



DISASTER REQUIREMENTS

FIRST COLONY WHOLESALE 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](#)

FIRST COLONY WHOLESALE 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, FIRST COLONY WHOLESALE will add a prior-to-close condition for all loans identified by FEMA as affected. This applies to all loans in FIRST COLONY WHOLESALE's active underwriting pipeline that have not yet closed and/or been funded. The Underwriter will then issue an updated Underwriting Decision.

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

Refer to the applicable loan type for full requirements.

a. All Product

An 'Appraisal Update and/or Completion Report' (Form 1004D/442) with both interior and exterior inspections, including photos, is required. However, if the appraiser confirms that the interior was not impacted (e.g. a higher-floor condominium, no flooding or water intrusion), an exterior inspection alone is acceptable. The appraiser must include a comment explaining why an interior inspection is not applicable. Condominiums also require lobby and front of building – lobby through window is acceptable if lobby is not accessible due to security.

FIRST COLONY WHOLESALE may issue an announcement permitting an exterior-only inspection, depending upon the type of disaster declaration.

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.

If damage is observed during the inspection, a satisfactory repair inspection 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.



b. 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 1004D/442 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

A 1004D/442 is required if the appraisal was performed on/before the FEMA incident end date.

If the appraisal was completed after the FEMA incident end date, a 1004D/442 is not required. However, it must include a statement confirming that the property did not sustain any damage from the disaster(s)

INSPECTION REQUIREMENTS

The 1004D/442 must include interior/exterior photos, as appropriate to verify that the property is undamaged. The inspection must include a statement that the subject has not sustained damage or has been restored to its pre-disaster condition.

NON-CONFORMING JUMBO PRODUCT

If the appraisal was completed on or before the incident end date, a 1004D/442 report is required. The 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 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.

c. FHA

FULL APPRAISAL

A 1004D/442 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 must be dated after the incident end date, or 14 days from the incident begin date, whichever date is earlier.

The 1004D/442 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 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 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

A 1004/442 is required if the initial application is dated on or 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.

d. USDA

Refer to the Conventional Full Appraisal section above for requirements.

e. VA**FULL APPRAISAL**

A 1004D/442 with interior/exterior inspection is required if the appraisal was performed on/before the FEMA incident end date. 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.

IRRRL

A 1004D/442 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

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 FIRST COLONY WHOLESALE 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.

