

**APPLICATION OF INSURANCE OFFSETS
FOR GULF COAST DISASTER LOANS**

Report Number: 10-03

Date Issued: October 21, 2009



U.S. Small Business Administration
Office Inspector General

Memorandum

To: Steven Smith, Chief,
Executive Office of Disaster Strategic Planning
and Operations

Date: October 21, 2009

James E. Rivera, Acting Associate Administrator,
Office of Disaster Assistance

John A. Miller
Director, Office of Financial Program Operations

From: /s/ Original Signed
Debra S. Ritt
Assistant Inspector General for Auditing

Subject: Report on the Application of Insurance Offsets for Gulf Coast Disaster Loans
Report No. 10-03

This report presents the results of our audit of the *Small Business Administration's (SBA) Application of Insurance Offsets for Gulf Coast Disaster Loans*. The objective of the audit was to determine whether SBA properly reduced Gulf Coast Hurricanes loan balances to reflect flood and hazard insurance offsets. Under the Stafford Act,¹ Federal agencies administering disaster benefits must ensure that individuals receiving assistance have not already been compensated for their losses from another program, insurance, or any other source.

To determine whether all applicable insurance payments were identified and properly offset against each loan's verified loss, we reviewed a statistical sample of 100, out of 119,162, Gulf Coast Hurricane loans totaling nearly \$6 million that were disbursed between October 2005 and October 2007. We identified flood insurance payments made to the sampled loan recipients based on information reported in the National Flood Insurance Program (NFIP) database. To identify hazard insurance payments, we contacted insurance companies listed in SBA's Disaster Credit Management System electronic loan files, and obtained a summary

¹ P.L. 93-288, as amended, Section 5155.

of hazard insurance recoveries paid by Louisiana Citizens Property Insurance Corporation.²

We interviewed Office of Disaster Assistance (ODA) loan officers and case managers at the Disaster Loan Processing and Disbursement Center in Fort Worth, Texas to obtain an understanding of the insurance offset process that was used prior to loan approval and during loan disbursement. Where insurance payments were noted, we reviewed SBA's computation for determining the size of the loan the borrower was eligible for and considered any error in the computation to be an "offset" error. All insurance payments that were for the same purpose as the disaster loans were considered to be duplicate benefits. We conducted the audit between July 2008 and July 2009 in accordance with *Government Auditing Standards* as prescribed by the Comptroller General of the United States, and included such tests considered necessary to provide reasonable assurance of detecting abuse or illegal acts.

We found that ODA did not correctly identify or offset insurance payments on 21 of the 100 sampled loans, resulting in \$385,610 in offset errors, of which \$314,363 were duplicate benefits. The majority of the errors occurred because loan officers did not check with insurance companies to determine the amount of insurance that had been paid prior to each disbursement, as required. In response to our prior audit, SBA agreed to revise its standard operating procedures to require confirmation of all insurance recovery amounts prior to loan approval and before every disaster loan disbursement.

Additionally, in response to this audit, ODA addressed 19 of the 21 exceptions. We recommended that ODA coordinate with the Office of Financial Assistance (OFA) to resolve the remaining two exceptions. We also recommended that OFA implement procedures at the servicing centers that require a re-verification of insurance recoveries during the servicing of loans. Finally, ODA needs to develop a corrective action plan to identify and address the offset errors present in the universe, but not specifically reviewed in this audit.

BACKGROUND

The 2005 Gulf Coast hurricanes resulted in SBA awarding an unprecedented number of disaster assistance loans to homeowners, renters, businesses and nonprofit organizations to help them repair damages due to wind and extensive

² Louisiana Citizens Property Insurance Corporation is a non-profit insurance corporation created to provide insurance products for residential and commercial property applicants who are in good faith entitled, but unable, to procure insurance through the voluntary insurance marketplace.

flooding. As of July 1, 2009, SBA had disbursed more than 119,000 disaster loans totaling about \$6.6 billion to Gulf Coast disaster victims.

Section 5155 of the Stafford Act requires Federal agencies providing disaster assistance to ensure that businesses and individuals do not receive disaster assistance on losses for which they have already been compensated. Individuals receiving Federal assistance for major disasters are liable to the United States to the extent that such assistance duplicates benefits received for the same purpose. Therefore, borrowers are eligible to receive only disaster loan funds in the amount of their uncompensated losses.

