

# FEMA Overpayments

## **1. Does FEMA have the right to ask for money back?**

Yes, FEMA is required to seek repayment when the financial aid was given by mistake, the money was used inappropriately, or the money was obtained by fraud.

## **2. Can FEMA ask for everything back?**

Yes. FEMA can ask you to pay back aid of any kind.

## **3. Why does FEMA reclaim funds?**

FEMA will reclaim funds for many reasons including, but not limited to: duplication of benefits with another household member; duplication of benefits with insurance; if it is determined the damaged dwelling was not your primary residence; if you failed to maintain required flood insurance; or if the money is misspent.

## **4. Can I appeal FEMA's decision to reclaim funds?**

Yes. You have 60 days to appeal from the date on the first Bill of Collection letter, regardless of when you receive the letter.

## **5. What other deadlines should I be aware of?**

After 30 days interest will be charged regardless of whether you are pursuing an appeal; after 90 days, if no payment plan has been established, then there are financial penalties; after 120 days FEMA turns the case over to the U.S. Department of the Treasury for collection.

## **6. What if I can't pay? Can I get the recoupment suspended or waived, or can I negotiate a lesser amount?**

Maybe. There are situations in which FEMA will suspend or cancel their recoupment of funds, and may negotiate for a lesser amount. Reasons for suspension or retraction could include age and present and potential income. However, these options may have tax consequences, and suspension does not preclude FEMA from collecting in the future if your situation changes.

## **7. What if I just don't pay them back?**

If your debt is sent to the U.S. Dept. of the Treasury, the Treasury can:

- Take money from other Federal benefits you receive, like Social Security
- Keep your IRS Tax Refunds
- Send a private collection agency after you and charge you for the costs of collection
- Garnish your wages if you are a Federal employee
- Sue you to garnish wages or seize your assets

**Important Information to Remember**

- Make sure you use your FEMA funds for the reason FEMA gave you the money. If you are not sure how you are permitted to use the money, contact FEMA at: 1-800-621-FEMA (3362).
- Keep all communication, receipts, bills and invoices given to you by FEMA.
- Keep all receipts, bills and invoices related to use of the FEMA funds.
- Take pictures of the damage and repairs as proof.
- If you need assistance contact an attorney as soon as possible. The deadlines are short, and it is your responsibility to meet the deadlines.