

# Disaster Requirements

- Properties located in counties on the Disaster County List must comply with the published Disaster Policy.
- Disaster requirements apply to those areas listed by FEMA as eligible for individual assistance.
- Depending upon the severity of the disaster, GHMC may apply these requirements to areas designated by FEMA for public assistance, or to areas determined by GHMC to be at risk of damage from approaching storms, floods, fires, or other threatening conditions.
- GHMC will make every effort to include disaster-related conditions at the time of underwriting, but may not always be aware of regional or local conditions.
- It is the Broker/NDL Lender's responsibility to be aware of local conditions, monitor FEMA-declared disasters.
- The GHMC Disaster List should not be considered the sole source for full appraisal or disaster inspection ordering criteria.
- The Broker/NDL Lender is responsible for satisfying all disaster requirements prior to closing/funding, even in the absence of such underwriting conditions.
- The requirements in the sections below apply to all loans on the Disaster County List that are not yet closed and to NDL loans not yet purchased.
- Refer to the applicable loan type for full requirements.

## a. CONVENTIONAL (CONFORMING AND JUMBO PRODUCTS):

### APPRAISAL WAIVER (DU & LPA CONFORMING ONLY)

- If the most recent AUS submission permitting/offering an appraisal waiver is dated after the FEMA incident end date, but not 90 days after the FEMA incident end date, a disaster inspection is required.
- If the most recent AUS submission permitting/offering an Appraisal Waiver is dated 90 days after the FEMA incident end date, no further action is required.

### FULL APPRAISAL OR 2055 (CONFORMING ONLY) APPRAISAL

- A disaster inspection is required if the appraisal was performed on/before the FEMA incident end date.
- If the appraisal was performed after the FEMA incident end date, an inspection is not required.

### INSPECTION REQUIREMENTS

- An exterior inspection is required and must include photos to verify that the property is undamaged.

### CONFORMING PRODUCTS

- The inspection should be performed by the original appraiser when possible, or it may be performed by another licensed appraiser, licensed property inspector, or nationally recognized field company.



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- A specific report number is not required for the initial disaster inspection as long as the requirements are met.
- If the damage is noted by the inspection, Form 1004D/442 "Appraisal Update and/or Completion Report" is required to support restoration to the pre-disaster condition.
- The inspection must be completed by a licensed appraiser.

## NON-CONFORMING JUMBO PRODUCT

- Appraisal completed on or before the incident end date.
- **One of the following is required:**
  - 1004D/442: Inspection must be performed by the original appraiser, or
  - 1004D/442 or other post-disaster inspection report: Inspection may be performed by another licensed appraiser or a licensed property inspection company. **If damage is noted on this inspection, the following is also required:**
    - Form 1004D/442 "Appraisal Update and/or Completion Report" completed by the original appraiser supporting restoration to the pre-disaster condition with photos of the interior, exterior and neighborhood.
    - The inspection must be dated after the FEMA incident end date.
    - Appraisal completed within 90 days after the incident end date.
    - The appraiser must include a statement in the appraisal certifying that the property is free from damage and the disaster had no effect on value or marketability.

## b. FHA:

### FULL APPRAISAL

- A disaster inspection is required if the appraisal was performed on/before the FEMA incident end date.
- If the appraisal was performed after the FEMA incident end date, an inspection is not required.

### FHA DAMAGE INSPECTION REPORT (FOR ALL FHA TRANSACTIONS, EXCLUDING STREAMLINES)

- An on-site inspection by the original appraiser is required. The inspection must include interior/exterior photos, a statement as to dwelling habitability, and a statement as to whether sustained damages are below \$5,000, or \$5,000 or greater.
- If the original appraiser is not available, another FHA Roster Appraiser with competence in the affected market may be used, and must be provided with a complete copy of the original appraisal.
- A specific report number is not required for the initial disaster inspection as long as the requirements are met.
- Inspection must be dated after the incident end date, or
- 14 days from the incident begin date, whichever date is earlier.
- If the appraisal is dated on or after the date that is required for an inspection, a separate inspection is not required.



