

Natural or man-made disasters include floods, fires, thunderstorms, tornadoes, hurricanes, earthquakes, landslides, volcanic eruptions, civil unrest, and terrorist attacks, etc. These events can cause varying degrees of damage and create a potential lending risk.

FLCBank Disaster Policy and Inspection requirements remain in place for a period of 90 days from the incident end date and [apply to any of the following](#):

- Properties located in a Federally declared disaster area, that is an area declared a Major Disaster Declaration by the Federal Emergency Management Agency (FEMA) with designated counties or
- Zip Code areas as eligible for Individual Assistance, [or](#)
- [Areas where FEMA has not made a disaster declaration but FLCBank or an agency has determined that there may be an increased risk of loss due to a disaster.](#)

#### **Declared Disaster Areas Property Inspection Requirements**

1. **Appraisals Completed “Prior” to a declared Disaster Incident Period End Date, [including ongoing disasters where an Incident Period End Date has not yet been declared](#) (refer to Incident Date on the State/County Listing Document), [require an inspection from any one of the options listed below](#)**

- A re-inspection of the property signed by the original appraiser accompanied by photographs using either:
  - An Appraisal Update, Form Fannie Mae 1004D, Disaster Inspection, or
  - Completion Report, Form Freddie Mac 442.

The following commentary is to be provided on the inspection report: “I have reviewed the subject property and noted no damage or deferred maintenance related to the recent disaster”.

**Note:** On Conventional/Jumbo transactions, the re-inspection of the property does not need to be completed by the original appraiser.

- A Property Inspection Report (Form 2075/Form 2070).
- Certification from a Licensed Property Inspector.
- A post-disaster inspection from an established and reputable third-party service provider, with post-disaster that clearly demonstrates the property has not been adversely affected by the disaster.

**Important:** FHA Transactions, if the original FHA appraiser is not available, another FHA Roster Appraiser in good standing with geographic competence in the affected market may be used and the Appraiser performing the re-inspection must be provided with a complete copy of the original appraisal.

2. **Appraisals Completed “After” the Incident Period End Date (*Refer to Incident Date on the State/County Listing Document*):**

- For a period of 90 days from the incident period end date, the appraiser is required to confirm the property has not been adversely affected by the disaster.
- If the appraisal reflects any damage that affects health, safety, habitability, soundness, or structural integrity of the property, the damage must be repaired **prior to the loan closing** and an Appraisal Update Form 1004D, Form 442 Completion Report with photographs confirming repairs were completed.

**Note:** If the original appraiser is not available another licensed appraiser is acceptable if selected via an Appraisal Management Company per the FLCBank AIR process utilizing the FLCBank LOS “Appraisal Order screen”.

### **3. Conventional Loans with Appraisal Waiver**

FLCBank considers the Note Date as the appraisal date when the loan did not require an appraisal. A property inspection report is required when the appraisal waiver is issued within 90 days after the incident period end date.

The property inspection report must be accompanied with current color front and street photos of the subject property. The report must include the following verbiage: “I have reviewed the subject property and noted no damage or deferred maintenance related to the recent disaster”.

The inspection can be performed via any one of the following options:

- A Property Inspection Report (Form 2075/Form 2070)
- An Appraisal Update and/or Completion Report (Form 1004D)
- Certification from a Licensed Property Inspector
- A Post-disaster inspection from an established and reputable service provider, with post-disaster that clearly demonstrate the property has not been adversely affected by the disaster.

### **4. FHA Streamlines Transactions**

FLCBank considers the Note Date as the appraisal date on FHA Streamline refinances.

A property inspection report is required for a period of 90 days after the incident period end date.

The property inspection report must be accompanied with current color front and street photos of the subject property. The report must include the following verbiage: “I have reviewed the subject property and noted no damage or deferred maintenance related to the recent disaster”.

The inspection can be performed via any one of the following options:

- [A Property Inspection Report \(Form 2075/Form 2070\)](#)
- An Appraisal Update and/or Completion Report (Form 1004D)
- [Certification from a Licensed Property Inspector](#)
- [A Post-disaster inspection from an established and reputable service provider, with post-disaster that clearly demonstrate the property has not been adversely affected by the disaster.](#)

### **5. VA Transactions (*Except VA IRRRL Transactions – Refer #6 below*):**

Appraisals Completed Prior to a declared Disaster [Incident Period End Date](#), including ongoing disasters where an Incident Period End Date has not yet been declared require an inspection from any one of the options listed below:

- A re-inspection of the property signed by the original appraiser accompanied by photographs using either:
  - An Appraisal Update, Form Fannie Mae 1004D, Disaster Inspection, or
  - Completion Report, Form Freddie Mac 442.

