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.


FURTHER INFORMATION: Henry F. Dove, Jr., Supervisory Examiner (314) 444-8846 (or 800-333-0810, ext. 448846) Banking Supervision and Regulation Department