



DEVAL L. PATRICK
GOVERNOR

GREGORY BIALECKI
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

**COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS**

1000 Washington St., 10th Floor Boston, MA 02118
(617) 956-1500 FAX (617) 956-1599
www.mass.gov/dob

BARBARA ANTHONY
UNDERSECRETARY OF
CONSUMER AFFAIRS AND
BUSINESS REGULATION

DAVID J. COTNEY
COMMISSIONER OF BANKS

CONTACT: [Amie O'Hearn](mailto:Amie.O'Hearn@state.ma.us)
617- 973-8767

Media Advisory

Massachusetts Division of Banks to Hold Hearing on New Flood Insurance Regulations

WHO: As the Massachusetts Division of Banks prepares to issue rules that require creditors to provide a disclosure when a borrower is required to purchase flood insurance, the Division will hold a public informational hearing to gather input on the regulations.

WHAT: The regulations were mandated by Chapter 177 of the Acts of 2014, [An Act Further Regulating Flood Insurance](#) that was signed by Governor Patrick on July 23, 2014. This law goes into effect on November 20, 2014 and prohibits creditors from requiring flood insurance that is greater than the balance of the mortgage or that has less than a \$5,000 deductible. The law also requires that creditors provide borrowers with a notice about flood insurance coverage before it is purchased. When a property is located in a flood zone, a borrower should maintain specific flood insurance coverage in addition to standard homeowner insurance. Flood insurance, administered through the National Flood Insurance Program, is required when a homeowner obtains a mortgage to purchase or refinance a home.

WHEN: The public informational hearing during which the Division will accept comments is scheduled for:

**Thursday, September 11, 2014 at 11AM, 1000 Washington St, Boston, MA, 02118
Hearing Room 1-E**

Additional announcements relative to the hearing and subsequent rule-making will be posted on the Division's [website](#). Written comments may be submitted to the Massachusetts Division of Banks, 1000 Washington St., 10th Floor, Boston, MA 02118-6400 or at dob.comments@state.ma.us. All comments to the Division must be submitted by 5 p.m. on Thursday, September 18, 2014.

Public Informational Hearing

On Thursday September 11, 2014, the Division of Banks will hold a public informational hearing at 1000 Washington St., 1st Floor, Boston, MA 02118 related to regulations required by *Chapter 177 of the Acts of 2014, An Act Further Regulating Flood Insurance*. This law which goes into effect on November 20, 2014 prohibits a creditor from requiring flood insurance in an amount greater than the balance of the mortgage. The law also requires that a disclosure be provided if a borrower is required to purchase flood insurance on a residential property. Among other comments that may be offered, input on the following questions will be accepted:

- What should be included in the content of the regulations?
- Should the Division of Banks develop a model disclosure form for this regulation?
 - If so, what should be included?
- Should any further information be disclosed to mitigate the risk of underinsurance by the borrower?
 - If so, what should be included?
- Should any further information be disclosed to help borrowers better understand the disclosure?
- Should the regulation define a minimum time frame prior to loan closing in which to provide the required notice?
- Are there any terms that the regulation should attempt to clarify in a “Definitions” section?
- Should there be a requirement for borrowers to acknowledge the disclosure?