The following commentary is to be provided on the inspection report: “I have reviewed the subject property and noted no damage or deferred maintenance related to the recent disaster”.

- [A Property Inspection Report \(Form 2075/Form 2070\).](#)

- Certification from a Licensed Property Inspector.
- A post-disaster inspection from an established and reputable third-party service provider, with post-disaster that clearly demonstrates the property has not been adversely affected by the disaster.

**In addition to the inspection requirements above, VA specific requirements listed below must be obtained:**

- I. The cost for the property inspection **cannot** be passed unto the Veteran, the Loan Originator **must pay** for this expense.
  - **Lender and Veteran Certification** –
    - Lender Certification - FLCBank will complete the Lender Certification upon receipt of an acceptable VA Inspection attesting the following: “This is to affirm that the property which is security for VA loan number \_\_\_\_\_ has been inspected to ensure that it was either not damaged in the recently declared disaster or has been restored to its pre-disaster condition or better.” Click here to access a copy of the [Lender Certification](#)
    - A Veteran Certification will be required. The Loan Originator will be responsible for obtaining and having the Veteran execute the certification attesting the following: “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”. Click here to access a copy of a [Veteran Certification](#)
  - **Decline in Value a** – If there is an indication that the property, despite repairs, will be worth less at the time of loan closing than it was at the time of appraisal, and then the lender must have the VA fee appraiser update the original value estimate. The payment of the appraiser’s fee for that service will be a contractual matter between the buyer and the seller. If the property value has decreased, the loan amount must be reduced accordingly.
- II. **Employment/Income Certification** – The Loan Originator will be responsible for obtaining a recertification (*prior to closing*) that the veteran’s employment and income or family income has not been changed since the loan application. This information will be reviewed by the VA underwriter for requalification.
- III. **VA Loan Summary Sheet (VA Form 26-0286)** – The SAR Underwriter must add the following commentary on the VA Loan Summary Sheet “Lender and Veteran Disaster Certifications Enclosed”. If the local authority requires additional inspections, they must be provided at no cost to the Veteran.

**6. VA IRRRL Transactions (FLCBank will order if the VA IRRRL Transaction did not require an appraisal)**

FLCBank considers the Note Date as the appraisal date when the loan did not require an appraisal.

- a) **Appraisal Completed “Prior” to a declared Disaster Incident Period End Date, including ongoing disasters where an Incident Period End Date has not yet been declared** (refer to Incident Date on the State/County Listing Document), require an inspection from any one of the options listed below:

- A re-inspection of the property signed by the original appraiser accompanied by photographs using either:
  - An Appraisal Update, Form Fannie Mae 1004D, Disaster Inspection, or
  - Completion Report, Form Freddie Mac 442.

The following commentary is to be provided on the inspection report: “I have reviewed the subject property and noted no damage or deferred maintenance related to the recent disaster”.

- A Property Inspection Report (Form 2075/Form 2070).
- Certification from a Licensed Property Inspector.
- A post-disaster inspection from an established and reputable third-party service provider, with post-disaster that clearly demonstrates the property has not been adversely affected by the disaster.

- b) **Appraisal Completed “After” the Incident Period End Date (Refer to Incident Date on the State/County Listing Document):**

- For a period of 90 days from the incident period end date, the appraiser is required to confirm the property has not been adversely affected by the disaster.
- If the appraisal reflects any damage that affects health, safety, habitability, soundness, or structural integrity of the property, the damage must be repaired **prior to the loan closing** and an Appraisal Update Form 1004D, Form 442 Completion Report with photographs confirming repairs were completed.

**Note:** If the original appraiser is not available another licensed appraiser is acceptable if selected via an Appraisal Management Company per the FLCBank AIR process utilizing the FLCBank LOS “Appraisal Order screen”.

**7. Fees:**

Any fees associated with the re-inspection process will be the responsibility of the Loan Originator and/or borrower except where specifically prohibited by the program.

**8. Loan Estimate (LE):**

The LE will need to be re-disclosed including the additional fee(s). A changed circumstance form will need to be completed and uploaded to the FLCBank website.

**Reminder:**

**Broker Originations:** FLCBank is responsible for the re-disclosure process, and you are responsible for notifying us per your normal process.

**9. Re-Inspection Requesting Process :**

Go to the Florida Capital Bank LOS located at: <https://flcbmtg.mortgagebotlos.com/Login>

- Login
- Search for the loan
- Click on the Services Tab
- Order Appraisal

**Important:** Refer to the “How to Order an Appraisal using Mortgagebot” located in the Resource Center

**FEMA Website:**

Please become familiar with the FEMA website listed below to identify incident period end dates and declared disaster information for your lending area at <https://www.fema.gov/disaster/declarations>