

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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20W-119

Attention: AEs, Business Development Managers & Mortgage Brokers September 29, 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:

NOTE: Reinspection and ordering of the 1004D cannot be done until the FEMA declared disaster has an end date announced by FEMA.

- 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.

Re-Disclosing

Branches with properties in affected areas per this bulletin dated September 23, 2020, have already been contacted by Corporate and instructed to redisclose. If you were not contacted, you have no loans in process at this time in an affected area. However, each time an updated zip code list is published through an MWF bulletin, branches are to audit their pipelines to confirm if any properties are now in the affected areas. If so, redisclosures must be issued to add the fees. The deadline to redisclose is three business days after the date of the bulletin. If a match is found on a

file that is already past initial disclosures and loan documents have not yet been released, the file must have a COC LE or a COC CD issued to the borrower to collect for the 1004D reinspection fee of \$125.00 and administration fee of \$25.00. This would include transactions with appraisals and those with appraisal waivers.

If a match is realized and you have previously disclosed a 1004D fee and administration fee you do not need to disclose them again. Do not remove the fees from the transaction.

In addition, verify new files as they are originated. If the subject property is a match to a zip code on the most recent list, include the 1004D reinspection fee and administration fee in initial disclosures. This applies to transactions with appraisals as well as those with appraisal waivers.

California

Location	Zip Codes
Butte County	95916, 95930, 95940, 95941, 95965, 95966
Fresno	None
Humboldt	None
Lake County	95469
Los Angeles County	91011, 91023, 93510, 93543, 93544, 93550, 93552, 93563
Madera County	93604, 93626, 93643, 93644, 93645, 93669
Mendocino County	95428, 95429, 95454, 95469, 95930, 95490
Monterey County	93920, 93924, 93927, 93928, 93930
Plumas County	95956, 95971, 95981
San Bernardino County	92305, 92339
Santa Cruz County	95006, 95017, 95060
Siskiyou County	95568, 96027, 96031
Solano County	95421, 95425, 95436, 95441, 95466, 95448
Tehama County	96080
Trinity County	95526, 95552, 95595, 96041
Tulare County	93265, 93271, 93527
Yuba County	95925, 95930, 95941, 95966

Colorado

Larimer County	80512, 80515, 80517, 80526, 80532, 80536, 80541, 80545, 82063
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Idaho

Washington County	83610
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Oregon

Clackamas County	97004, 97013, 97017, 97022, 97023, 97038, 97042, 97045, 97055, 97375
Douglas County	None
Jackson County	97522, 97524, 97539
Josephine County	97523, 97534, 97544
Klamath County	97624, 97626
Lane County	97413, 97438, 97454, 97478, 97488, 97489

Lincoln County	97367 , 97368
Linn County	97329, 97345 , 97346, 97350,
Marion County	97342, 97346, 97350 , 97358, 97360, 97375, 97385

Washington

Douglas County	98812, 98813, 98830, 98858
Lincoln County	99117, 99122, 99134, 99159
Okanogan County	98812, 98840, 98841

Documentation Requirements

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

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.

Rediscovering the 1004D Fee

Existing transactions with subject properties in the highlighted zip codes above, and with loan documents not yet been released, must have a COC LE or a COC CD issued to borrower. MWF must collect the 1004D reinspection fee of \$125.00 and administration fee \$25.00. This would include transactions with appraisals and with appraisal waivers. The last day to redisclose is Wednesday, September 22nd.

If the subject property of an existing transaction is in this zip code list, but not highlighted, the three day window to redisclose has expired. Do not redisclose or charge that fee now, as it will then be a fee and a cure which doubles the cost. The exception would be brand new transactions that have not yet been disclosed. If the loan is still within the initial three day period, do disclose these fees.

If applicable to your subject property and you have previously disclosed a 1004D fee and administration fee, you do not need to disclose them again, nor disclose an additional 1004D/administration fee. Do not remove the fees from the transaction.

In addition, verify new files as they are originated. If the subject property is in any zip code on this list, highlighted or not, include the 1004D reinspection fee and administration fee in initial disclosures. This applies to transactions with appraisals as well as those with appraisal waivers.

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.

Author: Underwriting