



## ***Announcement 36-17W***

### ***Guideline Updates and Changes***

Effective immediately on all loans:

The following areas of Mortgage Solutions' guidelines have been updated.

## **CONVENTIONAL**

### **Disaster Areas**

- Any property area located in a FEMA declared disaster area requiring individual assistance or as determined by MSF
  - Specific property search see <http://www.disasterassistance.gov/>
- The disaster policy should be followed during an ongoing disaster and up to 90 days from the FEMA declaration date
- Properties with an appraisal effective date after the date of the disaster require no further documentation
- Properties with an appraisal effective date prior to the date of the disaster, appraiser to provide a 2075 drive-by, 1004D update/completion report, or Disaster Inspection Report, or Disaster Area inspection prepared by a certified appraiser to verify home is not affected
- The inspection report must, at a minimum, include:
  - Disaster Type
  - Loan Number
  - Borrower Name
  - Property Street Address, County, City, State, and Zip
  - Date of Certification
  - Order Number
  - Name of person Inspecting
  - Signature
  - License number of appraiser/inspector
  - Address the specific disaster and indicate any apparent damage
- The inspector must indicate whether:
  - He or she was able to view the property
  - Property has obvious damage that is visible as viewed from the street
  - There are damaged properties on the street/neighborhood
  - There is roof damage there is structural damage
- Any damage that affects health, safety, habitability, soundness, or structural integrity must be repaired and a new full appraisal will be required
- The following photo requirements apply to all disaster inspection types:
  - Front of subject
  - Address verification (house number and street sign)
  - Subject property visible damage
  - Street scene

- For condos, a photo of the lobby is required in addition to a photo of the building. If the inspector cannot enter the building for any reason (such as, safety, extensive damage, etc.), other options are available in lieu of a photo of the lobby. The inspector may take a photo of the lobby through the front window or take a photo of the lobby from as close as possible. If these options are not available, the inspector can comment about what is visible from the outside of the building and whether it was likely that any damage may have occurred to the interior.
- Disaster inspections are not required for DU Refi Plus and LP Open Access transactions
- Property Inspection Waiver (PIW) is not eligible in disaster-impacted areas
  - If a FEMA disaster is declared after the loan has closed with a PUW, one of the above-listed exterior inspection documents is required
- If multiple disasters have occurred the inspection must be dated after the most recent event
- Obtain an updated Certificate of Insurance to ensure coverage is:
  - Adequate to protect against future loss to property, and
  - Obtained or maintained with respect to affected property

## FHA

### Disaster Areas

- Any property area located in a FEMA declared disaster area requiring individual assistance or as determined by MSF
  - Specific property search see <http://www.disasterassistance.gov/>
- The disaster policy should be followed during an ongoing disaster and up to 90 days from the FEMA declaration date
- Properties with an appraisal effective date after the date of the disaster require no further documentation
- Properties with an appraisal effective date prior to the date of the disaster, appraiser to provide a 1004D update report, prepared by a certified FHA Roster Appraiser to verify home is not affected
- The inspection report must, at a minimum, include:
  - Disaster Type
  - Loan Number
  - Borrower Name
  - Property Street Address, County, City, State, and Zip
  - Date of Certification
  - Order Number
  - Name of person inspecting
  - Signature
  - License number of appraiser/inspector
  - Address the specific disaster and indicate any apparent damage
- The inspector must indicate whether:
  - He or she was able to view the property
  - Property has obvious damage that is visible as viewed from the street
  - There are damaged properties on the street/neighborhood
  - There is roof damage there is structural damage
- Any damage identified during a disaster inspection:
  - Appraiser must provide a damage inspection report with interior and exterior photos
  - New appraisal is required supporting loan amount if value has declined since effective date of original appraisal
- The following photo requirements apply to all disaster inspection types:
  - Front of subject
  - Address verification (house number and street sign)
  - Subject property visible damage
  - Street scene

- For condos, a photo of the lobby is required in addition to a photo of the building. If the inspector cannot enter the building for any reason (such as, safety, extensive damage, etc.), other options are available in lieu of a photo of the lobby. The inspector may take a photo of the lobby through the front window or take a photo of the lobby from as close as possible. If these options are not available, the inspector can comment about what is visible from the outside of the building and whether it was likely that any damage may have occurred to the interior.
- If multiple disasters have occurred the inspection must be dated after the most recent event
- Obtain an updated Certificate of Insurance to ensure coverage is:
  - Adequate to protect against future loss to property, and
  - Obtained or maintained with respect to affected property
- Disaster inspections are not required on new FHA transactions endorsed by FHA prior to the disaster date
- Disaster inspections are not required for FHA Streamline without Appraisal transactions

## VA

### Disaster Areas

- Any property area located in a FEMA declared disaster area requiring individual assistance or as determined by MSF
  - Specific property search see <http://www.disasterassistance.gov/>
- The disaster policy should be followed during an ongoing disaster and up to 90 days from the FEMA declaration date
- Properties with an appraisal effective date after the date of the disaster require no further documentation
- Properties with an appraisal effective date prior to the date of the disaster, appraiser to provide a 2075 drive-by, 1004D update/completion report, or Disaster Inspection Report, or Disaster Area inspection prepared by a certified appraiser to verify home is not affected
- The inspection report must, at a minimum, include:
  - Disaster Type
  - Loan Number
  - Borrower Name
  - Property Street Address, County, City, State, and Zip
  - Date of Certification
  - Order Number
  - Name of person Inspecting
  - Signature
  - License number of appraiser/inspector
  - Address the specific disaster and indicate any apparent damage
- The inspector must indicate whether:
  - He or she was able to view the property
  - Property has obvious damage that is visible as viewed from the street
  - There are damaged properties on the street/neighborhood
  - There is roof damage there is structural damage
- Any damage that affects health, safety, habitability, soundness, or structural integrity must be repaired and a new full appraisal will be required
- The following photo requirements apply to all disaster inspection types:
  - Front of subject
  - Address verification (house number and street sign)
  - Subject property visible damage
  - Street scene
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window or take a photo of the lobby from as close as possible. If these options are not available, the inspector can comment about what is visible from the outside of the building and whether it was likely that any damage may have occurred to the interior.

- If multiple disasters have occurred the inspection must be dated after the most recent event
- Obtain an updated Certificate of Insurance to ensure coverage is:
  - Adequate to protect against future loss to property, and
  - Obtained or maintained with respect to affected property

## USDA

- Any property area located in a FEMA declared disaster area requiring individual assistance or as determined by MSF
  - Specific property search see <http://www.disasterassistance.gov/>
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- Properties with an appraisal effective date after the date of the disaster require no further documentation
- Properties with an appraisal effective date prior to the date of the disaster, appraiser to provide a 2075 drive-by, 1004D update/completion report, or Disaster Inspection Report, or Disaster Area inspection prepared by a certified appraiser to verify home is not affected
- The inspection report must, at a minimum, include:
  - Disaster Type
  - Loan Number
  - Borrower Name
  - Property Street Address, County, City, State, and Zip
  - Date of Certification
  - Order Number
  - Name of person inspecting
  - Signature
  - License number of appraiser/inspector
  - Address the specific disaster and indicate any apparent damage
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- Obtain an updated Certificate of Insurance to ensure coverage is:
  - Adequate to protect against future loss to property, and
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