



**FEMA**

W-11029

May 13, 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 Salvage Allowance Process

Effective immediately, the WYO Company is entitled to a 10-percent (10%) salvage allowance only when there is an actual cash collection of salvage from the policy holder. The 10-percent allowance does not apply in any other situation.

The WYO Company's share of salvage recoveries 10-percent (10%) must be deducted from the net recovery proceeds prior to remitting the remaining proceeds to the restricted bank account. The amounts of salvage recoveries reported to FEMA (via the recovery after final payment transaction) will be for the total recoveries, inclusive of the company's entitlement.

cc: FIPNC, IBHS, Vendors

Required Routing: Accounting (Required), Marketing