

Newrez Announcements



Announcement 2022-060 FEMA Declared Disaster - Kentucky (DR-4663-KY)

August 3, 2022

Overview

Newrez LLC "Newrez" Approved Correspondent Clients: On July 29, 2022, FEMA issued a Major Disaster Declaration, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act), for the [Kentucky Severe Storms, Flooding, Landslides, and Mudslides](#), natural disaster event with an Incident Start Date of July 26, 2022. **FEMA has not issued an incident end date for this declaration at this time.**

Under the FEMA Major Disaster Declaration, the following five (5) counties have been designated for Individual Assistance due to the impact of the disaster:

- Breathitt
- Clay
- Knott
- Letcher
- Perry

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 report or appraisal alternative was on or prior to the **July 26, 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 on or prior to **July 26, 2022**, and has not closed by the date of this announcement, 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. **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 or Attestation reveals more than minor cosmetic damage, a new interior appraisal is required, and all damage must be repaired prior to closing and purchase by Newrez.

Non-Conforming Loans

- If the effective date of the appraisal or appraisal alternative was on or prior to the **July 26, 2022**, Incident Start Date, an inspection is required prior to closing or funding of the loan in accordance the Newrez Client Guide [Chapter 7, Disaster Policy](#).

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 **July 26, 2022**, and have not closed by the date of this announcement, one of following options is required:
 - Veteran to provide date/time stamped photo's 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.”

- 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 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.”
- A Disaster Inspection with photos evidencing the property is free from damage and the disaster had no effect on the value or marketability and 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.”

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# 4663 as of August 1, 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 July 26, 2022, which would be August 9, 2022.** The following inspection requirements apply to all properties located within the FEMA designated counties listed above.
- 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 July 26, 2022:
 - If FHA appraisal is dated on or prior to the earliest of: **FEMA Incident End date OR August 9, 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 July 26, 2022:
 - If the loan has closed prior to July 26, 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 **July 26, 2022**, and has not closed by the date of this announcement, 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

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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](#).