



U.S. Department of Homeland Security
P.O. Box 9001
Winchester, VA 22604-9001

FEMA Application No.

Disaster No.

RE: BFC:

Balance Due: \$

Dear :

As required by Federal law, FEMA conducts audits of disaster assistance payments to individuals ensuring taxpayer dollars were provided appropriately and in an amount meeting the eligible needs of the applicant. FEMA provided you funds as a result of your application for disaster assistance. These funds were provided based upon disaster-related needs you indicated in your application to FEMA.

As outlined in the Notice of Debt letter you recently received, our review of your case indicated that you were found ineligible for some or all of the funds FEMA provided you under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288 as amended), 42 U.S.C. 5121 - 5207. The Notice of Debt letter provided clear instructions on the options available to you, which included filing an appeal within 60 days of receipt of the letter or requesting a payment plan or compromise of your debt based on an inability to pay.

Your debt is now final, either because (1) you did not file an appeal within 60 days of receiving the Notice of Debt letter or (2) you did file an appeal and FEMA has separately informed you why we determined that you owe the sum shown.

Our records indicate that FEMA has not yet received from you the amount of money that you currently owe the Agency. You must now repay this debt or act quickly to set up a payment plan or request a compromise of the debt. If you do not take action within 30 days from the date of this letter, FEMA will submit your debt to the U.S. Department of the Treasury (Treasury). FEMA and Treasury will continue to add administrative charges, interest and penalties to your unpaid debt until your debt is paid in full. If you fail to pay your debt, you could jeopardize future disaster assistance. This information is also presented in the enclosed **FEMA Debt Resolution Process: In Summary Stage Two and Stage Three**.

Once your debt is submitted to Treasury for collection, Treasury has the authority under law (Debt Collection Act of 1982 and the Debt Collection Improvement Act (DCIA) of 1996) to garnish your wages and/or reduce or withhold any or all of your eligible Federal or State payments up to the amount of your debt.

Once referred to Treasury, your debt may also be referred to:

- Treasury Offset Program;
- Administrative Wage Garnishment;
- U.S. Department of Justice for judicial enforcement;
- Private collection agency;

- Internal Revenue Service (IRS) as taxable income, if your debt is discharged; and/or
- Consumer credit reporting agency.

Your unpaid debt will continue to accrue interest and penalties while at Treasury. Fees charged by any or all of the above agencies will be added to the amount that you owe as an administrative charge authorized under the DCIA (Title 31 U.S. Code, Section 3717(e) (1)).

As indicated above, when your debt is referred to Treasury for collection, Treasury may offset any or all of your eligible Federal payments up to the amount of your debt. This means Treasury may take money out of an array of payments that you are currently receiving or slated to receive in the future. It is also important to keep in mind that Treasury is NOT required to send you prior notification of this action. Payments eligible for offset include:

- Federal and State Income tax refunds (See Additional Important Information);
- Federal and State salary, including military pay (See Additional Important Information);
- Federal and State retirement, including military retirement;
- Contractor or vendor payments;
- Federal benefits, such as Social Security (excludes Supplemental Security Income (SSI)), Railroad Retirement (excludes Tier 2), Black Lung (part B) benefits, and other Federal payments, which may include loans that are not exempt from offset; and/or
- Wages from a non-Federal employer (See Additional Important Information).

As previously noted, before your debt is submitted to Treasury, you still have thirty days (30) to do one of the following:

- Repay your debt by sending a check or money order payable to FEMA for the full amount that you owe. Write your *Bill for Collection Number* (BFC #) or *FEMA Application Number* on your check or money order to ensure proper credit of your payment. Mail your payment along with the enclosed FEMA Debt Repayment Form to:

