

## § 1249.19

Transfer Message, or evidence submitted in support thereof.

### § 1249.19 Additional provisions.

(a) *Additional requirements.* In any case or any class of cases arising under this part, an Enterprise may require such additional evidence and a bond of indemnity, with or without surety, as may in the judgment of the Enterprise be necessary for the protection of the interests of the Enterprise.

(b) *Notice of attachment for Enterprise Securities in Book-entry System.* The interest of a debtor in a Security Entitlement may be reached by a creditor only by legal process upon the Securities Intermediary with whom the debtor's securities account is maintained, except where a Security Entitlement is maintained in the name of a secured party, in which case the debtor's interest may be reached by legal process upon the secured party. These regulations do not purport to establish whether a Federal Reserve Bank is required to honor an order or other notice of attachment in any particular case or class of cases.

## PART 1250—FLOOD INSURANCE

### Sec.

- 1250.1 Purpose.
- 1250.2 Procedural requirements.
- 1250.3 Civil money penalties.

AUTHORITY: 12 U.S.C. 4521(a)(4) and 4526; 28 U.S.C. 2461 note; 42 U.S.C. 4001 note; 42 U.S.C. 4012a(f)(3), (4), (5), (8), (9), and (10).

SOURCE: 74 FR 2349, Jan. 15, 2009, unless otherwise noted.

### § 1250.1 Purpose.

The purpose of this part is to set forth the responsibilities of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (collectively, Enterprises) under the Flood Disaster Protection Act of 1973 (FDPA), as amended (42 U.S.C. 4002 *et seq.*) and the procedures to be used by the Federal Housing Finance Agency (FHFA) in any proceeding to assess civil money penalties against an Enterprise.

### § 1250.2 Procedural requirements.

(a) *Procedures.* An Enterprise shall implement procedures reasonably de-

## 12 CFR Ch. XII (1-1-25 Edition)

signed to ensure for any loan that is secured by improved real estate or a mobile home located in an area that has been identified, at the time of the origination of the loan or at any time during the term of the loan, by the Director of the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 *et seq.*), as amended and purchased by the Enterprise, the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in an amount at least equal to the lesser of the outstanding principal balance of the loan or the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, as amended.

(b) *Applicability.* (1) Paragraph (a) of this section shall apply only with respect to any loan made, increased, extended, or renewed after September 22, 1995.

(2) Paragraph (a) of this section shall not apply to any loan having an original outstanding balance of \$5,000 or less and a repayment term of one year or less.

### § 1250.3 Civil money penalties.

(a) *In general.* If an Enterprise is determined by the Director of FHFA, or his or her designee, to have a pattern or practice of purchasing loans in violation of the procedures established pursuant to § 1250.2, the Director of FHFA, or his or her designee, may assess civil money penalties against such Enterprise in such amount or amounts as deemed to be appropriate under paragraph (c) of this section.

(b) *Notice and hearing.* A civil money penalty under this section may be assessed only after notice and an opportunity for a hearing on the record has been provided to the Enterprise.

(c) *Amount.* The maximum civil money penalty amount is \$669 for each violation that occurs before January 15, 2024, with total penalties not to exceed \$192,996. For violations that occur on or after January 15, 2024, the civil money penalty under this section may not exceed \$691 for each violation, with

## Federal Housing Finance Agency

## § 1252.1

total penalties assessed under this section against an Enterprise during any calendar year not to exceed \$199,251.

(d) *Deposit of penalties.* Any penalties under this section shall be paid into the National Flood Mitigation Fund in accordance with section 1367 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d.), as amended.

(e) *Additional penalties.* Any penalty under this section shall be in addition to, and shall not preclude, any civil remedy, or criminal penalty otherwise available.

(f) *Statute of limitations.* No civil money penalty may be imposed under this section after the expiration of the four-year period beginning on the date of the occurrence of the violation for which the penalty is authorized under this section.

[74 FR 2349, Jan. 15, 2009, as amended at 81 FR 8642, Feb. 22, 2016; 81 FR 43031, July 1, 2016; 83 FR 43968, Aug. 29, 2018; 84 FR 9704, Mar. 18, 2019; 85 FR 4905, Jan. 28, 2020; 86 FR 7496, Jan. 29, 2021; 87 FR 1662, Jan. 12, 2022; 87 FR 14770, Mar. 16, 2022; 87 FR 80025, Dec. 29, 2022; 89 FR 3333, Jan. 18, 2024]

## PART 1251—CONTRIBUTIONS TO THE HOUSING TRUST AND CAPITAL MAGNET FUNDS

Sec.

1251.1 Purpose.

1251.2 Definitions.

1251.3 Prohibition on pass-through of cost of allocation; enforcement.

1251.4 Submission of information.

AUTHORITY: 12 U.S.C. 1452(c), 1718(b), 4511(b), 4513(a), 4514(a), 4526(a), and 4567.

SOURCE: 79 FR 74597, Dec. 16, 2014, unless otherwise noted.

### § 1251.1 Purpose.

The purpose of this part is to implement a prohibition against an Enterprise redirecting the cost of any allocation to the Housing Trust Fund or the Capital Magnet Fund to originators of mortgages purchased or securitized by an Enterprise.

### § 1251.2 Definitions.

The following definitions apply to the terms used in and related specifically to this part. Definitions of other terms may be found in 12 CFR part 1201, General Definitions Applying to

All Federal Housing Finance Agency Regulations:

*Capital Magnet Fund* means that Fund established at section 1339(a) of the Safety and Soundness Act, 12 U.S.C. 4569(a).

*Housing Trust Fund* means that Fund established by section 1338(a) of the Safety and Soundness Act, 12 U.S.C. 4568(a).

### § 1251.3 Prohibition on pass-through of cost of allocation; enforcement.

(a) *In general.* No Enterprise shall redirect or pass through the cost of any allocation to the Housing Trust Fund or the Capital Magnet Fund required pursuant to section 1337(a) of the Safety and Soundness Act, 12 U.S.C. 4567(a), through increased charges or fees, or decreased premiums, or in any other manner, to the originators of mortgages purchased or securitized by the Enterprise.

(b) *Enforcement.* Compliance by each Enterprise with the foregoing prohibition shall be enforced under subpart 3 of part B of the Safety and Soundness Act, 12 U.S.C. 4581-89.

### § 1251.4 Submission of information.

The Director may issue guidance, orders, or notices on compliance with section 1337 and this part by the Enterprises, which may include information submissions by the Enterprises.

## PART 1252—PORTFOLIO HOLDINGS

Sec.

1252.1 Enterprise portfolio holdings criteria.

1252.2 Effective duration.

AUTHORITY: 12 U.S.C. 4624.

SOURCE: 74 FR 5618, Jan. 30, 2009, unless otherwise noted.

### § 1252.1 Enterprise portfolio holding criteria.

The Enterprises are required to comply with the portfolio holdings criteria set forth in their respective Senior Preferred Stock Purchase Agreements with the Department of the Treasury, as they may be amended from time to time.