



Homeland Security

Date: September 1, 2010

MEMORANDUM TO: Federal Agency Partners

FROM: 
Edward L. Connor
Acting Federal Insurance and Mitigation Administrator

SUBJECT: Extension of Preferred Risk Policy (PRP) Eligibility Effective
January 1, 2011, for Buildings Affected by Map Changes on or
After October 1, 2008

I would like to thank each Agency for your participation in the development of the *Questions and Answers for Lenders Regarding the Preferred Risk Policy Eligibility Extension*. This tool provides lenders with the basic understanding they will need to fulfill their responsibilities under the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994.

FEMA intends to distribute the *Questions and Answers for Lenders* to our non-lending stakeholders, and to incorporate this information into our ongoing lender training programs. However, FEMA's ability to reach out to all federally regulated lending institutions and promote compliance is limited.

I need your help in ensuring that the *Questions and Answers for Lenders* and other attachments, listed below, are widely distributed to your staff and member institutions. These attachments provide details regarding this important change and the implications for policyholders and lenders:

- Attachment A – PRP Eligibility Extension Background, Description, and Lender Requirements
- Attachment B – Questions and Answers for Lenders Regarding the PRP Eligibility Extension
- Attachment C – Mandatory Purchase of Flood Insurance Guidelines – Revision Effective 1/1/2011

I am asking each Agency to share this information in a manner that maximizes distribution. Whether it is in the form of a financial institution letter, a bulletin, a policy statement or an alert, I ask that you use whatever means of communication available to your Agency that generates the greatest attention and adherence from the institutions you supervise. I must also ask that you distribute this information as expeditiously as possible as it is likely that the first PRPs impacted by this change will surface in October.

Please don't hesitate to contact us if you think of other actions we can do or you can do for us to get this important message out. Please contact either Carolyn.Goss@dhs.gov (202) 212-4728 or Steven.Wainland@dhs.gov (202) 212-2183 with your questions or suggestions. I look forward to receiving your valuable advice.

cc: (if applicable)