

Credit Policy Update

Effective Date:	Immediately
Topic:	Disaster Re-Inspection Policy
Who Should Read:	All Associates

The requirements detailed below must be completed for all subject properties located within areas identified as a disaster area by federal agencies such as FEMA, **or otherwise identified by Nations Direct.**

Properties subject to Re-inspection

In the event of an NDM declared disaster areas, NDM reserves the right to require a property inspection/re-inspection prior to allowing closing activity. Property Inspection and/or re-inspection requirements are outlined below.

Loan Type:	Disaster Re-inspection Requirements
ALL Loans	When a loan is approaching a tight deadline, we can accept a Borrower Certification with post disaster photos that clearly demonstrate the property has not been adversely affected by the disaster; however, a disaster re-inspection must be provided based on the specific requirements within this credit policy.
Conventional & Including Loans with Appraisal Waivers	One of the following must be met for properties located in a recent disaster area: <ul style="list-style-type: none"> A form 2075, CDAIR, or 1004D is required verifying: <ol style="list-style-type: none"> Any damage to the subject property, and Effect the disaster had on property value and marketability
NonQM Loans	One of the following must be met for properties located in a recent disaster area: <ul style="list-style-type: none"> A form 2075, CDAIR, or 1004D is required verifying: <ol style="list-style-type: none"> Any damage to the subject property, and Effect the disaster had on property value and marketability
FHA/USDA Streamlines and VA IRRRLS	No re-inspection required
FHA Loans Not Closed	FHA Loans Not Closed: Damage Inspection Report with Exterior photos is required to be completed by an FHA roster appraiser on or after the 14th day from the Incident Start Date as defined by FEMA, or Incident End Date , whichever is earlier. <ul style="list-style-type: none"> The original appraisal report must be provided to the FHA appraiser if the original appraiser is not available to do the report All damages must be repaired by licensed contractors or per local jurisdictional requirements A statement to the habitability with no health and safety issues Verify if damage is above or below \$5000

<p>FHA Loans that have Closed pending Endorsement</p>	<p>FHA Loans that have Closed pending Endorsement: Exterior inspection (Form 2055) with exterior photographs is required to be completed by an FHA roster appraiser on or after the 14th day from the Incident Start Date as defined by FEMA or Incident End Date, whichever is earlier.</p> <ul style="list-style-type: none"> • The original appraisal report must be provided to the FHA appraiser if the original appraiser is not available to do the report. • All damages must be repaired by licensed contractors or per local jurisdictional requirements. • A statement to the habitability with no health and safety issues • Verify if damage is above or below \$5000
<p>USDA Loans</p>	<p>FNMA 1004D/FHLMC 442 form or Property Inspection Report (Form 2075) is required verifying:</p> <ul style="list-style-type: none"> • Any damage to the subject property, and • Effect of disaster on property value and marketability
<p>VA Loans</p>	<p>If the appraisal was performed before the FEMA incident date, VA requires the following per VA Policy on Natural Disasters:</p> <ol style="list-style-type: none"> 1) Lender Cert Signed 2) Veteran Cert Signed 3) Time stamped photos showing no damage to the subject property. 4) VA Loan Summary Sheet with remarks stating “Lender and Veteran Disaster Certifications enclosed” <ol style="list-style-type: none"> a. If local law requires the property to be inspected and approved by the local building inspection authority, a copy of the appropriate local report(s) must be provided. b. Neither VA nor the Veteran shall bear the expense of any disaster-related-inspection or repairs. 5) Decline in value. If there is any indication that the property, despite repairs, will be worth less at the time of loan closing than it was at the time of the appraisal, VA appraiser must update the original value estimate. 6) Employment/Income Certification. Underwriters must confirm prior to closing that the veteran’s employment and income have not changed since the loan application. If at the time of closing the veteran or co-borrower is no longer employed or income has been reduced, this information should be reported to the VA or the Underwriter to re-evaluate prior to closing.
<p>Property Damage ALL Loans</p>	<p>If the Disaster Inspection Report reflects damage:</p> <ul style="list-style-type: none"> • Property must be repaired and restored to its pre-disaster condition or better, AND • Final inspection must be completed on Form 1004D/442 by a licensed appraiser after the repairs are satisfactorily completed.