



FEMA

W-25003

June 3, 2025

MEMORANDUM: Write Your Own (WYO) Principal Coordinators and the National Flood Insurance Program (NFIP) Servicing Agent

FROM:

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Assistant Administrator
Federal Insurance Directorate

SUBJECT: NFIP Program Changes and Updated Guidance Effective
October 1, 2025

This memorandum provides notification of upcoming NFIP program changes and guidance updates to the NFIP Flood Insurance Manual that FEMA will implement for policies effective October 1, 2025. Page numbers appear at the end of each item for ease of reference to the current April 1, 2024, edition of the NFIP Flood Insurance Manual.

I. Program Changes

- **Square Footage:** For all Building Occupancies, 99999 is not a valid value. For Single-Family Homes with square footage greater than 15,000 square feet, the insurer must have documentation in the policy files that supports the building square footage. Page 3.33
- **Machinery and Equipment Above First Floor:** Added guidance to have Machinery and Equipment (M&E) servicing the building, inside or outside the building, elevated to at least within a foot of the elevation of the floor above the building's first floor. Alternately, the M&E may be elevated to the BFE. An EC or other documentation that demonstrates the M&E is at or above the BFE is required. If the building is under construction, the M&E must be permanently installed in its proper location to receive the discount. Page 3.27
- **For a Slab on Grade:** Note: Documentation, such as a photograph, must be in the file to support the M&E discount. Page 3.28

- **Number of Floors in the Building:** For the following Building Occupancies, the insurer must have documentation in the policy file that supports the number of floors if greater than listed below:
 - Single-Family Home and Two-to-Four Family Building, more than 5 floors
 - Residential Manufactured/Mobile Home and Non-Residential Manufactured/Mobile Building, more than 3 floors
 - Other Residential Building, Residential Condo Association, Residential Unit, Non-Residential Building and Non-Residential Unit, more than 100 floors.**Note:** 99999 is not a valid value for the number of floors. Page 3.42
- Changed the email address to FEMA-NFIPCustomerServiceCenterMailbox@fema.dhs.gov for submitting documentation for Non-Residential Floodproofing for Prior Term Refunds and for specific cancellation reasons. Pages 3.32, 4.3, 5.7, 6.7, 6.8, 6.9, 6.14, E.2

II. Flood Insurance Manual Guidance Updates include the following:

Section 1: Introduction

- Added a statement that premiums paid on a Standard Flood Insurance Policy are the funds of the U.S. Treasury. Page 1.1
- General Assistance and inquiries: Removed all references to “Ask the Expert.” Page 1.8

Section 2: Before You Start

- Added guidance to Eligible Types of Building for Manufactured Mobile Home or Manufactured Building or Travel Trailer Without Wheels: A manufactured home or mobile home is not a “modular” building. Modular building construction is regulated by the same local and state rules that apply to site-built buildings. Page 2.10

Section 3: How to Write

- Deleted the structural variable “Number of Detached Structures on Property.” This is not required for rating the policy. Pages 3.2, 3.41, 3.59, 3.63, 3.67, 3.69, and 3.72
- **CRS Class and Discount:** Clarified that any midterm CRS change resulting in a CRS discount adjustment at policy renewal is not subject to the statutory annual increased cap. Page 3.8
- **Residential Manufactured/Mobile Buildings and Non-Residential Manufactured/Mobile Building:** Incorporated additional guidance to indicate a manufactured building or mobile building is not a “modular” building. Modular building construction is regulated by the same local and state rules that apply to site-built buildings. Pages 3.9 and 3.11