To comply with the Act, Standard Operating Procedure (SOP) 50 30 requires SBA staff to determine the borrower's uncompensated loss, which is the total verified loss due to the disaster, minus any applicable amount for which the borrower has already been compensated.

SBA's Associate Administrator for Disaster Assistance plans, directs, and administers the disaster loan program. Loan approvals and disbursements are processed by the Processing and Disbursement Center (PDC), which reports to ODA. Once a loan has been fully disbursed, the PDC generally transfers the loan file to either the El Paso or Birmingham Loan Servicing Center, according to the borrower's geographic location. Both of the servicing centers are operated by OFA.

In July 2009, we reported that SBA was not adequately monitoring and offsetting loan balances by insurance recoveries associated with disaster loans for the Midwest Floods,³ which resulted in \$126,876 in duplicate benefits. Further, we reported that ODA did not take steps to recover some of the duplicate benefits after it became aware of them. In response to the audit, ODA agreed to revise SOP 50 30 to require a re-verification of all insurance recovery amounts prior to every loan disbursement.

RESULTS

SBA Did Not Always Correctly Account for Insurance Recoveries

SBA did not accurately account for insurance recoveries on 21 loans, which caused offset errors totaling \$385,610.⁴ Of this amount, \$314,363 represents duplicate benefits and \$71,247 represents understated and prior unused eligibility.

³ OIG Report 9-13, *Application of Insurance Offsets on Disaster Loans for the Midwest Floods of 2008*, July 6, 2009.

⁴ The 21 exceptions ranged from \$500 to \$240,709, with 20 of the exceptions equaling \$32,159 or less. As a result, we considered the remaining one exception of \$240,709 to be an outlier, and therefore, excluded that amount in our appraisal of the sample for projection purposes.

Projecting the sample offset errors to the universe of 119,162 loans, we are 95-percent confident that SBA did not appropriately adjust loan eligibility by at least \$80.2 million in insurance recoveries, of which at least \$20.3 million were duplicate benefits.

Sixteen of the 21 exceptions occurred because loan officers did not contact insurance companies to re-verify recovery amounts prior to issuing the final disbursements, as required by SOP 50 30. According to the SOP, a duplication of benefits check must be completed before each disbursement to verify that all grant or insurance recoveries have been addressed. In some cases, ODA accepted verbal confirmation of insurance recoveries from the borrower. In other cases, ODA contacted insurance companies during the disbursement process, but did not re-verify the recovery amounts prior to final loan disbursements. For example:

- ODA identified flood insurance recoveries for real estate totaling \$74,015 on one loan. However, our review of the NFIP database revealed that the actual amount received by the borrower was \$89,016 or \$15,001 more than SBA had identified. The loan file contained no evidence that the case manager verified the actual amount of insurance payments received by the borrower prior to disbursement.
- In another case, ODA obtained verification at loan approval that the borrower's insurance provider paid a \$28,664 recovery. However, we confirmed with the insurance company that the borrower received insurance recoveries totaling \$34,672 prior to the final loan disbursement. This resulted in an offset error in the amount of \$6,008.

The remaining 5 of the 21 offset errors occurred after loan funds were fully disbursed. In two instances, the servicing centers incorrectly determined that the disbursement was not a duplicate benefit. In the other three instances, borrowers did not report additional insurance recoveries received after the final disbursements of their loans, as required by their signed *Assignments of Insurance Proceeds* (AIP). For example:

- In disbursing one loan, ODA verified that the borrower had received \$967,700 in insurance recoveries at the time of final disbursement. However, subsequent to the final disbursement, the borrower received, but did not report, an additional \$240,709, which duplicated the SBA loan proceeds.
- In the remaining two instances a servicing center received insurance recovery checks on fully disbursed loans, but released the checks to the

borrowers after erroneously determining that they were not duplicate benefits.

ODA case managers interviewed told us that they generally did not verify insurance recovery amounts before disbursing funds as it was time consuming to contact insurance companies prior to every disbursement, and waiting for a response could unfairly delay loan disbursements to disaster victims. Further, they believed that the duplication of benefits review called for by the SOP required a check for only FEMA grants that may have been awarded to borrowers. We previously recommended that ODA revise SOP 50 30 to require confirmation of insurance payments prior to loan approval and before the final disbursement.

