



FEMA

W-10074

July 7, 2010

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

Edward L. Connor

FROM: Edward L. Connor
Acting Federal Insurance and Mitigation Administrator

SUBJECT: "Reasonable Period of Time" Guidance

This information is intended to further clarify the memorandum of May 28, 2010, Bulletin W-10063, Lapse in NFIP Authority – Page 2 - Financials. In view of the recent NFIP statutory authority lapses, we have consulted with the FEMA Office of Chief Counsel for guidance on what constitutes a "reasonable amount of time" for WYO Companies to hold monies during a Program hiatus when awaiting Congressional reauthorization.

FEMA's legal team has confirmed that premiums can continue to be collected to be applied retroactively to policies because FEMA understands and believes that Congress will reauthorize the Program following a lapse. As long as FEMA continues to reasonably believe that reauthorization is pending, the premium collection remains reasonable.

If FEMA were to no longer expect that Program reauthorization is likely to be forthcoming, it no longer would be reasonable to collect premiums, and FEMA would provide additional guidance at that time.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: All Departments