

**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 "Form"¹). 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.

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.”

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