

BULLETIN 18SEP17

TO: Operations and Productions

Date: September 17, 2018

SUBJECT: Hurricane Florence

******* IMPORTANT NOTICE *******

Good Afternoon,

With the expected widespread damage to homes in the Southeast due to Hurricane Florence we wanted to share information on valuation products typically ordered after a natural disaster. When a property is located in a Disaster Area, it is required to verify the structure is sound and not negatively impacted by the Disaster. This must be verified prior to the closing of the loan.

Refer to the list of affected counties published by FEMA for Individual Assistance only at the following link:

<https://www.fema.gov/disasters>

- Towne will require recertification from the appraiser on all loans located in the affected Counties prior to the closing of the loan.
- The Disasters are referenced with both an incident start date and an incident ending date.
- If a full appraisal was obtained on the property prior to the declared disaster, the inspection must verify the property is sound and habitable and in the same condition as when it was appraised. Any of the following are acceptable to satisfy this requirement:
 - A 1004D Final Inspection or Appraisal Update signed by the original appraiser
 - FNMA 2075 – Desktop Underwriter Property Inspection Report
 - DAIR – Disaster Area Inspection Report
- FHA inspections are required to be dated after the indicated period end date.
- If the loan qualified for a non-standard appraisal or an Appraisal Waiver and a Disaster has been declared prior to the closing of the loan, a full appraisal with interior and exterior inspection is required.
- FHA Streamline loans without an appraisal will require an exterior inspection from an FHA approved appraiser. The report is called a “Disaster Area Inspection”
- VA loans with appraisals
 - If the property was appraised on or before the date of the declared disaster the Lender Certification and the Veteran Certification must be completed and submitted with the VA Guaranty request.

- **Disaster Area Inspection Report (DAIR) - Exterior:** The appraiser will conduct a full exterior inspection and will observe the exterior features of the property and the surrounding neighborhood. The appraiser will do a full walk-around of the property and take photos of all sides, including the back of the property. The report will only include exterior photos and will include a statement indicating whether the subject property as well as the surrounding neighborhood sustained damage from the disaster. **Please note:** The appraiser will be inspecting all exterior features of the property, which will require permission from the borrower.
- **Disaster Area Inspection Report (DAIR) - Interior:** More in-depth than a DAIR, the Interior Disaster Area Inspection Report provides an assessment of the interior and exterior of the property and will include a statement indicating whether the subject property as well as the surrounding neighborhood sustained damage from the disaster. The CDAIR includes a complete set of exterior and interior photos of the subject. Photos of any damage to the subject will also be included along with comments on the severity of the damage.
- **1004D Appraisal Update and/or Final Inspection:** The 1004D was not created as a disaster inspection form, but it is commonly accepted by many lenders following a disaster. The appraiser will disclose that the 1004D was used as a disaster inspection form at the client's request, and that some Appraiser Certifications may not be applicable. The report will include interior and exterior photos of the subject property and will include a statement indicating whether the subject property as well as the surrounding neighborhood sustained damage from the disaster.

Thank you,
Operations Group
Towne Family of Companies