

Suspension

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Definition/Description:

The National Flood Insurance Act of 1968 prohibits FEMA from providing flood insurance in a community unless the community adopts and enforces floodplain management regulations that meet or exceed minimum NFIP criteria. A community can be suspended from the NFIP for failure to adopt compliant floodplain management measures or if it repeals or amends previously compliant floodplain management measures. A community can also be suspended from the NFIP for failure to enforce its floodplain management regulations.

New flood insurance coverage cannot be purchased and policies cannot be renewed in a suspended community. In addition, three-year policies become void at the end of the current policy year with a pro rata refund given for any remaining years of the original three-year policy term.

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NFIP Requirement:

- [59.24 - Suspension of community eligibility.](#)
 - (a) Suspension for Failure to Adopt Regulations
 - (c) - Suspension for Failure to Enforce Regulations

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Guidance:

- [IS-9 Managing Floodplain Development Through The National Flood Insurance Program \(NFIP\) \(page 2-15\)](#)

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Related Keywords:

- [Community Assistance Visit \(CAV\)](#)
- [Community Compliance Program](#)

- [Participation in the NFIP](#)
- [Probation](#)

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Supplemental Information for Suspension

A community that does not join the NFIP, has withdrawn from the program, or is suspended from it, faces the following sanctions:

1. No resident will be able to purchase a flood insurance policy.
2. Existing flood insurance policies will not be renewed.
3. No Federal grants or loans for development may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA;
4. No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood.
5. No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. This includes policies written by FHA, VA, and others.
6. Federally insured or regulated lending institutions, such as banks and credit unions, must notify applicants seeking loans for insurable buildings in flood hazard areas that there is a flood hazard and that the property is not eligible for Federal disaster relief.

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