

For: AL, FL, LA, MS, NC, and TX State and County Offices

Hurricane Indemnity Program (HIP) Overpayment Register

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice DAP-254 notified State and County Offices that 2005 Section 32 Hurricane Disaster Programs would remain open until further notice as OIG was conducting an audit on HIP.

As a result of the audit findings, reinsurance companies have been changing the causes of loss already submitted on HIP downloads. In some cases, the cause of loss that made the crop eligible under HIP is being removed. HIP cannot be closed out until the National Office is certain that:

- all changes have been received in County Offices
- overpayment registers run to identify overpayments.

In some cases, 2005-2007 Crop Disaster Program (CDP) payments were issued to HIP producers whose HIP payment changed as a result of the amended HIP download.

B Purpose

This notice advises State and County Offices in the affected States:

- that the application and payment processing software for HIP will remain open until further notice
- RMA downloads for HIP will continue until further notice
- about actions to be taken by State and County Offices to ensure that:
 - changes received in the downloads are timely processed
 - corrections made, as needed, to CDP payments are issued to affected HIP producers.

Disposal Date	Distribution
January 1, 2009	Above State Offices; State Offices relay to County Offices

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2 State and County Office Action

A County Office Action

County Offices shall ensure that:

- the HIP overpayment process is run for all producers appearing on a HIP RMA Deleted Download Report
- procedure in 5-DAP (Rev. 1), paragraph 838, is followed to print the HIP Discrepancy Report and resolve any discrepancies on HIP applications as a result of other changes to the RMA Download Report
- the HIP overpayment process is run for all producers on a weekly basis according to 5-DAP (Rev. 1), paragraph 901, until further notice
- HIP overpayments created as a result of changes to the RMA Download Report are processed immediately according to 5-DAP (Rev. 1), paragraphs:
 - 892 through 894
 - 902 through 905
- procedure in subparagraph B is followed for HIP producers who applied for a 2005 or 2006 CDP payment
- legitimate overpayments are transferred to the Common Receivable System and producers are notified of the debt according to 58-FI and 67-FI
- applicable producers who are still waiting for payment under the provisions of obsolete Notice DAP-249 are informed that HIP will remain open until further notice
- all application data is loaded into the System 36 including applications that are in appeal status or have been disapproved by COC
- payments are issued to **all eligible** producers.

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2 State and County Office Action (Continued)

B Producers With 2005 and 2006 CDP Applications

If an application for 2005 or 2006 CDP is on file for a producer who appears on the HIP RMA Deleted Download Report or whose HIP payment otherwise changed, County Offices shall follow this procedure:

- revise existing FSA-841 to reflect the correct HIP payment according to 5-DAP (Rev. 2), paragraph 254
- access producer's CDP application and correct payment amount on automated FSA-840 according to 5-DAP (Rev. 2), paragraph 320
- follow 5-DAP (Rev. 2), paragraphs 255, 402, and 481 to correct FSA-840, update signature dates, and recalculate CDP payments

- if recalculating payment results in CDP overpayment, then:

- before CDP overpayment software is available, start the debt collection process and notify the producer of the overpayment

Note: If the producer refunds the overpayment, then it should be submitted on a manual CCC-257.

- after CDP overpayment software is available, compute and transfer overpayments through the automated software
- if recalculating payment results in CDP payment due the producer, issue the payment.

C State Office Action

State Offices shall ensure that County Offices follow procedure in this notice.