

**DATE:** January 23, 2003

**SUBJECT:** Reauthorization of the National Flood Insurance Program (NFIP)

**HIGHLIGHTS:** The Federal Reserve Board is informing state member banks of the reauthorization of the National Flood Insurance Program (NFIP) by the Congress, retroactive to December 31, 2002.

The authority of the Federal Emergency Management Agency (FEMA) to issue flood insurance policies expired on December 31, 2002, after the Congress adjourned without extending FEMA's

issuance authority. On December 20, 2002, the federal financial institution regulatory agencies jointly issued interim guidance to assist borrowers and lenders in dealing with questions about what to do during the lapse.

On January 13, 2003, President Bush signed the National Flood Insurance Program Reauthorization Act into law. The Act extends the authorization of the NFIP to December 31, 2003.

**DOCUMENT LOCATION:** The January 14, 2003 press release, including the interim guidance, is available under the "press releases" section of the Board's web site: <http://www.federalreserve.gov/boarddocs/press/bcreg/2003/20030114/>

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