FEMA
P.O. Box 530217
Atlanta, GA 30353-0217

- If you are unable to pay your debt in full at this time, FEMA can work with you to resolve your debt. You may request a payment plan. You may also request a compromise of all or part of your debt, based on inability to pay. Please call the Recoupment Helpline at 1-800-816-1122, Monday through Friday, between 9:00 a.m. and 6:00 p.m. EDT, to make your request. If you have a speech disability or hearing loss and use a TTY, call 1-800-462-7585 directly; if you use 711 or Video Relay Service (VRS), call 1-800-816-1122.
- If you have filed for bankruptcy, your debt will not be referred to Treasury while the automatic stay is in effect. However, please note that it is YOUR responsibility to notify us of the stay by sending evidence concerning the bankruptcy to:

FEMA Finance Center
U.S. Department of Homeland Security
P.O. Box 9001
Winchester, VA 22604-9001

Please note that even if you made or make repayment in full, the United States does not waive its right to pursue any applicable civil or criminal remedies. In addition, if you make or provide any knowingly false or frivolous statements, representations, or evidence, you may be liable for penalties under the False Claims Act (Title 31 U.S. Code, Section 3729-3731) or other applicable statutes and/or criminal penalties under Title 18 U.S. Code, Sections 286, 287, 1001, and 1002, or other applicable statutes.

Unless prohibited by law or contract, you will be refunded any amount paid by you or deducted from any Federal

payments for your debt, if your debt is later terminated.

FEMA is committed to working with all individuals identified for recoupment to ensure they have a complete understanding of the determination made in their case and the various options available to them to resolve this debt. If you have any questions about this letter or your rights, please call the Recoupment Helpline at 1-800-816-1122, Monday through Friday, between 9:00 a.m. and 6:00 p.m. EDT. If you have a speech disability or hearing loss and use a TTY, call 1-800-462-7585 directly; if you use 711 or Video Relay Service (VRS), call 1-800-816-1122.

Sincerely,

Debt Collection Officer

Enclosures

Additional Important Information

Joint Tax Returns: If you file a joint income tax return, you should contact the IRS before filing your return to request information regarding procedures to protect your spouse's share of the income tax refund, if they are not a delinquent debtor to the U.S. Government.

Wages: Your current net disposable pay is subject to offset if you do not pay your debt or take other action as described. Treasury will deduct up to 15% of your disposable net pay beginning in the pay period that your debt is submitted. The deduction will continue every pay period until your debt, including interest, penalties, and other costs, is paid in full.

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FEMA DEBT REPAYMENT FORM

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Bill for Collection no.

Please return this form along with your payment.

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FEMA Application No.:

Disaster No.: 1

Amount Owed: \$

Amount Enclosed: \$ _____

To pay your debt in full, please either:

- Return the U.S. Treasury check(s) sent to you (if the amount of the check is the amount required to be returned and if the check has not already been cashed or deposited) to:

Kansas City Financial Center
P.O. BOX 12599-0599
Kansas City, MO 64116-0599

- If you want to send a personal check or money order, send it to:

FEMA
P.O. Box 530217
Atlanta, GA 30353-0217

- If you prefer to pay your bill by **Credit Card**, please fill out the following and mail to:

FEMA
P.O. Box 530217
Atlanta, GA 30353-0217

Method of Payment:

Master Card Visa American Express Discover

Card No.

Expiration Date: /
Month/Year

Cardholder Name (Print legibly): _____

Cardholder Billing Address: _____

Cardholder Signature: _____ Today's Date: _____

Please return this form along with your payment.

If you have questions, please call 1-800-816-1122, Monday through Friday, between 9:00 a.m. and 6:00 p.m. EDT.
If you have a speech disability or hearing loss and use a TTY, call 1-800-462-7585 directly; if you use 711 or Video Relay Service (VRS), call 1-800-816-1122.

FEMA Debt Resolution Process: In Summary

Stage Two and Stage Three

After every disaster, FEMA is required to audit disaster assistance payments to ensure taxpayer dollars were properly spent. Those audits often show a small percentage of specific cases where disaster assistance was given to people who were not eligible for some or all of the money they received. The law requires FEMA to collect these overpayments through a process called "recoupment."

