



# *Single Family Lending Program Bulletin*

**November 15, 2018**

**Program Bulletin #2018-19**

**To: CalHFA Approved Lenders**

## **CalHFA and the California Wildfires**

CalHFA's servicer, Lakeview Loan Servicing, is monitoring the ongoing wildfires in Butte, Los Angeles and Ventura Counties based on FEMA's actions of November 12, 2018. Lakeview Loan Servicing will continue to purchase CalHFA first mortgages in accordance with re-inspection requirements as detailed in their Disaster Update C2018-D14 and C2018-D15 (see attached). Per current guidelines, CalHFA subordinate loans will not be purchased until the first mortgage loan is purchased by Lakeview.

Additionally, lenders should continue to monitor [FEMA's website](#) for updates and follow all FHA, Fannie Mae, VA and Lakeview Loan Servicing disaster requirements. Lenders should be mindful that federal disaster purchase requirements may delay the purchase of the first mortgage, resulting in [normal lender extension fees](#) for both first mortgages and subordinate loans.

For questions about this bulletin, contact CalHFA Single Family Lending Programs Division by phone 916.326.8033 or by email at [SFLending@calhfa.ca.gov](mailto:SFLending@calhfa.ca.gov). Plus you can always visit CalHFA's website at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov) or Single Family Lending Division directly at [www.calhfa.ca.gov/homeownership](http://www.calhfa.ca.gov/homeownership).

CalHFA thanks you for your business and we look forward to continuing to support your affordable housing loan needs.

Attachment

**Disaster Update**  
**C2018-D14 November 13, 2018**  
**Disaster Covered In This**  
**Announcement**

- California Wildfires



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| <input checked="" type="checkbox"/> All Products   | <input type="checkbox"/> FHMLC Conforming                              | <input type="checkbox"/> VA Standard Mortgage Program                              |
| <input type="checkbox"/> FNMA Conforming and High Balance                                    | <input type="checkbox"/> FHMLC Super Conforming                        | <input type="checkbox"/> VA IRRRL  |
| <input type="checkbox"/> FNMA DU Refi Plus   | <input type="checkbox"/> FHMLC Open Access                             | <input type="checkbox"/> FHA Mortgage Program                                      |
| <input type="checkbox"/> FNMA HFA Preferred  | <input type="checkbox"/> FHMLC Home Possible & Home Possible Advantage | <input type="checkbox"/> FHA Streamline  |
| <input type="checkbox"/> FNMA HomeReady  | <input type="checkbox"/> Texas 50(a)(6) Program                        | <input type="checkbox"/> USDA Program  |
| <input type="checkbox"/> Lakeview No MI Program  | <input type="checkbox"/> Portfolio – Investor                          | <input type="checkbox"/> Portfolio – Expanded Ratio                                |
| <input type="checkbox"/> Portfolio – Early Access  | <input type="checkbox"/> Portfolio – Asset Inclusion                   | <input type="checkbox"/> Portfolio – Alternative Income                            |
| <input type="checkbox"/> Portfolio – Conforming   High Balance First & Second Lien Piggyback | <input type="checkbox"/> Portfolio – Non-Warrantable Condo             | <input type="checkbox"/> Bayview Fannie Mae Conforming & High Balance - Investment |
| <input type="checkbox"/> Bayview Freddie Super Conforming - Investment                       | <input type="checkbox"/> Bayview Freddie Conforming - Investment       |  |

**Topic: California Wildfires**

**Effective date:** Immediately

Lakeview Loan Servicing continues to monitor updates to impacted areas from the California Wildfires.

Based on the November 12, 2018 update to the Major Disaster Declarations section of the FEMA website <https://www.fema.gov/disasters>, the below counties have been identified as Individual Assistance (IA) impacted counties. Lakeview Loan Servicing will resume loan purchases in counties identified on the FEMA website as Individual Assistance impacted counties in accordance with re-inspection requirements as outlined below.

Lenders should continue to monitor the FEMA website for updates to the list of Individual Assistance (IA) impacted counties.

**California Wildfire Counties**

- Butte
- Los Angeles
- Ventura

**Topic: Re-inspection Requirements**

**Effective date:** Immediately

If you have any questions regarding the information in this announcement, please contact your Business Development Director. [Click here](#) to review our product matrix.



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**Loans with Appraisals**

If a property is in a Declared Disaster Area and the most recent appraisal was completed on or before the incident period end date, or an incident period end date has not yet been declared, then, subject to the applicable product matrix and investor requirements, Lakeview Loan Servicing requires that an acceptable property inspection dated **after the declared incident period end date** be completed prior-to-purchase confirming the property was not adversely affected by the disaster prior to our purchase of the loan.

**Fannie Mae (including DURP), Freddie Mac (including LPOA), VA, USDA and Bayview Portfolio Products**

**FHA loans closed and endorsed prior to the incident beginning date**

- A final **exterior** inspection or appraisal with exterior photos update signed and dated by the original appraiser
  - Appraisal Update, form Fannie Mae 1004D, Disaster Inspection, or
  - Completion Report, form Freddie Mac 442, or
- Property Inspection Report with exterior photos –
  - Form Fannie Mae 2075, or
  - DAIR
- Additional forms and/or certifications may be required as per investor guidelines (i.e., VA Lender Certification, VA Veteran Certification, VA Form 26-0286, Employment/Income Certification)

If the re-inspection notes that the property is uninhabitable, unsound, or that the property condition has been affected by the disaster, then a new appraisal must be completed, including an interior inspection and interior and exterior photos showing that:

- All identified damages and associated repairs have been resolved and meet applicable investor guidelines (Fannie Mae, Freddie Mac, FHA, VA, and USDA) and,
- The property is habitable, sound, and the property value is supported

**FHA loans closed and/or were endorsed after the incident beginning date**

Re-inspections for FHA Loans that closed and/or were endorsed on or after the beginning of the incident period cannot occur until **after the incident period end date (as defined by FEMA)**.