In response to the prior audit, ODA agreed to revise SOP 50 30 to require a re-verification of all insurance recovery amounts prior to every loan disbursement. To address offset errors present in the universe of existing loans, ODA should develop and implement a plan to identify and correct duplicate benefits. At a minimum, the plan should include steps to identify and review loans that have the greatest chance of unidentified duplicate payments. We believe this action will improve the Agency's ability in the future to identify all insurance recoveries paid to borrowers prior to final loan disbursements. Additionally, SBA may want to consider sending notices to borrowers reminding them of their agreement to notify SBA of insurance payments, which could be another way of ensuring that payments are reported.

Offset errors also occurred because insurance companies ignored SBA's requests to include it as a co-payee on insurance payments, even though the signed *Assignment of Insurance Proceeds* (AIP) gave SBA claim to any insurance proceeds that duplicated benefits received from disaster loans. Although the AIP is forwarded to the insurance company, it is strictly an agreement between SBA and the borrower and does not have to be adhered to by the insurance company. Consequently, SBA was not always notified by the insurance companies when insurance payments were made. Therefore, solely relying on the AIP process is insufficient for identifying insurance payments after loans have been fully disbursed. For this reason, we believe that the servicing centers should also perform a re-verification of insurance payments to identify duplicate benefits as part of its normal servicing activities.

As a result of our audit, the Agency took steps to address \$269,882 of the duplicate benefits involving 19 of the 21 loans by either pursuing collection actions or increasing borrower loan eligibility to absorb the over-disbursed amounts. Additionally, ODA will need to work with OFA to resolve the two remaining exceptions totaling \$44,481 that were disbursed after the loans were transferred to the servicing centers.

RECOMMENDATION

We recommend that the Acting Associate Administrator, Office of Disaster Assistance direct the Processing and Disbursement Center to:

1. Work with OFA to resolve the two over-disbursements totaling \$44,481, of the \$314,363 in over-disbursements identified in this audit, that occurred after the loans were transferred to the servicing centers.
2. Develop a plan to identify and address duplicate benefits present in the remaining universe of Gulf Coast Hurricane Disaster loans. At a minimum, the plan should include steps to identify and review loans that have the greatest chance of unidentified duplicate payments.

We also recommend that the Director, Office of Financial Program Operations (OFPO):

3. Implement procedures at the servicing centers that require a timely re-verification of insurance recoveries during the servicing of loans, preferably between 6-months to 1 year after the file is transferred to servicing.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

On September 11, 2009 we provided the Office of Disaster Assistance (ODA) and the Office of Financial Program Operations (OFPO) with the draft report for comment. On October 15, 2009 ODA and OFPO issued a joint formal response, which is contained in Appendix IV. Management agreed with our findings, concurred with all three recommendations.

Recommendation 1

Management Comments

ODA stated that it has recalled both files from the servicing center and is in the process of resolving the duplication of benefits through potential loss re-verifications.

OIG Response

Management's proposed actions are responsive to the recommendation; however, ODA needs to provide a target date for completing the actions outlined in its response.

Recommendation 2*Management Comments*

ODA concurred with the recommendation, stating it has 332 Gulf Coast loans remaining in the PDC of which 78 are fully disbursed. Management stated that it will review the remaining universe of Gulf Coast loans and confirm insurance recoveries within 45 days of the date of its response to the draft report. Additionally, management stated that as a result of Audit Report 09-13, *Application of Insurance Offsets on Disaster Loans for the Midwest Floods of 2008*, it has undertaken steps to prevent similar issues from occurring in the future by issuing memorandum 09-24. The memorandum emphasizes the need to address insurance recoveries prior to all loan disbursements.

OIG Response

Management's comments are responsive to the recommendation.

Recommendation 3*Management Comments*

OFPO stated that it will work with ODA in determining the universe of loans requiring follow-up for re-verifying insurance recoveries from available DCMS data. It will develop a follow-up procedure based on the universe of loans requiring re-verification. Management proposed a trial project to determine work volume, staffing resources and cost efficiency of contacting all borrowers and insurance companies. Procedures would be coordinated with ODA so that future efforts are not duplicated. OFPO intends to establish a trial project and hire staff to begin the project by March 31, 2010. The project will last six months through September 30, 2010, at which point OFPO will evaluate the results between September 30, 2010 and December 31, 2010. Based on these results, OFPO will determine the appropriate process going forward.