- Added guidance to indicate the foundation type must be entered on the application form. Page 3.14
- Updated the note in a. Non-Elevated Building to state “Coverage limitations may apply.” Page 3.15
- Added additional guidance for a stem wall foundation in Table 8. Page 3.16
- Incorporated guidance on how to determine the foundation type of the building in Table 8. Page 3.16
- Inserted a note for elevated buildings that coverage limitations may apply. Page 3.17
- Added additional guidance for elevated buildings with Posts, Piles, or Piers. Page 3.17
- Added guidance to the building indicators for multi-floor buildings in Table 12. Foundation Type – Elevated with Enclosure Not on Posts, Piles, Or Piers (Solid Foundation Walls). Page 3.20
- Added guidance to Table 14. First Floor Height Measurement by Foundation Type indicating when supporting documentation is needed. Pages 3.21 and 3.22
- Elevation Certificate/Land Survey: Added guidance to truncate the elevations used from the Elevation Certificate. 3.23
- Machinery and Equipment Above First Floor: Added solar battery elements to the list of M&E that must be elevated to receive the discount. Page 3.28
- Added guidance for buildings with no M&E. Page 3.28
- Added additional guidance for Non-Residential Floodproofing Discount: If FEMA determines the building is eligible for the discount, it will provide an approved FEMA Adjusted Floor Height for the insurer to report. The insurer would have to endorse the policy to reflect the floodproofing indicator, the FEMA Adjusted Floor Height, and any applicable premium changes. Page 3.32
- Building Replacement Cost Value (BRCV): Updated the guidance to require the insurer to obtain the BRCV for certain policies prior to sending the Renewal Notice. Pages 3.34 and 3.35
- Newly Mapped Discount: Removed the third question that was on the application, “Is the policy eligible for Newly Mapped Discount?” This question is removed from the Application Form; the insurer is responsible for verifying eligibility. Page 3.52
- Updated the documentation guidance for New Policy After a Real Estate Transaction to instruct the insurer to maintain legal documentation. Page 3.53
- Added an explanation of a “bound” premium. Page 3.57
- Corrected the Table number for Assessment Coverage. Page 3.64

Section 4: How to Endorse

- Added guidance to explain that, when canceling and rewriting a policy, the annual premium, premium rate, and discount amounts are subject to change. Page 4.1
- Revised the guidance for Refunds – Prior Term Refunds (PTRs). Page 4.3
- Table 7. Examples of Other Premium Bearing Endorsements, Increasing Coverage: Updated Endorsement Scenario Increasing Coverage to include Adding or Increasing Coverage. Page 4.14

Section 5: How to Renew

- Table 1. General Renewal Information: Added information regarding the Annual Premium Amount. Page 5.1

Section 6: How to Cancel

- Cancellation Reason Code 03 Establish a Common Expiration Date: Updated the conditions to include that the new policy must be written with the current term. Page 6.4
- Cancellation Reason Code 26 Duplicate policy from source other than NFIP: Updated the request submission time frame from 30 to 90 days and added that the effective date of the non-NFIP flood policy must be within 30 days of the effective date of the NFIP policy. Page 6.7
- Cancellation Reason Code 22 Cancel and rewrite due to administrative errors: Removed rating correction as a reason to cancel and rewrite a policy. Page 6.13
- Revised the guidance for Premium Refunds. Page 6.14

Appendix B: Forms

- Flood Insurance Application Changes. Pages B.1 and B.2
 - Additions:
 - > Payment Plan under Renewal Bill
 - > Name and Address of the First Mortgagee: added the phone number and email address.
 - Deletions:
 - > Is the Property Location the Same as the Policyholder Mailing Address?
 - > Latitude and Longitude (Optional): Datum: WG64 NAD83
Latitude: _____ Longitude: _____
 - > Building Occupancy List
 - > Building Description List
 - > Foundation Type List
 - > Construction Type List

- > Number of Detached Structures on Property
- > If using Section C and If using section E.
- > DISCOUNTS: Deleted the third Newly Mapped question only
- Updated:
 - > Flood Insurance Application Form Privacy Act Notice, Consequences of Failure to Provide Information and the Paperwork Reduction Act Notice. Page B.3
 - > Flood Insurance General Change Endorsement Form. Page B.5
 - > NFIP Flood Insurance Cancellation/Nullification Request Form. Page B.7