FHA disaster inspections on properties located within a Declared Disaster Area or in areas for which HUD/FHA have issued a notification that an appraisal update or inspection is required due to a disaster must:

- Have a damage inspection report that identifies and quantifies dwelling damage and complies with the following requirements:

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- A final **exterior** inspection or appraisal update signed and dated by the original appraiser and includes exterior photos.
  - Appraisal Update, form Fannie Mae 1004D, Disaster Inspection, or
  - Completion Report, form Freddie Mac 442, or
- Property Inspection Report with exterior photos –
  - Form Fannie Mae 2075, or
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- Be completed by an FHA Roster Appraiser in good standing with geographic competence in the affected market may be used, even if the inspection shows no damage to the property. If the Mortgagee uses a different appraiser to inspect the Property, the appraiser performing the damage inspection must be provided with a complete copy of the original appraisal.

If the re-inspection notes that the property is uninhabitable, unsound, or that the property condition has been affected by the disaster, then a new appraisal must be completed, including an interior inspection and interior and exterior photos showing that all identified damages and associated repairs have been resolved and meet FHA Handbook 4000.1, II.A.7.c - Inspection and Repair Escrow Requirements for Mortgages Pending Closing or Endorsement in Presidentially-Declared Major Disaster Areas .

**Loans without Appraisals (see table below)**

If a property is impacted by a disaster and the loan program does not require an appraisal, subject to the applicable product matrix and investor requirements, Lakeview Loan Servicing requires the following property inspections dated after the declared incident period end date to be completed prior-to-purchase.

The inspection document provided must address the specific disaster and indicate any apparent damage to subject property. Inspection reports may not be used to estimate or recertify value.

A PFW, PIW, ACE or any other non-standard appraisal offering is not permitted for 120 days after the incident period end date.

Program	Applies To:	Property Inspection Requirements	
		Loans Not Closed	Loans Closed Not Purchased
<b>Fannie Mae</b>	Loans with a Property Inspection Waiver (PIW) or any other Fannie Mae loan without an appraisal (see below for DURP loans).	A full appraisal dated after the incident end date is required and must indicate that the property has not been impacted by the disaster. Loan casefiles must be re-submitted to DU.	A property inspection with exterior photos dated <b>after the incident end date</b> is required and must indicate that the property has not been impacted by the disaster.  If the re-inspection indicates no damage then the PIW may be exercised.
<b>Freddie Mac</b>	Loans with an automated Collateral Evaluation (ACE) or any other Freddie Mac loans without an appraisal (see below for LPOA loans).		

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<b>Fannie Mae/Freddie Mac</b>	DURP with a Property Fieldwork Waiver (PFW) and LPOA with an Automated Collateral Evaluation (ACE)	A full appraisal dated after the incident end date is required and must indicate that the property has not been impacted by the disaster. Loan casefiles must be re-submitted to DU	A property inspection with exterior photos dated <b>after the incident end date</b> is required and must indicate that the property has not been impacted by the disaster
<b>VA</b>	VA IRRRL	A property inspection with exterior photos dated after the incident end date is required and must indicate that the property has not been impacted by the disaster	
<b>FHA</b>	FHA Streamline		

If the re-inspection notes that the property is uninhabitable, unsound, or that the property condition has been affected by the disaster, then a new appraisal must be completed, including an interior inspection and interior and exterior photos showing that:

- All identified damages and associated repairs have been resolved and meet applicable investor guidelines (Fannie Mae, Freddie Mac, FHA, VA and Bayview portfolio products) and,
- The property is habitable, sound, and the property value is supported

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**Topic: California Wildfires (DR-4407) – Los Angeles County Impacted Zip Codes**

**Effective date:** Immediately

Lakeview Loan Servicing continues to monitor updates to impacted areas from the California Wildfires.

Effective immediately for Los Angeles County, Lakeview Loan Servicing is designating the following zip codes only as those affected by the wildfires in Los Angeles County. Please see below for specific investor guidance.

**FNMA, FHLMC, VA, USDA  
 and FHA loans closed and/or endorsed prior to the incident begin date of November 8, 2018**

Individual Assistance: 3 Counties

**Designated Counties and Zip Codes:**

Butte, Ventura, and the following zip codes of Los Angeles County: 90265, 90290, 91301, 91302, 91304, 91307, 91311, 91361\*, 91362\*, 91367

\* Zip code is also in Ventura County

**FHA loans closed and/or endorsed after the incident begin date, of November 8, 2018 must follow standard FHA Disaster policy.**

Individual Assistance: 3 Counties

**Designated Counties:**

Butte, Ventura, Los Angeles

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Please review Lakeview Loan Servicing's Disaster Policy in the Disaster Policy section of the applicable product matrices. As always, please ensure that all relevant investor guidelines (Fannie Mae, Freddie Mac, FHA, VA and USDA) are adhered to with respect to the disaster requirements.

Irrespective of whether a declaration or announcement has been made, if the Seller has reason to believe that the property may have been damaged in a disaster then the Seller must ensure the property meets both Lakeview Loan Servicing's Disaster Policy Inspection requirements and applicable investor requirements at the time of purchase by Lakeview Loans Servicing.

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