

December 2, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
568 Cannon House Office Building
Washington, D.C. 20515

The Honorable John Thune
Majority Leader
United States Senate SD-511
Washington, D.C. 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

Re: Negative Impact of National Flood Insurance Program Lapse in Authority

Dear Speaker Johnson, Majority Leader Thune, Leader Jeffries, and Leader Schumer,

The undersigned organizations write in strong support of a long-term reauthorization of the National Flood Insurance Program (NFIP). As stakeholders representing real estate, insurance, lending, and state and local governments, we urge Congress to act decisively to ensure stability and certainty for the millions of Americans who rely on this vital program to protect their families and properties from flooding—the nation’s most common and costliest natural disaster.

During the longest shutdown in U.S. history, the NFIP lacked authority to issue new flood insurance policies. According to the National Association of REALTORS®, up to 40,000 home sales were at risk of closing without active flood insurance coverage in Federal Emergency Management Agency (FEMA)-designated high-risk areas¹. Additional sales may have occurred in high-risk areas not yet identified by FEMA, and as mapping projects were paused during the shutdown, many buyers may have been left unaware of potential flood risks. The unavailability of the NFIP for any period of time is highly disruptive to the mortgage and commercial lending processes, to the availability of financial and technical assistance to homeowners of repetitive loss properties, and to NFIP policyholders attempting to renew their expiring policies. During a shutdown, property owners face significant concerns and uncertainty about whether they will be covered if flooding occurs,

¹ See [National Association of REALTORS® “NFIP by the Numbers: The Economic Ripple Effect of a Lapse” \(October 2025\)](#)

particularly during hurricane season and as the winter storm period approaches. Any claims filed during a lapse in NFIP authority can only be paid as long as FEMA has funds available.

While the private market serves as a complement to the NFIP, the NFIP (and accompanying federal rules) still drives the vast majority of policy purchases and many homes that are at risk of flooding remain unprotected². Only about 4% of U.S. homeowners have flood insurance, largely due to the federal mandatory purchase requirement. The NFIP and this mandate were created because most homeowners would not buy flood insurance voluntarily, and the private flood insurers could not sustain a pool made up mostly of the highest-risk properties. Although technology may now enable more precise risk-based pricing, the private insurers cannot guarantee coverage on all high-risk properties across the country at affordable premiums. By statute, without NFIP coverage, there is no federal purchase requirement³, leaving Government Sponsored Enterprises (GSEs) and lenders to decide where flood insurance is required. Further, the private market cannot produce regulatory flood maps, manage floodplains, or fund mitigation assistance—core NFIP functions supported by its policy premiums.

As the federal government has reopened, we urge Congress to include authorization of the NFIP beyond the current fiscal year in future legislative proposals. More importantly, it is time to end the cycle of short-term extensions and program lapses that fuel instability in real estate markets and communities dependent on reliable flood coverage and mitigation support. Bipartisan Congressional advancement of a long-term reauthorization that includes practical reforms will help stabilize housing and insurance markets while risk management technology and capabilities continue to improve.

Bipartisan efforts have already proposed long-term reauthorization packages that included these key provisions:

- **Modernization of FEMA's flood maps** to cover the entire country and account for all types of flooding, including pluvial (rainfall-based) events. Currently, 40% of flood claims occur outside designated high-risk areas⁴.
- **Expansion of mitigation assistance** to help homeowners and communities reduce risk, protect lives, and lower insurance costs. According to the National Institute of Building Sciences, every \$1 invested in mitigation yields \$13 in avoided losses⁵.
- **Cultivation of a public-private partnership** between the NFIP and private flood insurers to expand coverage options and improve affordability, particularly outside high-risk zones⁶.

² See [Fannie Mae's "Consumer Flood Risk Awareness and Insurance Study", December 2023](#)

³ See [42 U.S. Code 4012a \(a\)\(b\)](#)

⁴ See [FloodSmart.gov](#); see e.g., National Flood Insurance Program Reauthorization (NFIP-RE) Act of 2023, S.2142; Flood Mapping Modernization and Homeowner Empowerment Pilot Program Act of 2021, H.R. 3161.

⁵ See [National Institute of Building Sciences, Natural Hazard Mitigation Saves: 2019 Report](#); see, e.g., Sustainable, Affordable, Fair, and Efficient (SAFE) NFIP Act of 2017, H.R. 3285.

⁶ See, e.g., NFIP-RE Act of 2023, *supra* note 4.

We support efforts by the Senate Banking and House Financial Services Committees to find common ground and pass a long-term reauthorization and reform package. We urge all members of Congress with an interest in flood insurance to build on existing consensus and deliver solutions for policyholders and communities. We stand ready to support a broad, bipartisan measure that restores certainty to stakeholders across the country.

Thank you for your leadership and support in advancing a long-term NFIP reauthorization with meaningful reforms. We look forward to working with you and the authorizing committees to break this cycle of lapses and short-term extensions and deliver the certainty that communities and markets need to move forward.

Sincerely,

American Bankers Association
American Land Title Association
Association of State Floodplain Managers
Flood Insurance Producers National Committee
Greater New Orleans, Inc./Coalition for Sustainable Flood Insurance
Independent Insurance Agents and Brokers of America (Big "I")
Insurance Institute for Business and Home Safety
Mortgage Bankers Association
National Association of Flood and Stormwater Management Agencies
National Association of Mutual Insurance Companies
National Association of Professional Insurance Agents
National Flood Association
SmarterSafer Coalition
The Counsel of Insurance Agents and Brokers

cc: Chairs/Ranking Members, House Financial Services and Senate Banking Committees