



FEMA

W-09005

February 17, 2009

MEMORANDUM FOR: Write Your Own (WYO) Company Principal Coordinators
and the National Flood Insurance Program Servicing Agent

A handwritten signature in black ink, appearing to read "Edward L. Connor".

FROM: Edward L. Connor
Acting Federal Insurance Administrator
National Flood Insurance Program

SUBJECT: NFIP Update

With all the activity in Washington, both with respect to the economy, and, to a lesser degree, the NFIP, I thought it would be timely to update you on a number of matters relating to the program.

Reauthorization

As everyone knows, Congress has been devoting its attention to the economy, and it remains to be seen whether significant reforms to the NFIP will be enacted by Congress in the near-term. The most likely scenario is that there will be another short-term reauthorization, possibly until the end of the fiscal year, September 30, 2009, to give Congress time to enact reforms that both bodies can agree on.

Borrowing Authority

The program's outstanding debt to the Treasury stands at \$18.9 billion. Despite the relatively low number of losses over the past several months, it remains difficult to repay the borrowed funds more quickly because of the considerable amount of interest associated with that level of borrowing. However, the program's borrowing authority is \$20.775 billion and I am confident that this amount will be sufficient to address the program's needs for the foreseeable future.

Systems

The current plan is to transfer the system of record from the CSC maintained legacy system to the newly-developed NFIP IT Systems with the March 2009 data cycle that takes place in April 2009. However, we are continuing to conduct testing on the system to assure ourselves that it will be able to match the capability of the legacy system. The legacy system will continue to be available until such time as the appropriate FEMA offices sign off on the new system.

During the current transition, it is necessary from time to time to bring down certain applications such as the Flood Rating Engine Environment, ezClaims and SQANet to upload legacy data. Jack Way announced these outages at the October 2008 IBHS Flood Committee Meeting and at the Executive Decision Group Meetings (now called System Stakeholder Group). Additionally, notices have been published on the NFIP IT portal, www.nfipbureau.fema.gov, and discussed during bi-weekly conference calls with WYO companies and vendors. With that said, to ensure that everyone is fully informed, we will continue to improve our communications to ensure that we are all working together to help the NFIP meet our policyholders' needs. The next scheduled downtime will take place in early May, 2009. Going forward, notices will be sent to the WYO Principal Coordinators of any scheduled downtime for the NFIP IT applications as well as posting them on the NFIP IT portal. The WYO Principal Coordinators will also be notified of unscheduled outages that could result in the system being unavailable for an extended period of time.

Online Training

GeoLearning, Incorporated, the new NFIP training contractor, is working hard to make the NFIP Basic Agent Tutorial (BAT) available online. We appreciate your patience as they finalize the technical work that needs to be completed to ensure that the BAT performs well and to the benefit of the students. GeoLearning has estimated that the online training will be available by February 27, 2009.

As events transpire over the coming months, we will be sure to keep you informed.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims, Marketing, Training, Underwriting