



DISASTER REQUIREMENTS

FCM TPO Disaster Policy is initiated when a Federal Emergency Management Agency (FEMA) Presidentially Declared Major Disaster Area is issued in response to a natural disaster event, such as, but not limited to, a hurricane, tornado, wildfire, or flood that caused widespread damage and disruption to a designated geographic location(s). This policy is in line with our commitment to maintaining compliance and safety of properties in disaster-affected areas. These requirements apply to all regions designated by FEMA as eligible for individual assistance.

A FEMA Disaster Notification with the affected counties will be published by FEMA at [Disasters and Other Declarations | FEMA.gov](https://www.fema.gov/disasters)

FCM TPO will make every effort to account for disaster-related conditions during underwriting; however, we may not always have full awareness of regional or local conditions at that time.

It is the Broker and Non-Delegated Correspondent (NDC) responsibility to be aware of potentially impacted geographic areas and to monitor FEMA emergency and major disaster declarations.

Once FEMA declares a disaster and the impacted ZIP code(s) is released, FCM TPO will add a prior-to-close condition for all loans identified by FEMA as affected. This applies to all loans in FCM's active underwriting pipeline that have not yet closed and/or been funded. The Underwriter will then issue an updated Underwriting Decision.

FCM Non-Delegated Correspondents are responsible for meeting all disaster requirements for loans that have not yet been purchased, even if these conditions were not specified during underwriting.

Definitions:

- Declaration Date: The date in which the President declares an area a FEMA Major Disaster Declaration and individual aid has been made available.
- Incident Period: The Incident Period is the time interval during which the disaster-causing incident occurs.
- Impact Period: The property is considered potentially impacted 90 days from the Incident Period END date or date to which FEMA may extend the expiration of the disaster.

Refer to the applicable loan type for full requirements.

a. All Product:

A Disaster Area Inspection Report (DAIR), including photos is required to confirm that the property did not sustain damage or was minor cosmetic damage only. The appraiser must include a comment if the disaster is such that the interior of the property may have sustained damage. Condominiums also require lobby and front of building photos – lobby pictures taken through window is acceptable if lobby is not accessible due to security.

If damage is observed during the inspection, an 'Appraisal Update and/or Completion Report' (Form 1004D/442) with both interior and exterior inspections, including photos, is required.

This inspection must confirm that all damage has been repaired and that the property has returned to its pre-disaster condition or improved.

The inspection should be performed by the original appraiser when possible, or it may be performed by another licensed appraiser or a licensed property inspector if the original appraiser is not available.

FHA appraisals require the original FHA Roster appraiser; however, in the event the original appraiser is not available, another FHA Roster appraiser is required.



b. CONVENTIONAL (CONFORMING AND JUMBO PRODUCTS):

FULL APPRAISAL

Appraisal completed on or before the FEMA incident end date:

- DAIR is required

Appraisal completed after the FEMA incident **start** date and before the incident end date:

- DAIR, is not required. However, the appraiser must include a statement in the appraisal certifying that the property is free from damage and the disaster(s) had no effect on value or marketability.

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.

APPRAISAL WAIVER (DU & LPA CONFORMING ONLY)

Loans with a Note Date on or After the Incident Period End Date where the Note Date is on or within 90 days after the Incident End Date where the AUS submission permits an appraisal waiver a DAIR is required.

If the most recent AUS submission permitting an Appraisal Waiver is dated 90 days after the FEMA incident end date, no further action is required.

NON-CONFORMING JUMBO PRODUCT

If the appraisal was completed on or before the incident end date, a DAIR is required. The Inspection may be performed by another licensed appraiser or a licensed property inspection company.

The inspection must be dated after the FEMA incident end date.

INSPECTION REQUIREMENTS IF PROPERTY HAS SUSTAINED DAMAGE

A 1004D/442 is required and must include interior, exterior, and neighborhood photos, as appropriate to verify that the property damage has been completed and property is restored to its pre-disaster condition.

c. FHA

FULL APPRAISAL

Appraisal was completed on or before the FEMA incident end date or within 14 calendar days from the Incident Begin Date, whichever is earlier:

- A DAIR is required

Appraisal was completed after the FEMA incident end date:

- An inspection is not required.

The DAIR report must include a statement as to dwelling habitability, and a statement as to whether sustained damages are below \$5,000, or greater.

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 as per jurisdictional requirements.

If the appraiser indicates the home is not habitable, a satisfactory final inspection on Form 1004D/442 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 as per jurisdictional requirements. FHA requires that repairs be completed prior to closing or purchase.

A satisfactory final inspection on Form 1004D/442 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

The initial application is dated on or before 90 days after the FEMA incident end date:

- A DAIR is required

The initial application is dated 90 days after the FEMA incident end date:

- An inspection is not required

d. USDA

Refer to the Conventional Full Appraisal section above for requirements.

e. VA

FULL APPRAISAL

Appraisal was performed on/before the FEMA incident end date:

- A DAIR report is required. Post disaster photographs must clearly demonstrate that the property has not been adversely affected by the disaster. The inspector's commentary supporting that there has been no material damage to the property improvement must be included in the report.

