



November 3, 2020

Mr. David P. Grahn  
Director  
Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

RE: Interagency Questions and Answers Regarding Flood Insurance– RIN 3133-AF14/  
Federal Register Vol. 85, No. 129 (July 6, 2020)

Dear Mr. Grahn:

The Farm Credit Council (FCC), on behalf of its membership, appreciates the opportunity to comment on the Interagency Guidance Questions and Answers (Q and A). Given the unique nature of Farm Credit System lending in rural America, primarily on agricultural land, as well as residences on farm land and in small communities, we urge the FCA to consider the cost/benefit of various requirements as they relate to the value of the security, typically land, that supports the loans being made.

The comments that follow were developed after soliciting input from all System institutions. We anticipate that some System institutions may submit their own comments directly on various aspects of the Q and A and we urge you to consider them as well.

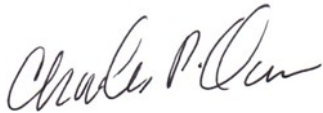
The FCC and its members appreciate the guidance offered in the Q and A and the Interagency effort to clarify and update numerous issues on Flood Insurance requirements. In soliciting input from System institutions, we received the following specific questions:

- Zone 1 – What should a lender do when there is a discrepancy between the flood hazard zone designation on the flood determination form and the flood insurance policy? Also, while the requirement change no longer requires the lender to take action to resolve the flood zone discrepancy, is the lender allowed to continue the existing practice, including the notification to the insurance agent/company, as is expected in the previously issued Q&A?
- Notice 2 – Lenders making loans on mobile homes may not always know where the home is to be located until just prior to, or sometimes after, the time of loan closing. How is the requirement to provide the Notice of Special Flood Hazards applied in these situations?
- Other Security Interests 4 – When a lender makes, increases, extends or renews a second mortgage secured by a building or mobile home located in an SFHA how much flood insurance must the lender require?

- Force Placed 16 – If a lender or its servicer receives a notice of remapping that states that a property will be remapped into an SFHA at a future effective date, what do the Act and Regulation require the lender or its servicer to do?
- Amount 9 – Can a lender allow the borrower to use the maximum deductible to reduce the cost of flood insurance?

We thank the FCA for the opportunity to provide comments on the Q and A and for considering our concerns and related requests. Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles P. Dana".

Charles Dana, General Counsel