

FEMA Exercises Borrowing Authority for National Flood Insurance Program

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Follows more than \$10 billion in projected payments related to Hurricanes Helene and Milton

WASHINGTON -- FEMA has exercised its borrowing authority under the [National Flood Insurance Act of 1968](#) to borrow \$2 billion from U.S. Treasury to pay eligible National Flood Insurance Program (NFIP) policyholder claims.

This borrowing action follows payouts in 2024 from several large-scale and back-to-back flooding events. While the NFIP's premiums are usually sufficient to pay claims in years without catastrophic floods, heavy rain events in 2024 --including hurricanes Helene and Milton-- caused massive, widespread damage resulting in tens of thousands of flood insurance claims.

Hurricane Helene has received more than 57,400 flood insurance claims totaling more than \$4.5 billion as of Feb. 6, 2025. Based on data as of Jan. 31, 2025, the estimated range for total losses paid in to the NFIP is between \$6.4 to \$7.4 billion. Hurricane Milton received more than 21,100 flood insurance claims totaling more than \$740 million as of Feb. 6, 2025. The estimated range for losses paid is between \$1.2 to \$2.9 billion based on data as of Jan. 31, 2025.

The NFIP is not designed to pay for multiple catastrophic events in a single year without additional financial assistance. The combined losses from 2024 have depleted the NFIP's funds generated from premiums to pay claims.

FEMA's borrowing authority is \$30.425 billion, of which FEMA has already borrowed \$20.525 billion in the aftermath of hurricanes Katrina, Sandy and Harvey between 2005-2017. The debt is now \$22.525 billion.

“The widespread, devastating flooding following hurricanes Helene and Milton reemphasizes the financial effects flooding can have not just to survivors but also the National Flood Insurance Program. We are strategically utilizing short-term



FEMA

Page 1 of 2

borrowings in 60-day increments, demonstrating our careful and responsible management of the borrowing authority,” said Elizabeth Asche, Ph.D., Senior Executive of the National Flood Insurance Program. “Despite these challenges, the NFIP remains unwavering in its commitment to fully pay every claim and ensure policyholders receive the compensation they are owed for eligible flood-related losses.”

FEMA has always paid its NFIP claims on all eligible losses. Those who take the step to protect their homes and businesses by purchasing flood insurance get paid every dollar they are owed under their flood insurance policies.

Flooding continues to be the costliest and most frequent natural disaster in the United States and flood insurance is still the best way for individual homeowners, renters and businesses to financially protect against future flood losses. The NFIP provides about \$1.3 trillion in coverage to nearly 4.7 million policyholders nationwide.

For more information about the NFIP, visit [Floodsmart.gov](https://www.floodsmart.gov).

