



## NATIONAL INFORMATION BULLETIN

FROM: WFG Underwriting Department  
DATE: July 23, 2015  
TO: All Policy Issuing Agents of WFG National Title Insurance Company  
SUBJECT: NATIONAL INFORMATION BULLETIN 2015-15  
Many Loans made or modified after Jan 1, 2016 will require Escrow for Flood Insurance

Five Federal Bank Regulators (OCC, Federal Reserve, FDIC, Farm Credit Admin & NCUA) recently announced a [final joint rule](#) that will require regulated lending institutions to escrow for flood insurance for any loan secured by residential improved real estate or a mobile home located in a “special flood hazard area.”

“Special Flood Hazard Area” refers to property having a 1percent or greater chance of flooding in any given year, and corresponds to the following Flood Zones:

Zone A	Zone AO	Zone AH	Zones A1-A30
Zone AE	Zone A99	Zone AR	Zone AR/AE
Zone AR/AO	Zone AR/A1-A30	Zone AR/A	Zone V
Zone VE	Zones V1-V30.		

The requirement applies to loans that are made, increased, extended, or renewed on or after January 1, 2016. Certain lending institutions with total assets of less than \$1 billion may not be required to escrow.

The joint rule grants regulated lending institutions the authority to secure and sets other rules for “force placed” flood insurance coverage.

The final rule has not yet been published in the Federal Register, but a copy is available [here](#).

*Information Bulletins are designed to provide our agents with information we think will help in managing your business or just being better title professionals, but which does not rise to the level of being an underwriting mandate.*