

ATTACHMENT C

MANDATORY PURCHASE OF FLOOD INSURANCE
(FDIC BANK LETTER-39-88 (DECEMBER 5, 1988))

National Flood Insurance Program

BL-39-88
December 5, 1988TO: CHIEF EXECUTIVE OFFICERS OF
INSURED STATE NONMEMBER BANKSSUBJECT: Mandatory Purchase of Flood Insurance

The results of a recent Flood Insurance Administration study reveal that only 13 percent of insurable household units in special flood hazard areas are covered by flood insurance. The study also indicates that there are at least nine million sales or resales of household units each year, of which approximately one million involve units in special flood hazard areas. For these one million units in special flood hazard areas, only 400,000 new flood insurance policies are added each year, offset by virtually the same number of policies that are not being renewed.

Banks should review their procedures to ensure that they are not making, increasing, extending or renewing any loan (including home equity loans) secured by improved real estate or a mobile home located in a flood hazard area of a community participating in the National Flood Insurance Program unless flood insurance has been purchased by the borrower. Banks must also ensure that coverage is renewed and maintained for the duration of the loan.

The booklet, Questions and Answers on the National Flood Insurance Program, and an order form for flood insurance public awareness materials are enclosed.

Janice M. Smith
Janice M. Smith
Director

Enclosures

Distribution: Insured State Nonmember Banks (Commercial and Savings)

FLOOD INSURANCE PUBLIC AWARENESS MATERIALS ORDER FORM

Please send me the flood insurance materials indicated below, available in any quantity, and at no charge.

Form Number	Title	Quantity	Quantity Over 100
		Circle One	
900-114	Spring Floods . . . More Than Just a Threat <i>(Spring Stuffer)</i>	5 15 50 100	_____
900-090	Is There a Leak in Your Protection? <i>(All Season Stuffer)</i>	5 15 50 100	_____
900-153	Summer Storms, Summer Floods <i>(Summer Stuffer)</i>	5 15 50 100	_____
900-148	Hurricanes & Summer Storms <i>(Hurricane Stuffer)</i>	5 15 50 100	_____
593-238B	Worst Guest List <i>(Hurricane Stuffer)</i>	5 15 50 100	_____
593-248B	Season's Warnings <i>(Winter Stuffer)</i>	5 15 50 100	_____
593-236	Flood . . . Are You Protected from the Next Disaster? <i>(Brochure)</i>	5 15 50 100	_____
593-237	In the Event of a Flood <i>(Brochure)</i>	5 15 50 100	_____
593-190	NOTICE: This Policy Does Not Cover Flood Loss <i>(Stuffer)</i>	5 15 50 100	_____
593-222	Questions and Answers on the NFIP <i>(Booklet)</i> New Edition	5 15 50 100	_____
593-192	NOTICE: This Policy Does Not Cover Flood Loss <i>(Sticker)</i>	5 15 50 100	_____
900-149	In the Calm Before the Storm <i>(Mini-Poster)</i>	5 15 50 100	_____
900-113	Spring Floods . . . More Than Just a Threat <i>(Mini-Poster)</i>	5 15 50 100	_____
Other	_____	5 15 50 100	_____
	<i>(Please Give Title or Description)</i>		
	_____	5 15 50 100	_____
	_____	5 15 50 100	_____

Fill out your name, title, agency/organization, address, city, state, zip code, and telephone number.
Mail to: P.O. Box 499, Lanham, MD 20706, Attention: Public Affairs Office.

NAME: _____

TITLE: _____

ORGANIZATION: _____

ADDRESS: _____
(NO P.O. BOXES)

CITY: _____ STATE: _____ ZIP: _____

TELEPHONE: _____

—PRODUCERS NOTICE—

Under the terms of the new contract with Computer Sciences Corporation to act as the servicing agent for the NFIP, the NFIP Regional Offices will be realigned as of October 1, 1988. The five remaining Regions will be supported by additional offices in the Philadelphia area, Puerto Rico, and New Orleans.

The reduction of these offices reflects the fact that the Write Your Own companies now write 74 percent of the flood business and are performing many of the activities previously handled by the NFIP Regional Offices.

The toll-free numbers should be used for all technical inquiries. The NFIP toll-free numbers are unchanged and are available from 8 a.m. to 8 p.m. Eastern Time.

Nationwide 1-800-638-6620

Maryland 1-800-492-6605

Alaska, Hawaii, Puerto Rico,
Guam, and the Virgin Islands
1-800-638-6831

REVISED NFIP REGIONAL OFFICE LOCATIONS AND STAFF

TERRITORY	NFIP REGIONAL OFFICE	NFIP REGIONAL STAFF
CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WVA	NFIP NORTHEASTERN REGION Suite 301 639 Granite Street Braintree, MA 02184 (617) 848-1908 P.O. Box 1238 Havertown, PA 19083 (215) 254-0181	Thomas Gann, Regional Manager Leslie Gray, Marketing Representative Mary Welsh, Marketing Representative
Puerto Rico Virgin Islands	NFIP PUEKTO RICO P.O. Box 41261 Minillas Station San Juan, PR 00940 (809) 722-6790	Samuel Arana, Marketing Representative
AL, FL, GA, KY, MS, NC, SC, TN	NFIP SOUTHEASTERN REGION 5775 Peachtree Dunwoody Road Building C, Suite 350 Atlanta, GA 30342 (404) 843-0222	Donald Evans, Regional Manager Roger Widdifield, Marketing Representative
CO, IA, IL, IN, KS, MI, MN, MO, MT, ND, NE, OH, SD, UT, WI, WY	NFIP NORTH CENTRAL REGION 800 Roosevelt Road Building B, Suite 418 Glen Ellyn, IL 60137 (312) 790-9680	Pete Yarnot, Regional Manager Valerie Schmitz, Marketing Representative
AR, LA, NM, OK, TX	NFIP SOUTH CENTRAL REGION Suite 105 7035 W. Tidwell Road Houston, TX 77092 (713) 690-0115 P.O. Box 29492 New Orleans, LA 70189-0492 (504) 243-0248	Bill Barton, Regional Manager Deborah Frank, Marketing Representative Brenda Johnson, Marketing Representative
AK, AZ, CA, GUAM, HI, ID, NV, OR, WA	NFIP WESTERN REGION 1311 Clegg Street Petaluma, CA 94952 (707) 765-1363	John Besserman, Regional Manager Brom Hux, Marketing Representative

Effective 10/01/88