

THDA LENDER NOTICE: #2025-26

September 30, 2025

SUBJECT: Potential Federal Government Shut Down October 1st

A possible federal government shutdown may have effects on the mortgage loan closing process through THDA. While THDA's mortgage program is not directly affected by a shutdown, the following provides expected impacts in the overall mortgage loan process if a shutdown occurs on October 1, 2025.

Flood Insurance

- The National Flood Insurance Program (NFIP) is set to expire at 11:59 p.m. ET on September 30, 2025. Without reauthorization, FEMA cannot issue new flood insurance policies. During the shutdown, THDA will adhere to agency guidelines applicable during this period, however, loan closings may be delayed.

FHA/VA Loans

- Closings are expected to proceed as usual.
- Access to the FHA Connection and VA systems will remain available.
- However, reduced staffing could create some delays.

Freddie Mac Loans

- Closings are also expected to continue without interruption.

USDA/RHS Guarantee Loans

- THDA will be unable to commit on loans in the absence of the Conditional Commitment, loan closings may be delayed.

Housing Education and Counseling

- Housing Education and Counseling Services are expected to operate as normal.

Federal Employee Borrowers Verification of Employment (VOE)

- Federal employee borrowers may have delayed closings.

Federal Tax Transcripts and Social Security Validation

- Tax transcript request and income verifications will likely face significant delays, plan for extended turnaround times on 4506-T requests.
- If required by underwriting or as an AUS finding, federal tax transcripts and social security number validation must be provided prior to loan closing or purchase.

Social Security and Veterans Benefits

- Benefits will continue and be paid as scheduled, however, plan for customer service delays for additional verification processes.