Appendix C: Quick Start Guide

- Updated the guidance to state that the M&E must be elevated to at least within a foot of the elevation of the floor above the building's first floor. Alternately, the M&E may be elevated to the BFE. An EC or other documentation that demonstrates the M&E is at or above the BFE is required. If the building is under construction, the M&E must be permanently installed in its proper location to receive the discount. Page C.5
- Added solar battery elements to the list of M&E that must be elevated to receive the discount if the policyholder purchased building-only coverage. Page C.5
- Square Footage: For all Building Occupancies, 99999 is not a valid value. For Single-Family Homes with square footage greater than 15,000 square feet, the insurer must confirm this value in the underwriting file. Page C.6
- Expanded the guidance for Number of Floors in Building to state that 99999 is not a valid value and, for the following Building Occupancies, the insurer must document in the underwriting file if the building has more floors than listed below:
 - Single-Family Home and Two-to-Four Family Building, more than 5 floors
 - Residential Manufactured/Mobile Home, Non-Residential Manufactured/Mobile Building, more than 3 floors
 - Other Residential Buildings, Residential Condo Association, Residential Unit, Non-Residential Building and Non-Residential Unit, more than 100 floors. Page C.6

Appendix E: Coastal Barrier Resources System

- Updated eligibility guidance based on the BEACH Act. Page E.3

Appendix H: Claims

- Added guidance for the assignment of ICC claims. Page H.4

Appendix I: Policyholder Communications

- Updated the guidance for Building Replacement Cost Value (BRCV): Updated the Notice to request that the insurer obtains the updated BRCV prior to sending the Renewal Notice. Page I.1
- Declaration Pages:
 - Updated ID 15 Coverage Limitation to be always shown and clarified that the purpose is to inform the policyholder to refer to the Policy Form regarding coverage limitations. Page I.15
 - Added a new ID 16 for Coinsurance Penalty message to be applied to all RCBAP policies to notify the policyholder that a Coinsurance penalty may apply. Pages I.10 and I.15
 - Provided the guidance and language for the Declaration page for ID 21 Community Rating System Discount (CRS) if the policy is not eligible or is not receiving the full CRS discount. Page I.16
 - ID 41: Incorporated additional information for the insurer. Page I.20
 - ID 45 Prior NFIP Claims: Added guidance to display for any value listed that Prior Claims are counted from April 1, 2023, and after. Page I.21
 - ID 49 Clear Communication of Risk: Revised to provide guidance to the policyholder to keep their policy information up to date and accurate, and to provide contact information for changes. Pages I.5, I.7, I.9, and I.22
- Building Replacement Cost Value Update Notices:
 - Updated the BRCV Overview to instruct the insurer to obtain the replacement cost value prior to sending the renewal Notice. Page I.23
 - Updated the Sample BRCV Notifications for Other Residential Building, Non-Residential Building, Non-Residential, and the Residential Condominium Building Association Policy (RCBAP) Notification to include the request for the BRCV prior to the upcoming renewal. Pages I.24 and I.25

Appendix J: Sample Scenarios

- Removed all references to Number of Detached Structures on Property. Pages J.2–J.8

Appendix L: Definitions and Acronyms

- Updated the definition of Building to clarify that a manufactured building or mobile building is not a “modular” building. Page L.1
- Updated the definition of Non-Residential Manufactured/Mobile Building and Residential Manufacture Mobile Home to clarify that a manufactured home or mobile home/building is not a “modular” building. Page L.7

III. Next Steps

Please refer to the attachments for additional information. FEMA will update guidance in the next NFIP Flood Insurance Manual (scheduled for October 2025) to reflect these changes.

Please direct any questions regarding these changes to

NFIPUnderwritingMailbox@fema.dhs.gov.

Attachments: A–M

cc: Vendors, IBHS, FIPNC, Government Technical Representative

Required Routing: Accounting, Claims, Data Processing, Marketing, Underwriting