

SUPPORTING STATEMENT
LOANS IN AREAS HAVING SPECIAL FLOOD HAZARDS
(OMB No. 3064-0207)

INTRODUCTION

The FDIC is requesting OMB approval for renewal, with revisions, of a collection of information containing recordkeeping and disclosure requirements included in Part 339 of the FDIC Rules and Regulations prescribing standards for loans in areas having special flood hazards. The information collection expires on July 31, 2025.

A. JUSTIFICATION

1. Circumstances that make the collection necessary:

Background:

A number of the sections of Title V of the Riegle Community Development Act (RCDRIA) require federal banking agencies (including the FDIC), and the Farm Credit Administration, to adopt implementing regulations. Under RCDRIA and its implementing regulations, each supervised lending institution is currently required to provide notices of special flood hazards to each borrower with a loan secured by a building or mobile home located or to be located in an area identified by the Director of the Federal Emergency Management Administration (FEMA) as being subject to special flood hazards. In addition, various other notices must also be provided to borrowers, servicers and FEMA. RCDRIA requires that each institution also provide a copy of the notice to the servicer of the loan (if different from the originating lender).

2. Use of the information:

The Notice to the Borrower provides information that the property securing the loan is located in a special flood hazard area and flood insurance is required to make the loan. The Notice also provides additional information to the borrower about the availability of federal assistance in the event of a declared federal disaster finding because of a flood. The Notice is also provided to the servicer of the loan (if the originating lender is not the servicer) so that the servicer will be aware of its responsibility to perform certain tasks on behalf of the lender, such as to collect flood insurance premiums. The lender would be required to notify the Director of FEMA (or designee) if the identity of the servicer changes so that FEMA would know to whom to direct inquiries or notices of renewals of the insurance policies. This later obligation is a one-time obligation on the lending institution.

3. Use of the information:

Banks complying with the notice and recordkeeping requirements of Part 339 are expressly given the option of providing notices and maintaining records in hard copy or electronic format.

4. Efforts to identify duplication:

Procedures may be necessary to provide the new notifications to servicers and to FEMA. Generally, these requirements would be a supplement to a bank's existing procedures to provide notification to a borrower whose loan request was secured by a building located on property in a special flood hazard area.

5. Methods used to minimize burden if the collection has a significant impact on a substantial number of small entities:

The information collection is not expected to have a significant impact on a substantial number of small entities.

6. Consequences to the Federal program if the collection were conducted less frequently:

These are occasional collections, required by statute. Collecting the information less frequently would be prejudicial to the administration of the NFIP.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320.5(d)(2):

There are no special circumstances. This information collection is conducted in accordance with the guidelines in 5 CFR 1320.5(d)(2).

8. Efforts to consult with persons outside the agency:

On April 25, 2025 FDIC published a Federal Register notice seeking public comment for a 60-day period (90 FR 17433). No comments were received.

9. Payments or gifts to respondents:

None.

10. Any assurance of confidentiality:

All required records will be kept private to extent permitted by law.

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11. Justification for questions of a sensitive nature:

The information collection does not request information of a sensitive nature.

12. Estimate of hour burden including annualized hourly costs:

Summary of Estimated Annual Burden (OMB No. 3064-0207)					
Information Collection (IC) (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Average Time per Response (HH:MM)	Annual Burden (Hours)
1. Private flood insurance, 12 CFR 339.3(c)(3)(iv) and 3(c)(4)(iv) (Mandatory)	Recordkeeping (On Occasion)	2,825	2	00:30	2,825
2. Standard flood hazard determination form, 12 CFR 339.6(b) (Mandatory)	Recordkeeping (On Occasion)	2,825	296	00:025	34,842
3. Record of receipt of notice of special flood hazards and availability of Federal disaster relief assistance, 12 CFR 339.9(d) (Mandatory)	Recordkeeping (On Occasion)	2,825	37	00:15	26,131
4. Notice of requirement to escrow flood insurance payments and fees, 12 CFR 339.5(b) (Mandatory)	Disclosure (On Occasion)	494	62	00:05	2,552
5. Change in status, 12 CFR 339.5(c)(2) (Mandatory)	Disclosure (On Occasion)	29	1	40:00	1,160
6. Notice of option to escrow flood insurance payments and fees, 12 CFR 339.5(d)(2) (Mandatory)	Disclosure (On Occasion)	29	17	00:05	41
7. Notice to borrower to obtain or increase flood insurance coverage, 12 CFR 339.7(a) (Mandatory)	Disclosure (On Occasion)	2,825	10	00:05	2,354
8. Notification to terminate flood insurance purchased on behalf of a borrower, 12 CFR 339.7(b)(1)(i) (Mandatory)	Disclosure (On Occasion)	2,825	1	00:15	706

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9. Notice of special flood hazards and availability of Federal disaster relief assistance, 12 CFR 339.9(a) (Mandatory)	Disclosure (On Occasion)	2,825	37	00:15	26,131
10. Notice to Administrator of FEMA of the loan servicer's identity, 12 CFR 339.10(a) (Mandatory)	Disclosure (On Occasion)	2,825	19	00:05	4,473
11. Notice to the Administrator of FEMA of a change in the loan servicer, 12 CFR 339.10(b) (Mandatory)	Disclosure (On Occasion)	2,825	19	00:05	4,473
Total Annual Burden (Hours):					105,688
Source: FDIC.					

