

TOWNE FAMILY OF COMPANIES

BULLETIN

TO: Our Valued Clients

Date: September 18, 2017

SUBJECT: UPDATED FEMA DISASTER

BULLETIN: 17-12

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

As previously advised, all affected properties require an interior/exterior disaster inspection. However, per FHA handbook 4000.1, the inspection **MUST** be dated on or after the end for the "incident period" as determined and published by FEMA. This date can be up to several weeks after the natural disaster and has not been published for Irma.

The FHA 4000.1 handbook states that the inspection must be completed by an FHA roster appraiser **AFTER** the incident period. **Therefore, effective immediately Towne Mortgage Company will not close any FHA loans within any of the affected counties until an incident period is determined by FEMA for Irma and the appropriate inspections are completed AFTER that date.**

An incident end date for Hurricane Harvey was established to be September 15, 2017. Inspections can now be completed on properties in Texas and loans can be scheduled for closing once the inspection has been cleared.

Expanded number of counties in Florida

FEMA has expanded the affected counties in Florida. It now includes:

Alachua, Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Collier, Columbia, DeSoto, Dixie, Duval, Flagler, Gilchrist, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Lake, Lee, Levy, Manatee, Marion, Martin, Miami-Dade, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwannee, Union, Volusia

Major Disaster Declaration for Georgia

A major disaster declaration was declared in Georgia last Friday. However, affected counties have not yet been identified on the FEMA site.

As stated below, the National Mortgage Bankers Association and other trade groups have contacted FHA with the hope of convincing them to exercise flexibility in this situation. We hope to get further guidance on this issue this week and will provide to you as soon as decision is made.

FHA Confirms Handbook Policy on Disaster Inspections

HUD Resource Center has apprised us and Headquarters staff have confirmed that the "damage inspection report must be dated after the Incident Period". HUD also added that FEMA has not declared an end to the incident period for Irma. FHA did note that they are continuing to monitor the situation and are reviewing their requirements.

We are assisting MBA in bringing this matter to the attention of HUD's leadership. While we are hopeful that FHA's current inspection policy will be changed, it is strongly recommended that lenders delay inspections and closings until this policy is revised or the incident period is announced for each hurricane.

