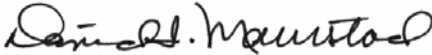




FEMA

November 11, 2005

MEMORANDUM TO: Write Your Own Principal Coordinators

FROM: 
David I. Maurstad
Acting Director/Federal Insurance Administrator
Mitigation Division

SUBJECT: NFIP Funding Status – Letters of Credit

This is to inform you that the National Flood Insurance Program's (NFIP) ability to process Write Your Own company requests for increases in funding under Letters of Credit is temporarily suspended. Last month, FEMA and DHS informed Congress of the cashflow projections for anticipated claims payments and sought action on pending legislation that would increase borrowing authority.

We are actively working with Congress and fully expect them to take action soon. At this time, FEMA is unable to increase your company's Letter of Credit until Congress increases the NFIP's borrowing authority. As a result, I am obligated to advise your company to discontinue issuing claims payments to the extent that you would need additional Letter of Credit amounts. I will promptly advise you when FEMA has additional borrowing authority so that it can resume processing Letter of Credit requests.