Summary of Hourly Burden Cost Estimate (OMB No. 3064-0207)								
Information Collection (IC) (Obligation to Respond)	Hourly Weight (%)	Percentage Shares of Hours Spent by and Hourly Compensation Rates for each Occupation Group (by Collection)						Estimated Hourly Compensation Rate
		Exec. & Mgr. (\$149.41)	Lawyer (\$186.16)	Compl. Ofc. (\$78.8)	IT (\$113.4)	Fin. Anlst. (\$102.54)	Clerical (\$40.28)	
1. Private flood insurance, 12 CFR 339.3(c)(3)(iv) and 3(c)(4)(iv) (Mandatory)	2.67	0	0	80	0	0	20	\$71.10
2. Standard flood hazard determination form, 12 CFR 339.6(b) (Mandatory)	32.97	0	0	0	0	0	100	\$40.28
3. Record of receipt of notice of special flood hazards and availability of Federal disaster relief assistance, 12 CFR 339.9(d)	24.72	0	0	0	0	0	100	\$40.28

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(Mandatory)								
4. Notice of requirement to escrow flood insurance payments and fees, 12 CFR 339.5(b) (Mandatory)	2.41	0	0	0	0	0	100	\$40.28
5. Change in status, 12 CFR 339.5(c)(2) (Mandatory)	1.10	0	0	50	0	0	50	\$59.54
6. Notice of option to escrow flood insurance payments and fees, 12 CFR 339.5(d) (2) (Mandatory)	0.04	0	0	0	0	0	100	\$40.28
7. Notice to borrower to obtain or increase flood insurance coverage, 12 CFR 339.7(a) (Mandatory)	2.23	0	0	0	0	0	100	\$40.28
8. Notification to terminate flood insurance purchased on behalf of a borrower, 12 CFR 339.7(b)(1)(i) (Mandatory)	0.67	0	0	50	0	0	50	\$59.54
9. Notice of special flood hazards and availability of Federal disaster relief assistance, 12 CFR 339.9(a) (Mandatory)	24.72	0	0	0	0	0	100	\$40.28
10. Notice to Administrator of FEMA of the loan servicer's identity, 12 CFR 339.10(a) (Mandatory)	4.23	0	0	0	0	0	100	\$40.28
11. Notice to the Administrator of FEMA of a change in the loan servicer, 12 CFR 339.10(b) (Mandatory)	4.23	0	0	0	0	0	100	\$40.28
Weighted Average Hourly Compensation Rate:								\$41.44

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Source: Bureau of Labor Statistics: 'National Industry-Specific Occupational Employment and Wage Estimates: Industry: Credit Intermediation and Related Activities (5221 And 5223 only)' (May 2023), Employer Cost of Employee Compensation (March 2023), and Employment Cost Index (March 2023 and December 2024). Standard Occupational Classification (SOC) Codes: Exec. And Mgr = 11-0000 Management Occupations; Lawyer = 23-0000 Legal Occupations; Compl. Ofc. = 13-1040 Compliance Officers; IT = 15-0000 Computer and Mathematical Occupations; Fin. Anlst. = 13-2051 Financial and Investment Analysts; Clerical = 43-0000 Office and Administrative Support Occupations.

Note: The estimated hourly compensation rate for a given IC is the average of the hourly compensation rates for the occupations used to comply with that IC, weighted by the estimated share of hours spent by each occupation. The weighted average hourly compensation rate for the entire ICR is the average of the estimated hourly compensation rates for all ICs, weighted by the share of hourly burden for IC. These hourly weights, as shown in the "Hourly Weight" column of this table, are the quotients of the estimated number of annual burden hours for each IC and the total estimated number of annual burden hours across all ICs.

Total Estimated Cost Burden (OMB No. 3064-0207)			
Information Collection Request	Annual Burden (Hours)	Weighted Average Hourly Compensation Rate	Annual Respondent Cost
Loans in Areas Having Special Flood Hazards	105,688	\$41.44	\$4,379,711
Total Annual Respondent Cost: \$4,379,711			
Source: FDIC.			

13. Capital, Start-up, Operating, and Maintenance Estimate of Start-up Costs to Respondents.

None.

14. Estimate of annualized costs to the government:

None.

15. Analysis of change in burden:

There is no change in the method or substance of the collection. The overall decrease in burden hours (from 117,613 hours to 105,688 hours) is the result of economic fluctuation. In particular, the estimated number of respondents has decreased as well as the number of FDIC-supervised institutions.

16. Information regarding collections whose results are planned to be published for statistical use:

The results of this collection will not be published for statistical use.

17. Display of expiration date:

Not applicable.

18. Exceptions to certification

None.

B. STATISTICAL METHODS

Not Applicable