OIG Response

Management's comments are responsive to the recommendation. However, to prevent an unnecessary disruption, we believe that the re-verifications should be continued while the results of the trial project are being evaluated.

ACTIONS REQUIRED

We request that the ODA provide a target date for implementing proposed actions on recommendation 1 by October 30, 2009. We appreciate the courtesies and cooperation of the Office of Disaster Assistance and the Office of Financial Assistance. If you have any questions regarding this report, please contact Craig Hickok, Director, Disaster Assistance Group, at (817) 684-[FOIA ex. 2]

The objective of the audit was to determine whether SBA properly reduced Gulf Coast Hurricanes loan balances to reflect flood and hazard insurance offsets. To address the audit objective, we reviewed a statistical sample of 100 Gulf Coast Hurricane loans totaling nearly \$6 million that were disbursed between October 2005 and October 2007 to determine whether all applicable insurance payments were identified and properly offset against each loan's verified loss. We identified flood insurance payments made to the sampled loan recipients based on information reported in the National Flood Insurance Program (NFIP) database. We identified hazard insurance payments by contacting insurance companies listed in SBA's Disaster Credit Management System electronic loan files, and by obtaining a summary of hazard insurance recoveries paid by Louisiana Citizens Property Insurance Corporation.

We interviewed Office of Disaster Assistance (ODA) loan officers and case managers at the Disaster Loan Processing and Disbursement Center in Fort Worth, Texas to obtain an understanding of the insurance offset process used prior to loan approval and during loan disbursement. Where insurance payments were noted, we reviewed SBA's computation of uncompensated losses and considered any error in the computation to be an "offset" error. All insurance payments that were for the same purpose as the disaster loans were considered to be duplicate benefits. Not all offset errors resulted in a duplication of benefits as some borrowers opted not to receive all loan funds for which they were eligible.

To test the reliability of our universe of Gulf Coast disaster loans, we verified the following data parameters: (1) all loans that had disaster declaration numbers resulting from a Gulf Coast disaster; (2) all loan with approval dates between October 2005 and October 2007; and (3) all loans that had been at least partially disbursed. The audit was performed between July 2008 and July 2009 in accordance with *Government Auditing Standards* as prescribed by the Comptroller General of the United States, and included such tests considered necessary to provide reasonable assurance of detecting abuse or illegal acts.

APPENDIX II. SAMPLING METHODOLOGY

From a population universe of 119,162 Gulf Coast Hurricane disaster loans totaling \$6.5 billion that were disbursed between October 2005 and October 2007, we statistically sampled 100 loans for compliance with duplication of benefits requirements as it pertains to insurance recoveries. Based on a review of 100 Gulf Coast disaster loans, we found 21 exceptions totaling \$385,610 where the agency did not correctly offset insurance payments received by the borrowers to arrive at the uncompensated losses. These exceptions ranged from \$500 to \$240,709, with 20 of the exception amounts equaling \$32,159 or less. As a result, we considered the remaining one exception of \$240,709 to be an outlier, and therefore excluded that amount in our appraisal of the sample for projection purposes.

Projecting the sample offset errors to the universe of 119,162 loans, we are 95-percent confident that SBA did not appropriately adjust loan eligibility by at least \$80.2 million in insurance recoveries, of which at least \$20.3 million were duplicate benefits. A 90-percent confidence level means that there is a 90-percent probability that the actual value is between the lower and upper limits. There is a 5-percent probability that the value lies below the lower limit, and a 5-percent probability that it lies above the upper limit. Thus, we are 95-percent confident that the value is greater than the lower limit.

Offset Errors				
	Occurrence in Sample Loan Disbursements	Population Point Estimate	90-Percent Confidence	
			Lower Limit	Upper Limit
Number	20	23,832	16,288	33,028
Dollars	\$144,901	\$172,666,930	\$80,222,808	\$265,111,051

Duplicate Benefits				
	Occurrence in Sample of 100 Loan Disbursements	Population Point Estimate	90-Percent Confidence	
			Lower Limit	Upper Limit
Number	12	14,299	8,430	22,299
Dollars	\$73,654	\$87,767,579	\$20,264,171	\$155,270,988

