

Response. The lender ID No. will be transferred onto the flood insurance policy application by the insurance agent. Using the lender's ID No. does not place a responsibility for flood hazard determinations on regulating agencies or Government-sponsored enterprises.

Multiple entities. Another person indicated that multiple entities can be involved in a single transaction, and that "at times the processing of a loan may be initiated by one entity and completed by another (or others)." The same person suggested that the Lender ID No. be defined as relating to the entity that procured the determination and to clarify that no Lender ID No. is required in those cases where the determination is procured by an uninsured lender.

Response. The Lender ID No. for the lender involved in the funding of the loan should be recorded on the form. Only the lending institutions that are federally regulated are required to use the form.

FDIC Insurance Certificate/assigned seller-servicer numbers. One respondent asked if a lender has an FDIC Insurance Certificate Number and has an assigned seller-servicer number, which should be used.

Response. In this case, the FDIC Insurance Certificate Number should be used.

Amount of flood insurance required

Many specific comments were received on the section titled "amount of required flood insurance," as follows: modify to identify the dollar amount of the loan; this section is not required by the NFIRA and should be deleted; what is the purpose of this section; this information may allow confidential information to be available to a third party performing the determination; the lender would not know the value of the building separate from the land until after the appraisal is completed; the wording should be revised to allow for the lender's prerogative to require flood insurance even if not mandated (or up to the maximum amount available under the law); specific instructions are needed to complete this section; the parenthetical phrase in the proposed form is incorrect; include amount of coverage required for personal property; to calculate the amount of flood insurance required, the lender would have to contact an insurance agent; different requirements may be necessary for second mortgages; clear guidance is needed from FEMA to mortgage lenders on this subject; secondary market investors require different amounts of insurance for their loans; the amount of

required flood insurance should be included on the notice to borrower, not the SFHDF.

Response. The completion of this information is optional. Because this will not be a mandatory entry, no changes were made to the form, but the instructions were clarified. The purpose of this information is to help the lender ascertain that the required amount of flood insurance is purchased, and also to assist lenders who require more than the federal minimum amount of flood insurance. Lenders should be aware that NFIP policies do not provide coverage in excess of the value of the building/mobile home/personal property.

Electronic systems changes. Another comment received was that including the amount of required flood insurance on the form would require substantial systems changes for lenders who have flood determinations done electronically by an outside servicer.

Response. Lenders have the option of including this information on the form. Additional information regarding the form's electronic format is included under the heading "Additional Burden" below.

Loan amount or property value. One lender requested clarification that the amount of insurance coverage is the loan amount and not the property value.

Response. Detailed instructions for this portion have been added. See below.

Instructions

Instructions for every item. Several respondents requested that instructions be included for every item on the form.

Response. The instructions have been revised to include an explanation for each item contained on the form.

Typographical errors. Several comments referred to typographical errors that appeared in the proposed rule.

Response. We have attempted to correct all typographical errors.

Miscellaneous. One writer suggested that the reverse side of the form be used "to explain flood hazard mapping, regulations and policies concerning both the regulation and standard FEMA flood hazard information." Another requested that formats be given for numeric and date fields. One respondent suggested eliminating some instructions.

Response. No change.

Structure Location and Elevation Information

Land in SFHA. Several asked what the result would be if a portion of the parcel of land is located in an identified SFHA, but the building or mobile home is not.

Response. The SFHDF is to be used to determine whether a building or mobile home is located in an identified SFHA. If a lender would like to document additional information about the parcel of land, the comments section may be used for this purpose.

Building partially in SFHA. Some asked how to indicate that a building or mobile home is partially in the SFHA and partially out.

Response. If any portion of a building or mobile home is located in an identified SFHA, the building or mobile home is considered to be in the SFHA, and flood insurance is required.

Collateral property location. Some people commented about the instructions for completing the section titled "Collateral property address or legal description." They were concerned that the instructions stated "Describe the property in sufficient detail to locate the specific building or mobile home accurately . . .," and that generally this would not be possible.

Response. We revised the instructions for this item to clarify our intent. If available, a street address locating the building or mobile home is preferred. In rural areas a legal description referring to township and range lines or other coordinates may be necessary to locate a building or mobile home, because the postal address does not refer to a geographic location. We do not mean to imply that a legal description locating the building is always required.

Rural postal addresses. Regrettably, a typographical error crept into the form instructions in the proposed rule, stating "A postal address in a rural area may be sufficient." The correct statement is "A postal address in a rural area may not be sufficient."

Space for legal description. Another person indicated that the space allotted for the legal description was insufficient.

Response. If necessary, legal descriptions may be attached to the SFHDF as a separate sheet, or included in the comments section.

Flood Hazard Determinations

The SFHDF is used for determining whether a building or mobile home is located in the SFHA shown on the National Flood Insurance Program (NFIP) map for the community, and whether flood insurance is available. FEMA expects that these determinations will be done by using a street map, plat, survey, or whatever information is needed to locate a structure on the NFIP map. Structure or ground elevation data are not required to perform such a determination. If elevation data are available for a structure and this