

FHA INFO #20-83

November 10, 2020



**TO: All FHA-Approved Mortgagees and Servicers;
All Other Interested Stakeholders in FHA Transactions**

NEWS AND UPDATES

FHA Posts Private Flood Insurance Proposed Rule on FHA's Single Family Housing Drafting Table

Today, the Federal Housing Administration (FHA) posted on the FHA Single Family Housing Drafting Table its proposed rule, [Acceptance of Private Flood Insurance for Federal Housing Administration \(FHA\)-Insured Mortgages](#) (Docket No. FR-6084-P-01), which will be published in the *Federal Register* at a future date. The proposed rule would — for the first time — allow the option for private flood insurance on FHA-insured properties located in Special Flood Hazard Areas (SFHAs). The proposed rule can be viewed on [FHA's Single Family Housing Drafting Table \(SF Drafting Table\)](#). Interested stakeholders will have 60 days to provide comment using the methods specified in the proposed rule once it is published in the *Federal Register*. Read today's [Press Release](#).

FHA's private flood insurance proposed rule would amend current FHA regulations to allow borrowers the option to purchase private flood insurance to satisfy the mandatory flood insurance requirement of the Flood Disaster Protection Act of 1973 (FDPA). Furthermore, FHA's proposed rule would promote consistency with industry standards and reduce the regulatory restrictions on flood insurance for FHA-insured loans.

FHA recognizes the value of consistency across the housing market with respect to private flood insurance now that Federal regulators have published a final rule on private flood insurance acceptance. However, its proposed rule varies from the Federal regulators' final rule on private flood insurance acceptance in several areas to ensure borrowers and the Mutual Mortgage Insurance Fund are best protected.

To ensure mortgagees and other interested stakeholders are prepared to provide comments at the appropriate time, FHA encourages its stakeholders to review the *Acceptance of Private Flood Insurance for Federal Housing Administration (FHA)-Insured Mortgages* proposed rule on the [SF Drafting Table](#).

Once the private flood insurance proposed rule publishes in the *Federal Register*, FHA will communicate to stakeholders that the 60-day comment period has commenced and encourage them to submit their comments using the instructions outlined in the *Federal Register* posting.

Quick Links:

- View the Private Flood Insurance *Federal Register* proposed rule at: https://www.hud.gov/program_offices/housing/sfh/SFH_policy_drafts
- View all HUD-issued Press Releases at: <https://www.hud.gov/press>

Resources

Contact the FHA Resource Center:

- Visit our online knowledge base to obtain answers to frequently asked questions 24/7 at: www.hud.gov/answers.
- E-mail the FHA Resource Center at: answers@hud.gov. Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALL-FHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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