APPENDIX III. EXCEPTION LIST

Loan Number	Offset Error	Over Disbursement Amount	Remaining Amount To be Recovered
[FOIA ex. 2]	\$2,450	\$2,450	\$0
[FOIA ex. 2]	\$500	\$0	\$0
[FOIA ex. 2]	\$1,070	\$0	\$0
[FOIA ex. 2]	\$1,719	\$0	\$0
[FOIA ex. 2]	\$15,001	\$6,101	\$0
[FOIA ex. 2]	\$4,525	\$0	\$0
[FOIA ex. 2]	\$1,532	\$1,308	\$0
[FOIA ex. 2]	\$1,212	\$1,258	\$0
[FOIA ex. 2]	\$5,524	\$0	\$0
[FOIA ex. 2]	\$2,575	\$2,052	\$0
[FOIA ex. 2]	\$5,389	\$0	\$0
[FOIA ex. 2]	\$3,734	\$0	\$0
[FOIA ex. 2]	\$11,045	\$4,585	\$0
[FOIA ex. 2]	\$240,709	\$240,709	\$0
[FOIA ex. 2]	\$24,018	\$15,018	\$15,018
[FOIA ex. 2]	\$3,730	\$2,102	\$0
[FOIA ex. 2]	\$6,008	\$5,534	\$0
[FOIA ex. 2]	\$1,705	\$1,783	\$0
[FOIA ex. 2]	\$6,855	\$2,000	\$0
[FOIA ex. 2]	\$32,159	\$29,463	\$29,463
[FOIA ex. 2]	\$14,150	\$0	\$0
TOTAL:	\$385,610	\$314,363	\$44,481

APPENDIX IV. AGENCY COMMENTS

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U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416



Date: October 15, 2009

To: Debra S. Ritt
Assistant Inspector General for Auditing

From: James Rivera [FOIA ex. 6]
Acting Associate Administrator
Office of Disaster Assistance

And: John A. Miller [FOIA ex. 6]
Director, Office of Financial Program Operations

Subject: OIG Draft Report – Application of Insurance Offsets for Gulf Coast
Disaster Loans (Project No. 8303)

We have reviewed the Draft Report regarding the Application of Insurance Offsets for Gulf Coast Disaster Loans. Our response indicates our concurrence with your recommendations. Our comments are noted below:

I. Recommendations and Agency Response

Recommendation # 1: "Work with OFA to resolve the two over-disbursements totaling \$44,481 that occurred after the loans were transferred to the servicing centers."

ODA Response: ODA concurs with this recommendation and has taken the following actions to resolve the two over-disbursements totaling \$44,481.

1. **DCS Loan#** [FOIA ex. 2] - "SBA identified no R/E insurance recoveries, a \$5,258 PP insurance recovery, and a \$9,224 vehicle insurance recovery. By contacting the insurance company, we identified an \$18,758 R/E insurance recovery, a \$10,518 PP insurance recovery, and a \$9,224 vehicle insurance recovery. As a result, the insurance offset was understated by \$24,018."

"The loan did not include vehicle funds, and including the additional PP insurance we identified, the PP portion of the loan would still have been set at the \$40,000 administrative limit. As a result, only the \$18,758 additional R/E insurance recovery we identified affected the disbursed loan amount. Due to a remittance paid by the borrower in response to a state grant, the loan is only over disbursed by \$15,018."

ODA Response: The PDC recalled the file from the Servicing Center and a 14-day letter was sent on August 28, 2009, which prompted the Borrower to send in additional claim settlement information including amounts kept as attorney fees, and additional receipts, on September 10, 2009. PDC is currently re-calculating the DOB and based on the new

APPENDIX IV. AGENCY COMMENTS

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information it appears the actual over disbursed amount will be reduced significantly from what is indicated in the IG analysis. A final statement from the insurance company and a re-verification analysis is pending from PDC Loss Verification Department. Final remittance amounts or increased eligibility are pending.

2. DCS Loan# [FOIA ex. 2] - "SBA identified R/E insurance recoveries of \$24,201 and PP recoveries of \$39,500. By calling the insurance company, we identified R/E recoveries of \$25,377 and PP recoveries of \$25,000. As a result, the insurance offset was overstated by \$13,324. Due to the overstated insurance offset, the borrower was under disbursed by \$13,320 (rounded)."

