

Newrez Announcements



Announcement 2022-055 FEMA Declared Disaster – Montana (DR-4655-MT)

July 18, 2022

Overview

Newrez LLC "Newrez" Approved Correspondent Clients: Please note, on June 16, 2022, FEMA issued a Major Disaster Declaration, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act), for the, [Montana Severe Storm and Flooding](#), natural disaster event with an incident start date of June 10, 2022. **FEMA has not issued an incident end date for this declaration at this time.**

Under the FEMA Major Disaster Declaration, the following three (3) counties have been designated for Individual Assistance due to the impact of the disaster:

- Carbon (County)
- Park (County)
- Stillwater (County)

Effective immediately, in accordance with agency and investor requirements, Newrez will implement the following inspection requirements for loans secured by properties located in the counties identified above.

If the effective date of the appraisal or appraisal alternative was on or prior to the **June 10, 2022**, incident start date, the following inspection options by product type will be required.

Conventional Loans

- For properties located within the counties listed above with an appraisal dated prior to **June 10, 2022**, either one of the following is required:
 - A Borrower signed attestation that subject property was not damaged by disaster along with supporting photos that are date/time stamped. If the photos indicate more than minor cosmetic damage, a new interior appraisal is required, and all damage must be repaired prior to closing by Newrez. **This Borrower attestation option is not eligible for Cash-out refinances.**
 - A Correspondent client certification that represents and warrants that the property has not sustained damage and that the subject property is in marketable condition with no required repairs or adverse conditions. **This Client certification option is not eligible for Cash-out refinances.**
 - A Disaster Inspection Report with photos evidencing the property is free from damage and the disaster had no effect on the value or marketability is required. If the Disaster Inspection Report reveals more than minor cosmetic damage, a new interior appraisal is required.

Non-Conforming Loans (Smart Series)

- If the effective date of the appraisal or appraisal alternative was on or prior to the **June 10, 2022**, incident start date, an inspection is required.

VA Loans

- VA IRRRLs do not require Disaster Inspection or Veteran's certification.
- For properties located within the counties listed above with an appraisal dated on or prior to **June 10, 2022** the following is required:
- Veteran to provide date/time stamped photos to evidence that subject property was not damaged as result of the disaster along with a "Veteran's Certification," signed and dated with following language:
 - "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." **AND**

- A Correspondent client certification that represents and warrants that the property has not sustained damage and that the subject property is in marketable condition with no required repairs or adverse conditions. **OR**
- A Disaster Inspection with photos evidencing the property is free from damage and the disaster had no effect on the value or marketability.

FHA Loans

- FHA Streamline Refinances do not require Disaster Inspections.
- FHA requires disaster inspections to be completed by an FHA Roster Appraiser and the report must be dated after the Incident Period End date as declared by FEMA or 14 days from the Incident Period Start date, whichever is earlier. **Since FEMA has not issued an Incident End date for DR# 4655 as of July 18, 2022, the date of this announcement, all FHA inspections must be delayed until FEMA issues the Incident End date or 14 days after the Incident Start Date of June 10, 2022, which would be June 24, 2022.** The following inspection requirements apply to all properties located within the FEMA designated counties listed above.
- The following applies to all FHA loans that have not closed prior to June 24, 2022:
 - If FHA appraisal is dated on or prior to the earliest of: **FEMA Incident End date OR June 24, 2022 (14 days after Incident Start date)** an **interior/exterior** inspection report with photos by FHA roster appraiser must be dated after the Incident Period end date or 14-day period indicated above.
- The following applies to all FHA loans that have closed prior to June 24, 2022:
 - If the loan has closed prior to June 24, 2022, but is not yet FHA insured, an **exterior** inspection is required prior to FHA endorsement.
- If the inspections indicate damage from the disaster, follow repair requirements outlined in the 4000.1 Handbook based on the amount of repairs and whether property is habitable.

USDA Loans

- USDA Streamlined-assist and Streamline without Appraisal Refinance do not require Disaster Inspections.
 - For properties located within the counties listed above with an appraisal dated prior to **June 10, 2022**, the following is required:
 - A Disaster Inspection Report with photos evidencing the property is free from damage and the disaster had no effect on the value or marketability is required.
-

Questions

If you have any questions regarding any information in this announcement, please feel free to contact your regional sales manager or client manager.

[Newrezcorrespondent.com](https://www.Newrezcorrespondent.com)

Newrez Fort Washington Operations 877-700-4622

Newrez Fort Washington Registration Desk/NT Desks 866-396-4622

Client Development

We offer a comprehensive training curriculum on Newrez products and processes, to keep your staff informed of the latest developments in products, technology solutions, compliance issues and process improvements. Each of these programs is offered by our training and development staff on a monthly basis and is updated regularly to reflect recent changes in the industry.

Visit our training site at:

<https://www.Newrezcorrespondent.com/client-library/Newrez-training-calendar/>