



PRESS RELEASE

Federal Deposit Insurance Corporation

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FLOOD INSURANCE AUTHORITY REAUTHORIZED

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) has notified state-chartered nonmember banks that the National Flood Insurance Program (NFIP) was reauthorized on January 13, 2003, retroactive to December 31, 2002.

On January 13, 2003, the President signed into law H.R. 11, the National Flood Insurance Program Reauthorization Act of 2003. This Act extends the authorization of the NFIP to December 31, 2003, and is retroactive to December 31, 2002. Effective with the reauthorization, flood insurance coverage must be obtained for any loan made during the lapse period for property subject to mandatory flood insurance coverage.

The Federal Emergency Management Agency's authority to issue flood insurance policies expired on December 31, 2002, after the Congress adjourned without extending the issuance authority under the NFIP. On December 20, 2002, the federal financial institution regulatory agencies jointly issued guidance to assist borrowers and lenders in dealing with issues that could arise during the lapse in federal flood insurance authority beginning on January 1, 2003.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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