113 or by email at Susan.Bernstein@fema.dhs.gov.

Signed/Dated:

 4/15/15

Jordan Fried, Esq.,

Acting Division Director, Risk Insurance Division

Federal Insurance and Mitigation Administration

Federal Emergency Management Agency

Department of Homeland Security

**AMERICAN BANKERS ASSOCIATION
CONSUMER BANKERS ASSOCIATION
CONSUMER MORTGAGE COALITION
CREDIT UNION NATIONAL ASSOCIATION
INDEPENDENT COMMUNITY BANKERS OF AMERICA
MORTGAGE BANKERS ASSOCIATION
NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS
NATIONAL FLOOD DETERMINATION ASSOCIATION**

April 7, 2015

Desk Officer for the Department of Homeland Security
Federal Emergency Management Agency
Office of Information and Regulatory Affairs
Office of Management and Budget
Sent via electronic mail at oir.submission@omb.eop.gov

Re: Docket ID: FEMA-2014-0034, OMB No. 1660-0040

Dear Desk Officer:

The undersigned trade associations appreciate this additional opportunity to comment on FEMA's submission of its proposed information collection prepared for the OMB that would revise the Standard Flood Hazard Determination Form (the "Form¹"). These comments are supplemental to those provided in a February 9, 2015 joint trade letter and are in direct response to the revised version of the Form made available by the Director of the Records Management Division upon request for copies of the information collection.

On March 5, 2015, FEMA issued a notice announcing submission for OMB review of a revised version of the Form which incorporated certain changes requested by commenters during the initial comment period following FEMA's December 11, 2014 notice. Among other changes, FEMA made these changes to its draft of the Form: (i) moved the Paperwork Burden Disclosure Notice, OMB form number, and expiration date to the top of the Instructions page; (ii) moved the Instructions to precede the Form itself; (iii) moved the "Comments" section to the Form itself; (iv) added the parenthetical reference "(continuation)" to the Form's header; and (v) made clarifying changes to parts of the Instructions. We appreciate that FEMA made changes recommended by the stakeholders, and would request that these additional recommendations be given consideration in advance of final OMB approval.

¹ Historically, the Standard Flood Hazard Determination Form has been made available from FEMA as a single-page form which references attached instructions which were titled as "Standard Flood Hazard Determination Form Instructions". For purposes of this letter, references to the "Form" are specific to the single-page data collection page, and references to "Instructions" are specific to the two-page accompanying instructions.

Remove Ambiguity as to the Form's Length—Form Should Remain a Single-Page Form

The Form facilitates the collection of important information necessary for lenders and servicers to comply with federal flood laws and regulations. For more than 20 years, this Form has been a single page with accompanying official instructions to guide the preparer and user in completion and use of the Form. Lenders and servicers must complete or receive, store, and retain the Form for the life of a mortgage loan; therefore, expanding the Form multiplies the burden on these federally regulated institutions. The revised version of the Form appears to be a multi-page document inclusive of instructions and a final data collection page. We strongly urge FEMA and the OMB to revise the document as described below to be consistent with the Form's format for 20 years.

By moving the OMB number and expiration date off of the Form itself, by maintaining page numbers inclusive of the Form itself, and by adding "(continuation)" to the Form itself, FEMA appears to be expanding the Form to a 3-page form. As a result, lenders and servicers will interpret the document to be a 3-page document inclusive of the instructions, and will be required to make system and process changes to receive, store, and retain each page for each loan. This will significantly increase burden, yet provides no commensurate increase in benefit in terms of performance or compliance, and should be avoided.

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Conclusion

The trade associations signed on to this letter represent the interests of the primary preparer and user groups of the Form. Therefore, we appreciate the continued focus of FEMA and the OMB on ensuring the regulatory burden is appropriate for this important data collection. We urge FEMA to consider our suggestions to ensure the Form remains a single page, and to allow at least six months to implement the revised version of the Form.

Sincerely,

American Bankers Association
Consumer Bankers Association
Consumer Mortgage Coalition
Credit Union National Association
Independent Community Bankers of America
Mortgage Bankers Association
National Association of Federal Credit Unions
National Flood Determination Association