

How the Federal Government Shutdown Affects the NFIP



As of midnight on September 30, 2025, the authorization of the National Flood Insurance Program (NFIP) has lapsed as part of the government shutdown. Per communications from the Association of State Floodplain Managers (ASFPM), here's what this means for NFIP policyholders and those seeking policies.

In 2023, before a shutdown was narrowly averted, FEMA issued Write Your Own (WYO) [Bulletin W-23012](#), which provided guidance on a potential lapse in the NFIP authority. Since no new guidance has been issued, the Vermont Department of Environmental Conservation assumes this information is still valid. In addition to detailed guidance, the WYO Bulletin also contains a helpful FAQ section and sample letter that could be used to communicate the effects of the lapse in authority with prospective policyholders.

During a lapse in authority, a WYO Company or NFIP Direct may not:

- Issue policies for new business;
- Issue policies for requests to increase or add coverage; or
- Issue renewal notices.

Existing policies that do not expire during the shutdown will still be in effect and claims can be paid out, however with the lapse in authority, thousands of real estate transactions where flood insurance is required could be impacted. A [brief issued by the Congressional Research Service](#) in March noted that during the lapse in June 2010, an estimated 1,400 home sales were canceled or delayed each day, representing over 40,000 sales per month.

If DEC receives additional information or updates from ASFPM about the NFIP amid shutdown, it will share with the listserv.

Source: This article is from an email provided by Tessa Yip, Engagement and Community Support Floodplain Manager with the Vermont Department of Environmental Conservation, on October 2, 2025, to the Vermont Flood Resilience Listserv.

VLCT Addenda

The federal government shutdown does not affect flood coverage provided by PACIF. If you have any affected NFIP coverage, please reach out to Phil Latvis (platvis@vlct.org) or Kelly Knotek f(kknoteck@vlct.org) for assistance.