
DUE TO HURRICANE KATRINA AND RITA, FEMA IS \$18 BILLION IN DEBT



FEMA

The Federal Emergency Management Agency (FEMA) program, nearly 18 billion dollars in debt already, will struggle this year as it attempts to pay out for damages caused by the Mississippi flooding. Normally, FEMA is a self-sustaining program that collects in premiums the amount paid out for damage claims, but this year's natural disasters will force it to pay more than it is receiving. To do this, FEMA will have to borrow from the Treasury Department. This adds to the long-term economic problems that FEMA faces, including legal restrictions on raising insurance premiums to cover its debt. Read the full article here: [National flood insurance \\$18 billion in the red](#)

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