

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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20W-108

Attention: AEs, Business Development Managers & Mortgage Brokers **September 2, 2020**

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: **REVISED** Current California Wildfires – FEMA Declared Disaster Areas

Mountain West Financial® is committed to helping its customers during the recovery process in areas impacted by the massive California fires.

Re-inspection requirements for properties in FEMA-declared disaster areas are as follows:

- Conventional, VA and USDA loans require an exterior only disaster inspection report to certify that the property was unaffected by the disaster. Conventional loans with property inspection waivers VA IRRRLs and USDA Streamline loans will require a re-inspection if the property is in a FEMA-declared disaster area.
- FHA requires an interior and exterior disaster inspection report and photos. FHA Streamlines do not require re-inspection.
- VA requires both the lender and the veteran to certify the property is not damaged.

Veteran Certification

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.

Veteran Signature and Date

- Re-inspections are a valid COC and may be charged to the borrower except for VA loans.

You can access the **FEMA Website** for updates on disaster declarations.

Impacted Areas:

Location	Zip Codes
Lake County	95423, 95457, 95461
Napa County	94558, 94567, 94574
San Mateo County	94020, 94021, 94060
Santa Clara County	95023, 95035, 95037, 95038, 95127, 95132, 95135, 95140, 95148
Santa Cruz County	95005, 95006, 95007, 95017, 95018, 95060, 96066
Sonoma County	95421, 95466, 95448
Tehama County	96080
Yolo County	95606, 95627, 95637, 95679

Documentation Requirements

Appraisal Completed Before the Incident Period End Date

To ensure the property value has not been impacted by the disaster, a post disaster property inspection is required. The inspection may be performed by the original appraiser, or another licensed appraiser.

The property inspection must identify the following:

- Property is free from damage and the disaster had no effect on value or marketability
- If the re-inspection indicates damage, the extent of the damage must be addressed. Completion of repairs is required as evidenced by form #1004D, Appraisal update and/or completion report, or other post disaster inspection report, with photos of interior, exterior, and neighborhood.

Appraisal Completed On or After the Incident Period End Date

Appraisal must include written certification by the appraiser that:

- Property is free from damage and the disaster had no effect on value or marketability
- If the appraisal indicates damage, the extent of the damage must be addressed. Completion of repairs is required as evidenced by form #1004D. Appraisal update and/or completion report, with photos of interior and exterior.

If the damages are structural or major (subject to rebuild), the loan will be declined due to collateral condition.

Some disasters are not widespread, and may not be addressed by FEMA. FEMA does not always issue declarations immediately following a disaster. If an underwriter has reason to believe that a property may have been damaged in a disaster, the underwriter should require an acceptable re-inspection to verify the soundness of the property.

Areas Subject to Disaster Policy

Until FEMA issues a declaration, individual underwriters are responsible for determining potential impact to the subject property.

In general, the Disaster Policy should be followed during an ongoing disaster and up to 90 days from the FEMA declaration.

If you have any questions, contact your local Account Executive, or Production Coordinator. You may also contact Brian Daily, SVP Wholesale: Brian.Daily@mwfinc.com 909-255-8332.

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