If the appraisal was performed after the FEMA incident end date:

- An inspection is not required.

IRRL

If the initial application is dated on or before 90 days after the FEMA incident end date:

- A DAIR is required

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

If the property was appraised **on or before** the date of the declared disaster and not closed prior to that date, the following document must be executed by both the FCM and the Veteran.

All borrowers must sign and date a "Veteran Certification" form at closing if the appraisal is dated prior to the FEMA incident end date.

- **Veteran Certification, signed and dated:**

I have inspected the property located at _____ and find its condition now to be acceptable to me. I understand that I will not be charged for any disaster-related expenses and now wish to close the loan.

The "Lender Certification" form must be completed, and the VA Loan Summary must state "Lender and Veteran Disaster Certifications Enclosed"

- **Lender Certification, signed with title and dated:**

This is to affirm that the property which is security for VA loan number _____ has been inspected to ensure that it was either not damaged in the recently declared disaster or has been restored to its pre-disaster condition or better.



f. PAYMENT FOR DAMAGE AND REPAIR INSPECTION REPORTS:

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

FOR VA TRANSACTIONS

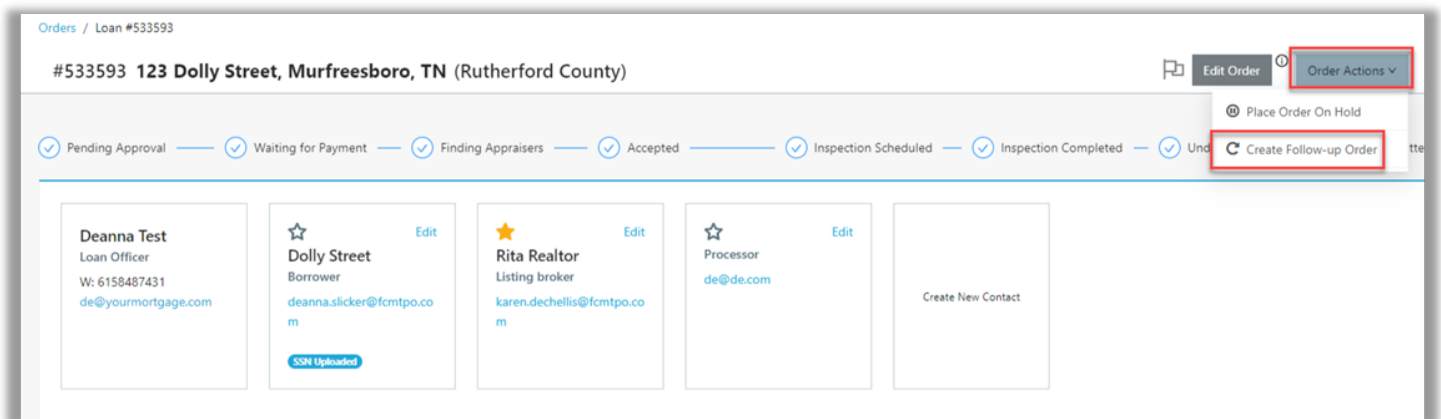
Refer to Veteran’s Affairs Policy for additional restrictions.

g. PLACING DISASTER INSPECTION ORDER:

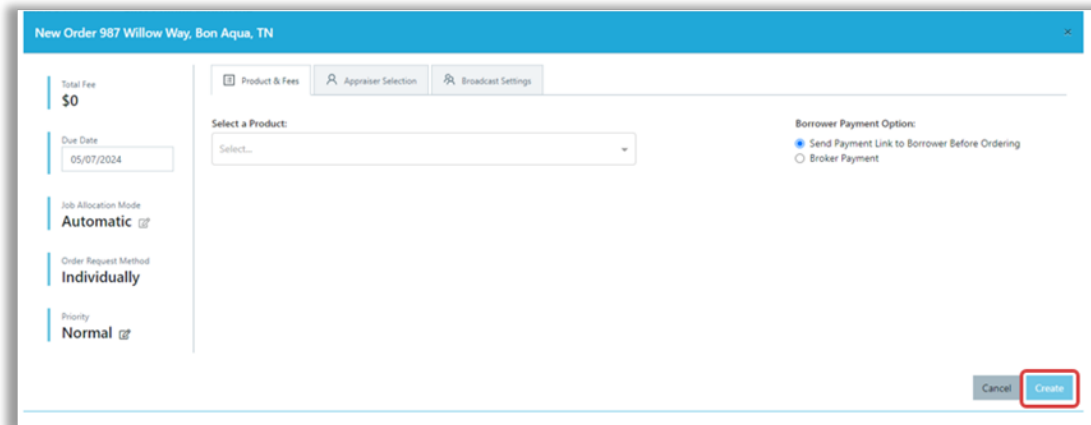
From within FCM FUEL, go to the **Appraisal** tab within the loan, and click on **Manage Order** to access the appraisal management platform.

From the pipeline in Reggora, search for your loan and click on the order number.

In the top right corner under **Order Actions** menu click **Create Follow Up Order**.



Select the product you wish to order from the drop down. Click **Create** to submit the order.



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