

Government Shutdown Risks 3,600 Daily Home Closings Across America as NFIP Suspends Operations

New Analysis Reveals \$1.6 Billion in Daily Real Estate Transactions Frozen, With Nearly 40% of National Housing Market Now Affected.

NY, UNITED STATES, October 14, 2025 /EINPresswire.com/ -- The current government shutdown has suspended the National Flood Insurance Program (NFIP), disrupting 3,619 home closings daily across the United States and freezing \$1.6 billion in daily real estate transactions while affecting nearly 40% of the national housing market, according to a comprehensive analysis of county-level housing data released by [HomeAbroad](#).



The analysis, which examined data from 633 counties nationwide, reveals that 108,092 monthly home closings are now at risk, representing \$47.5 billion in monthly transaction volume based on current median home prices of \$439,278. This marks the largest disruption to the U.S. housing market from a single policy intervention in recent history.

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8 States See Over 50% of Home Sales Halted

Maryland leads the crisis with 63.8% of all home sales disrupted, followed by Virginia (61.1%), New Jersey (57.0%), South Carolina (57.6%), Florida (54.3%), Massachusetts (54.8%), and Georgia (53.8%).

The geographic concentration is severe: Florida's 534

frozen daily closings exceed the next four states combined, while the top five states (Florida,

Texas (329), California (228), North Carolina (204), and Virginia (175)) represent 40.6% of nationwide impact.

47 Counties Show 75%+ NFIP Dependency

Extreme vulnerability appears in 47 counties where over 75% of home sales require flood insurance. Fairfax County, Virginia, tops the list with 140% NFIP penetration (37 daily closings frozen), followed by Morris County, New Jersey at 133% (17 daily closings), and Miami-Dade County at 76.3% (50 daily closings).

Major metropolitan areas reveal surprising flood insurance dependency rates: Philadelphia County (70.9%), Los Angeles County (36.1%), Cook County/Chicago (32.4%), and Maricopa County/Phoenix (34.3%), demonstrating reach far beyond coastal flood plains.

"The shutdown isn't just hitting beachfront properties, it's paralyzing transactions in Phoenix, Chicago, and other inland markets buyers never expected," said Amresh Singh, Founder and CEO of HomeAbroad. "Buyers under contract must immediately explore portfolio lenders who don't require NFIP coverage or private flood insurance alternatives. Sellers should pivot to cash buyers or offer seller financing. With each passing day meaning 3,600 failed closings, waiting isn't an option."

\$55 Billion at Risk if Shutdown Matches 35-Day 2018-2019 Record

Historical precedent amplifies concerns: the longest federal shutdown lasted 35 days (December 2018-January 2019). A similar duration today would stall 126,000+ home closings worth over \$55 billion.

The escalating daily impact model shows:

1 Week: 25,333 closings, \$11.13 billion frozen

2 Weeks: 50,658 closings, \$22.27 billion frozen

1 Month: 108,570 closings, \$47.68 billion frozen

2 Months: 217,140 closings, \$95.36 billion frozen

45% Average NFIP Penetration Reveals Nationwide Vulnerability

The analysis uncovered an average 45% NFIP penetration rate across all 633 analyzed counties (nearly half of all transactions) exposing broader market vulnerability than previously understood. Even traditionally "safe" inland markets show significant exposure, with 13 states

experiencing 100+ daily closing disruptions.

"This data reveals a hidden dependency most investors never calculated into their risk models," explained Debjit Saha, Co-Founder and Investment Expert at HomeAbroad. "Smart money is already pivoting, cash buyers are negotiating 5-10% discounts on stalled deals, while sellers with failed contracts are offering creative financing. Private flood insurance costs 20-40% more but keeps deals alive. Investors should map their portfolio's NFIP exposure immediately and prepare for extended market disruption."

Methodology:

Analysis combined August 2025 Redfin home sales data with FEMA's OpenFEMA NFIP residential penetration rates. Counties with fewer than 101 monthly sales were excluded for statistical reliability. Economic impact calculated using Redfin's August 2025 median home price of \$439,278.

About HomeAbroad

HomeAbroad is a FinTech real estate investment platform simplifying U.S. property purchases for international buyers. Founded in 2022 by CEO Amresh Singh and CTO Debjit Saha, the company specializes in [AI-powered investment property search](#) and tailored [foreign national mortgages for global investors](#), addressing challenges like no U.S. credit history or residency requirements.

With over 500 expert U.S. real estate agents, HomeAbroad's comprehensive concierge services include LLC formation, U.S. bank account setup, property insurance, property management, mortgage qualification and processing, and ongoing investment support, empowering global investors with the tools and expertise needed for U.S. real estate market success.

Full analysis and data: <https://homeabroadinc.com/govt-shutdown-home-sales-impact-statistics/>

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