



# Federal Emergency Management Agency

Washington, D.C. 20472

W-03044

## FEMA

September 2, 2003

**MEMORANDUM FOR:** Write Your Own (WYO) Principal Coordinators and  
NFIP Servicing Agent

**FROM:** Kevin Montgomery  
Financial Management Specialist  
Federal Insurance and Mitigation Administration

**SUBJECT:** Accounting Training Assistance Bulletin (ATAB)  
No. 2003-2, Prior Term Refund Procedures

**REFERENCE:** W-03024, October 1, 2003, Program Changes

Effective October 1, 2003, changes are being made regarding the National Flood Insurance Program's (NFIP's) current refund and cancellation rules, in response to the WYO companies' requests. These changes indicate that Eligible Prior Term Refunds older than two years will be processed by the NFIP Bureau and Statistical Agent. Additionally, the new rules call for a return of the expense allowance from the WYO Company to the NFIP based on the refund amount and the expense allowance in effect when the refund is processed.

Please continue to follow the existing NFIP Underwriting procedures in the *Flood Insurance Manual's* cancellation and endorsement sections when submitting your request for Prior Term Refunds. The NFIP Underwriting department will bill and notify the WYO Company via the Prior Term Refund Expense Report (see attachment 1). This expense report will be provided to the WYO Company when prior term refund checks are issued.

Upon receipt of the Prior Term Refund Expense Report from NFIP Underwriting, the WYO Company should reflect the return of the expense allowance to the NFIP Bureau by showing the amount as a credit on Exhibit IV, Line 426 (Accounting Procedures Manual). Please make the expense allowance adjustment within 30 days of receipt of the Prior Term Refund Expense Report from NFIP Underwriting. When making the expense allowance adjustment, please send a copy of the Prior Term Refund Expense Report with your monthly financial statement package for proper tracking.

If you have questions or require additional information, please contact Evelyn P. Ragland on (301) 918-1436.

Attachment

cc: IBHS, FIPNC, WYO Marketing Committee, Government Technical Representative

Required Routing: Accounting, Underwriting, Vendors

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