How does FEMA take back money? Like all Federal agencies, FEMA has both the duty and the authority to collect debts owed by the public. FEMA's recoupment process has three stages:

Stage 1: FEMA's National Processing Service Center (NPSC) sent you a letter, called a "Notice of Debt." The Notice of Debt told you how much money you owed and why you owed it. **This letter is a bill** and the amount of money you owed was due within 30 days. After 30 days, as was explained in the notice of debt, FEMA began charging interest at the rate set by law. See <http://www.fms.treas.gov/cvfr/index.html>.

When you received the Notice of Debt, you were given options. You have moved to Stage 2 of the collection process.

Stage 2: The FEMA Finance Center (FFC) continues the collection process by sending you a letter, called a "Letter of Intent." The Letter of Intent is a notification that FEMA is now taking further action to collect your debt. The Letter of Intent explains that if you do not pay or resolve the debt with FFC, your debt will be forwarded to the U.S. Department of the Treasury (Treasury) and you will move on to Stage 3 of collection. In addition, it explains that interest and penalties will continue to grow.

Stage 3: If you did not appeal or your appeal was denied (Stage 1) and you fail to work out how to resolve your debt with FFC (Stage 2), your debt will be forwarded to the Treasury for collection by any of several methods it has available. These methods include "offset" (deducting money from other Federal or State payments you may be receiving, like Social Security, income tax refunds, etc.), referral to a private collection agency, or administrative wage garnishment among other debt collection methods.

More detailed instructions about your options, including how to pay the debt, how to request a payment plan or a compromise are in the following section, "FEMA Debt Resolution Process: Your Rights and Options."

FEMA Debt Resolution Process: Your Rights and Options

Stage Two

A. Repayment. You must pay back the money to FEMA. To repay the debt in full, please fill out the enclosed FEMA DEBT REPAYMENT FORM. Your options are to:

1. Return the U.S. Treasury check(s) sent to you (if the amount of the check is the amount required to be returned and if the check has not already been cashed or deposited). Send the check to:

Kansas City Financial Center
P.O. Box 12599-0599
Kansas City, MO 64116-0599

2. Mail a personal check or money order in the amount of your debt, payable to FEMA. To ensure that your payment is applied properly please fill out the enclosed FEMA DEBT REPAYMENT FORM and include your FEMA Application Number or Bill for Collection Number in the notation field on your check.

The required information can be found on your Notice of Debt letter and Letter of Intent. You should address your repayments to:

FEMA
P.O. Box 530217
Atlanta, GA 30353-0217

3. To make a payment via credit card or electronic check, please visit www.pay.gov. Once you are on the Pay.gov home page, look for a section titled "Find Public Forms" on the left hand side. Type in FEMA, hit the go button; the FEMA Finance Center - Recoup Assistance Repayment Form will appear. Click on the link and proceed to make a credit card or electronic check payment.
4. Pay via credit card using the enclosed FEMA Debt Repayment Form.
5. Pay via credit card or electronic check by calling 1-800-816-1122, Monday through Friday, between 9:00 a.m. and 6:00 p.m. EDT. If you have a speech disability or hearing loss and use a TTY, call 1-800-462-7585 directly; if you use 711 or Video Relay Service (VRS), call 1-800-816-1122.

B. Debt Resolution. If you cannot pay the full amount now, FEMA can work with you to resolve your debt. You may request a payment plan. You may also request a compromise of all or part of your debt, based on inability to pay. Please call the Recoupment Helpline at 1-800-816-1122 between 9:00 AM and 6:00 PM EDT, Monday through Friday, to make your request. If you have a speech disability or hearing loss and use a TTY, call 1-800-462-7585 directly; if you use 711 or Video Relay Service (VRS), call 1-800-816-1122. FEMA will mail you a Request for Financial Information (RFI) packet. You must complete and return the packet within 30 days for evaluation. The RFI packet includes FEMA form 127-0-1, Debt Collection Financial Statement executed under penalty of perjury, showing your assets, liabilities, income and expenses, and a form to list current household expenses. In addition, you must provide documentation to support your request. You will need your FEMA Application Number or Social Security Number when you call.

