

PRYOR'S BILL SETS VICTIMS FREE FROM FEMA MISTAKES

WASHINGTON, D.C. – U.S. Senator Mark Pryor today introduced legislation to give the Administrator of FEMA flexibility in reclaiming disaster payments that were erroneously distributed to individuals three years ago under the Bush Administration.

“In an effort to quickly help communities following severe storm damage, FEMA made some big mistakes,” Pryor said. “I plan to work with the agency to prevent future errors. In the meantime, we came up with a viable solution that ensures innocent people are not held hostage for the agency’s blunders. I am optimistic this legislation can be considered and passed swiftly.”

Pryor said the *Disaster Assistance Recoupment Fairness Act* provides FEMA flexibility in the recoupment of disaster assistance benefits. Specifically, it would allow the Administrator of FEMA to waive debt owed to the U.S. in which funds were distributed in FEMA error. The legislation clarifies that the Administrator may not forgive debt owed in cases involving fraud. In addition, the legislation requires that the Administrator of FEMA waive debts for all cases in which an applicant was declared ineligible as a result of FEMA determining that their home is in a community not participating in the National Flood Insurance Program (NFIP).

Pryor initially learned about FEMA’s collection efforts from a 73-year-old woman in Mountain View, Arkansas. In 2008, after completing an extensive application process and home inspection, FEMA approved \$27,000 in disaster assistance for home repairs. Three years later, FEMA informed her that she was never eligible for assistance and that she must repay the funds within 30 days or face high interest charges or other collection actions. According to FEMA, similar “Notice of Debt” letters were sent to 34 additional Arkansas households. The 35 Arkansas households owe a combined total of \$200,000.