



FEMA

W-12052

August 14, 2012

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

A handwritten signature in black ink, appearing to read "Dennis Kuhns".

FROM: Dennis Kuhns, Director
Risk Insurance Division, FEMA

SUBJECT: Notice of Revised Procedures When Amounts Are Due FEMA

Bulletin W-12038, dated June 20, 2012, detailed the obligations and responsibilities of Write Your Own (WYO) companies as set forth in 44 C.F.R. Section 62.23 and the Financial Assistance/Subsidy Arrangement, 44 C.F.R. Part 62 App. (A) (the "Arrangement"). This Bulletin communicates FEMA's revised internal and external procedures when amounts are due FEMA.

Amounts due FEMA from WYO Companies and the Direct Servicing Agent are generally, but not exclusively, identified during the following activities:

- The DHS Office of Inspector General (OIG)/Office of Management and Budget (OMB) Audit under the authority of the Improper Payment Information Act of 2002 (IPIA) and the Improper Payments Elimination and Recovery Act of 2010 (IPERA);
- Claims Operation Reviews; and
- Underwriting Operation Reviews.

Draft Report

At the conclusion of the activity, including any wrap-up session after operation reviews, and after FEMA's review of audit results, a draft report of findings and amounts due FEMA will be prepared and sent to the claims or underwriting point of contact and the WYO principal coordinator. This report is typically sent by email. If desired by the WYO Company and when FEMA is notified in writing, additional company officials may be included as recipients. The draft report cover letter will include a *30-day time limit for rebuttal* of the findings and amounts due FEMA. There will be only one rebuttal opportunity.

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FEMA recommends sending the rebuttal via email. If the US Postal Service or private mail services are used to send FEMA the rebuttal of the findings and amounts due FEMA, the WYO Company must send the signer of draft report cover letter and the FEMA activity lead a notice of the date the rebuttal was sent, the name of the mail service, and the mailing tracking number.

Final Report

FEMA will complete its review of the rebuttal, and send a final report to all designated WYO Company officials within 30 days of receiving the rebuttal. Once FEMA issues the final report, there will be no further rebuttal of findings and amounts due FEMA, or the amounts to be sent to FEMA.

Full Payment

Within 30 days of receiving the final report, the WYO Company will submit payment of the full amount due FEMA that is identified in the final report cover letter. The full amount due FEMA must be paid by check. Any unpaid amounts are subject to withholding from amounts the NFIP may owe a WYO Company. A copy of the check should be emailed to Kevin Montgomery, Debt Collection Officer, at Kevin.Montgomery@fema.dhs.gov.

Full payment will be sent via US Postal Service or private mail services to the address identified in the final report cover letter. An email letter or message will be sent to the signer of final report cover letter and the Debt Collection Officer that will include notice of the date the check or other payment instrument was sent and the mailing tracking number.

FEMA will refer Companies that have not paid the amount due by the specified date for collection under the Debt Collection Act of 1982, as amended. All consequences of the failure to pay the full amounts due FEMA within the prescribed time limit identified in the above referenced Bulletin, W-12038, fully apply to this procedure.

FEMA is considering technology that will make this process more user friendly and as convenient as possible.

Please direct general questions to Mr. Dennis Kuhns, Director of the Risk Insurance Division and questions about payments to Mr. Kevin Montgomery, Debt Collection Officer. Thank you for your cooperation.

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: All Departments