ODA Response: The PDC informed the OIG that the above analysis only addressed the homeowner's policy and not the additional insurance the borrower received on the flood policy. The combined Flood and Homeowners recoveries for RE and PP indicate the borrower received a total of \$63.6 for PP and \$32.2 after mandatory payoff for RE. As a result, the OIG acknowledged that this file was over disbursed not under disbursed as previously thought. The OIG addressed this in the draft report which states "that the over disbursements occurred when the Servicing Center incorrectly determined that the insurance recovery checks were not duplicate benefits and released the funds to the borrowers." (See page 4 third paragraph)

The PDC recalled the file from the Servicing Center and the Borrower was contacted and stated that the additional funds were used toward the project. Borrower agreed to gather receipts/documentation for additional costs so that file can be re-verified for increase in eligibility. Borrower stated that he used the additional insurance funds to complete the house and replace the furniture. A 14-day letter was sent on September 4, 2009, informing the Borrowers of the over-disbursement and asking for a remittance, or additional receipts to justify increased eligibility. In a follow up call to the 14-day letter, the borrower stated they are gathering receipts to submit in response to the letter. The borrower submitted a detailed breakdown of the insurance settlement on 9/16/09 in response to the 14-day letter. The detailed information submitted by the borrower reduced the over disbursement from \$29,400 to \$1,300. The borrower will provide additional receipts to offset the \$1,300 amount. In the event that the borrower is unable to provide the additional receipts, the borrower understands that the \$1,300 will have to be returned to SBA.

Recommendation #2 "Develop a plan to identify and address duplicate benefits present in the remaining universe of Gulf Coast Hurricane Disaster loans. At a minimum, the plan should include steps to identify and review loans that have the greatest chance of unidentified duplicate payments."

ODA Response: ODA agrees with this recommendation. We currently have 332 Gulf Coast loans remaining in the PDC of which 78 are fully disbursed. Accordingly, within 45 days from the date of this response, the remaining universe of Gulf Coast loans at the PDC will be reviewed and insurance recoveries confirmed.

Additionally, as a result of a previous recommendation contained in Audit Report No. 09-13 entitled "Application of Insurance Offsets on Disaster Loans for the Midwest Floods of 2008", the PDC has undertaken steps to prevent any similar issues from occurring in the future. On August 07, 2009, we implemented changes to SOP 50 30 ¶95 (a) (4) which are outlined in numbered memo 09-24 as follows:

“You must check to determine that all DOBs (e.g. FEMA, state and local grants, insurance, etc.) have been addressed. If you determine a possible DOB exists, forward the case file to loan modification to address any potential DOB. A disbursement may be made with LP concurrence where it is clear that the pending disbursement will not constitute a DOB and the appropriate loan modification will be made after the disbursement. (This policy must be followed prior to all disbursements including full or subsequent final disbursements).

Recommendation #3 “We recommend that the Director, Office of Financial Program Operations implement procedures at the servicing centers that require a timely re-verification of insurance recoveries during the servicing of loans, preferably between 6-months to 1 year after the file is transferred to servicing.”

OFPO Response: The OFPO will work with ODA in determining the universe of loans requiring follow up for re-verifying insurance recoveries from available DCMS data. Based on the universe of loans requiring re-verification of insurance proceeds OFPO will develop a follow-up procedure. OFPO proposes a trial project to determine the work volume, staffing resources and cost efficiency of contacting all the borrowers and insurance companies that the DCMS data would indicate need to be contacted after ODA completes its review and confirmation of insurance recoveries as described above, in its response to Recommendation #2. In addition, procedures would be coordinated with ODA so that future efforts are not duplicated.

OFPO intends to establish the trial project and hire staff to begin the project by March 31, 2010. The project will last approximately 6 months through September 30, 2010. OFPO will evaluate the results between September 30, 2010 and December 31, 2010, and, based upon these results, determine the appropriate process going forward.

II. Draft Report – Technical Corrections

The following comments address inconsistencies with the appropriate titles used in the report

- Page three, paragraph number three in the report refers to the “*Processing and Distribution Center (PDC)*” it should read “*Processing and Disbursement Center (PDC)*”.
- Bullet point number two under the third paragraph on page 4 states “**In the remaining two instances the center received insurance recovery checks.....**” it should be reflected to read “**In the remaining two instances the servicing center received insurance recovery checks.....**”