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# Disaster Requirements

## FOR DAMAGE LESS THAN \$5,000

- The appraiser must indicate if the property is habitable and provide an itemized repair cost estimate.
- Repairs must be completed by a licensed contractor or per jurisdictional requirements.
- An escrow holdback may be established for the repairs if the appraiser has indicated the home is habitable.
- If the appraiser indicates the home is not habitable, a satisfactory final inspection on Form 1004D/442 "Appraisal Update and/or Completion Report" with interior/exterior photographs is required prior to closing/purchase supporting all repairs were completed.

## FOR DAMAGE OF \$5,000 OR GREATER

- The appraiser must provide an itemized repair cost estimate.
- Repairs must be completed by a licensed contractor or per jurisdictional requirements.
- FHA requires that repairs be completed prior to closing/purchase (EMB only).
- A satisfactory final inspection on Form 1004D/442 "Appraisal Update and/or Completion Report" with interior/exterior photographs is required prior to closing/purchase supporting all repairs were completed and that the property has been restored to pre-loss condition.
- If the market value has declined since the effective date of the original appraisal, a new FHA appraisal that supports the loan amount is required prior to closing.
- FHA does not require that the appraiser or inspector ensure that all utilities are on at the time of the inspection if they have not yet been restored for the area.

## STREAMLINE REFINANCE

- A disaster inspection is required if the initial application is dated on/before 90 days after the FEMA incident end date.
- If the initial application is dated 90 days after the FEMA incident end date, an inspection is not required.

## STREAMLINE DISASTER INSPECTION REQUIREMENTS

- An exterior inspection is required and must include photos to verify that the property is undamaged.
- The inspection should be performed by a licensed appraiser, licensed property inspector, or nationally recognized field company.
- If the damage is noted by the inspection, a satisfactory repair inspection is required.
- Repair inspection must support all damage has been repaired.

## c. USDA:

- Refer to the Conventional Full Appraisal section above for requirements.



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# Disaster Requirements

## d. VA:

### FULL APPRAISAL

- A disaster inspection is required if the appraisal was performed on/before the FEMA incident end date.
- If the appraisal was performed after the FEMA incident end date, an inspection is not required.

### INSPECTION REQUIREMENTS

- An exterior inspection is required and must include photos to verify that the property is undamaged.
- The inspection should be performed by the original appraiser when possible, or it may be performed by another licensed appraiser, licensed property inspector, or nationally recognized field company.
- A specific report number is not required for the initial disaster inspection as long as the requirements are met.
- If the damage is noted by the inspection, Form 1004D/442 "Appraisal Update and/or Completion Report" is required to support restoration to the pre-disaster condition.
- The inspection must be completed by a licensed appraiser.

### IRRRL

- A disaster inspection is required if the initial application is dated on/before 90 days after the FEMA incident end date.
- If the initial application is dated 90 days after the FEMA incident end date, an inspection is not required.

### ADDITIONAL VA REQUIREMENTS FOR ALL VA LOANS

- All borrowers must sign and date a "Veteran Certification" form at closing if the appraisal is dated prior to the FEMA incident end date.
- The "Lender Certification" form must be completed and the VA Loan Summary must state "Lender and Veteran Disaster Certifications Enclosed."

### FOR ALL VA TRANSACTIONS WITH AN APPRAISAL

- If there is any indication that the market value has declined since the effective date of the original appraisal, the original VA appraiser must update the original value estimate.

## e. PAYMENT FOR DAMAGE AND REPAIR INSPECTION REPORTS:

- Please refer to the TRID, MDIA and LO Compensation Procedures for information regarding fees, re-disclosure, waiting periods and changed circumstances.

### FOR VA TRANSACTIONS

- Refer to Veteran's Affairs Policy for additional restrictions.



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