



FEMA

W-11002

January 19, 2011

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

FROM: Kevin Montgomery
Contracting Officer's Technical Representative
Federal Emergency Management Agency

SUBJECT: Clarification of the Claim Overpayment Recovery Process

Reimbursement to the NFIP of claim overpayments is not contingent upon recovery from the respective policyholder(s). Specifically, recovery of erroneous claim overpayments is the responsibility of the WYO Companies and NFIP Servicing Agent.

Upon receipt of written notification of flood claim overpayments, the respective company's Principal Coordinator (PC) has thirty (30) days to respond to the notification from the NFIP using one of the two options below:

- 1) Submit the entire amount of the overpaid claim to the NFIP using one of two acceptable methods to avoid creation of a federal debt collection item*; or
- 2) Appeal this matter in writing to the NFIP and submit relevant, reliable, and verifiable supporting documentation.

Additional time to gather supporting documentation for the purpose of the appeal must be requested in writing by the company's PC within thirty (30) days of the date of the notification from the NFIP. A maximum of sixty (60) days from the date of the notification may be granted by the NFIP for an appeal.

* Acceptable methods of claim overpayment reimbursement to the NFIP are shown on Page 2.

Methods of Claim Overpayment Reimbursement to the NFIP

Method A:

1. Reduce the claim payment, Exhibit I, Line 115, by the overpaid amount on the financial statement.
2. Reduce the claim payment, by the overpaid amount on the TRRP statistical data.
3. Issue a disbursement for the overpayment amount to the U.S. Treasury via ACH, Internet, or Wire Transfer. Report the disbursement on the appropriate Exhibit VIII schedule.
4. Submit the supporting documents (policy number, date of loss, original loss payment, adjusted loss payment, original error code generated, and original error code date) to:

DHS-FEMA Debt Collection Office
Attn: NFIP/Mr. Kevin Montgomery
1800 South Bell Street
Room 510
Arlington, VA 20598-3010

Method B:

1. Reduce the claim payment, Exhibit I, Line 115, by the overpaid amount on the financial statement.
2. Reduce the claim payment, by the overpaid amount on the TRRP statistical data.
3. Issue a manual check in the amount of the overpayment, made payable to NFIP. Record the manual check as a disbursement to the U.S. Treasury and report on the appropriate Exhibit VIII schedule.
4. Submit the manual check and supporting documents (policy number, date of loss, original loss payment, adjusted loss payment, original error code generated, and original error code date) to:

DHS-FEMA Debt Collection Office
Attn: NFIP/Mr. Kevin Montgomery
1800 South Bell Street
Room 510
Arlington, VA 20598-3010

cc: FIPNC, IBHS, Vendors

Required Routing: Accounting, Marketing