



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

DIVISION OF CONSUMER AND  
COMMUNITY AFFAIRS

**CA 14-3**

**May 30, 2014**

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS  
SECTIONS AND TO EACH DOMESTIC BANKING ORGANIZATION SUPERVISED  
BY THE FEDERAL RESERVE:**

**SUBJECT: Interagency Statement on Increased Maximum Flood Insurance Coverage  
for Other Residential Buildings**

<p><b>Applicability to Community Banking Organizations:</b> This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.</p>
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On July 6, 2012, Congress enacted the Biggert-Waters Flood Insurance Reform Act of 2012 (the Biggert-Waters Act), which amended the Flood Disaster Protection Act of 1973. Section 100204 of the Biggert-Waters Act increased the maximum limits of building coverage available for non-condominium residential buildings designed for use for five or more families (classified as "Other Residential" buildings by the National Flood Insurance Program). The Federal Emergency Management Agency (FEMA) has announced the availability of insurance under the Standard Flood Insurance Policy (SFIP) reflecting these increased maximum limits effective June 1, 2014.

In response to the availability of SFIPs with the increased limits, the Board of Governors of the Federal Reserve System, the Farm Credit Administration, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency (the Agencies) are issuing the attached "Interagency Statement on Increased Maximum Flood Insurance Coverage for Other Residential Buildings." This statement conveys the Agencies' expectations of supervised institutions with regard to any loans secured by Other Residential buildings located in a Special Flood Hazard Area that may be affected by the availability of increased maximum insurance for these types of properties.

Federal Reserve Banks are asked to distribute this letter and the accompanying guidance to state member banks and bank holding companies, as well as to supervisory and examination staff. If you have any questions concerning this guidance, please contact Lanette Meister, Senior Supervisory Consumer Financial Services Analyst, at (202) 452-2705. In addition, questions may be sent via the Board's public website.<sup>1</sup>

Sincerely,

Tonda Price  
Acting Director

Attachment: Interagency Statement on Increased Maximum Flood Insurance Coverage for Other Residential Buildings

Cross Reference: CA13 – 2, “Interagency Statement on the Impact of the Biggert-Waters Act”

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<sup>1</sup> See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>.