C. Interest and Penalties.

1. **Interest: 30 Days.** If you do not pay this debt in full within 30 days of the date on the Notice of Debt, FEMA will charge you interest at the rate set by law. See <http://www.fms.treas.gov/cvfr/index.html>.
2. **Penalties: 90 Days.** If you do not pay this debt in full, agree to a payment plan, or otherwise resolve this debt within 90 days of the date on the Notice of Debt, as required by 31 USC 3717(e) FEMA adds a 6 percent

penalty charge per year on the amount of your debt in addition to the interest and administrative fees.

Stage Three

D. Referral to the Department of the Treasury. If you do not resolve this debt with FEMA, FEMA will refer your debt to the Treasury, as required by law. Treasury will continue to accrue interest and penalties on your unpaid debt. Fees charged by Treasury, the Department of Justice (DOJ), and/or private collection agencies will be added to the amount you owe as an administrative charge authorized under the Debt Collection Improvement Act of 1996 (DCIA) (Title 31 U.S. Code, Section 3717(e)(1)).

Once your debt is submitted to Treasury for collection, your name and Social Security Number will be subject to computer matching with Federal and State sources of payments that may be due to you. Information provided will include your name, address, taxpayer identification number, bill number, amount owed, and date of delinquency. Treasury will reduce or withhold any of your eligible Federal payments by the amount of your debt. The Debt Collection Act of 1982 and the DCIA of 1996 authorize this process. Once referred to Treasury, your debt may be referred to:

1. Treasury Offset Program (TOP);
 - If your debt is submitted to TOP, Treasury may offset any of your eligible Federal payments by the amount of your debt. Treasury is not required to send you notice before your payment is offset.
 - Federal payments eligible for Treasury offset include:
 - * Income tax refunds;
 - * Federal or State salary pay, including military pay;
 - * Federal or State retirement, including military retirement pay;
 - * Contractor or vendor payments; and
 - * Certain Federal benefit payments, such as Social Security (other than Supplemental Security Income (SSI)), Railroad Retirement (other than tier 2), and Black Lung (part B) benefits, and other Federal payments, including certain loans to you, that are not exempt from offset.
2. Administrative Wage Garnishment;
3. U.S. Department of Justice for judicial enforcement;
4. Private collection agency;
5. Internal Revenue Service (IRS) as potential taxable income, if your debt is discharged; and/or
6. Consumer credit reporting agency.

E. Other Important Information

1. **Bankruptcy.** If you filed for bankruptcy, you are not subject to offset while the automatic stay is in effect. Please note it is YOUR responsibility to send proof of the bankruptcy stay to:

FEMA Finance Center
U.S. Department of Homeland Security
P.O. Box 9001
Winchester, VA 22604-9001

2. **False Statements.** If you make or provide any knowingly false or frivolous statements, representations, or evidence, you may be liable for penalties under the False Claims Act (Title 31 U.S. Code, Section 3729-3731) or other applicable statutes and/or criminal penalties under Title 18 U.S. Code Sections 286, 287, 1001, and 1002, or other applicable statutes.

F. Overview of your rights.

Request a payment plan or compromise of all or part of your debt (see paragraph B, above)

G. Questions. If you have any questions about this letter or your rights, you should contact FEMA as follows:

Questions about Recoupment: Call the Recoupment Helpline at 1-800-816-1122, Monday through Friday, between 9:00 a.m. and 6:00 p.m. EDT. If you have a speech disability or hearing loss and use a TTY, call 1-800-462-7585 directly; if you use 711 or Video Relay Service (VRS), call 1-800-816-1122.