



**BAYVIEW™**  
LOAN SERVICING



**Lakeview**  
LOAN SERVICING, LLC  
CORRESPONDENT

# **Bayview | Lakeview Loan Servicing Disaster Guide Correspondent Lending**

## Overview

These guidelines describe the requirements for loans delivered to Bayview | Lakeview Loan Servicing, LLC that are secured by properties located in a Declared Disaster Area as federally defined by FEMA or an Investor or as determined by Bayview | Lakeview Loan Servicing, LLC. This document outlines the minimum requirements for loans secured by properties impacted by a disaster in order to assist in ensuring marketability, soundness and value of the structure.

In addition to the requirements outlined in this document, Bayview | Lakeview Loan Servicing reserves the right to impose restrictions and/or suspend purchases for properties subject to any disasters and adverse events that may impact the collateral.

This section provides guidelines to be followed for properties impacted by a disaster in:

- FEMA Major Disaster Declarations with designated counties eligible for **individual assistance (IA)**
- Areas where FEMA has not made a disaster declaration, but Bayview | Lakeview Loan Servicing or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) has determined that there may be an increased risk of loss due to a disaster
- Areas where the Seller has reason to believe that a property might have been damaged in a disaster

Upon the occurrence of multiple events, such as a hurricane followed by a flood, the requirements of these guidelines apply to the date of the most recent event.

## SELLER RESPONSIBILITY FOR PROPERTY CONDITION

Notwithstanding any other requirements set forth herein regarding disasters and similar events, seller represents and warrants that the property securing the mortgage loan is free of damage on the purchase date. In addition, any adverse event must be evaluated in terms of its effect on the subject's habitability, marketability and value.

Sellers are responsible for determining potential impact to a property located in an area where a disaster is occurring or has occurred. Irrespective of whether a declaration or announcement has been made, if a Seller has reason to believe that a property might have been damaged in a disaster the Seller must take appropriate action as outlined below to ensure that the property meets Bayview | Lakeview Loan Servicing requirements and applicable Investor requirements at the time of purchase by Bayview | Lakeview Loans Servicing.

Additionally, if Bayview | Lakeview Loan Servicing has a reason to believe that a property might have been damaged in a disaster and has placed a prior-to-purchase condition on the mortgage loan, then the Seller must follow the requirements of the loan condition.



## DISASTER ASSESSMENT AND DISASTER NOTIFICATION ANNOUNCEMENTS

Bayview | Lakeview Loan Servicing will assess the significance of events in geographic areas impacted by disasters. The assessment will utilize data provided by FEMA and other sources regarding impacted areas. As a result of this assessment, Bayview | Lakeview Loan Servicing may define the affected area differently than the FEMA declaration. Unless communicated otherwise, Bayview | Lakeview Loan Servicing will utilize FEMA for declaration dates, incidents begin dates and incident end dates. The Bayview | Lakeview Loan Servicing Credit Policy department, at its discretion and if permitted by Investor guidelines may choose to declare disaster incident period begin dates and/or incident period end dates other than those recommended by FEMA if there are mitigating factors. Bayview | Lakeview Loan Servicing may communicate a list of counties and/or zip codes by which a property's location is determined to be covered by these guidelines as a disaster area.

Correspondent Lenders are responsible for monitoring the Bayview | Lakeview Loans Servicing Disaster File and the FEMA Website including the FEMA Declarations Summary on an ongoing basis to ensure that the property is not located in an area impacted by a disaster. In the event of a declared or undeclared disaster area requiring action, Bayview | Lakeview Loan Servicing will update the disaster file with the following information:

- Nature and location of disaster
- Disaster incident period (an incident period is defined as the beginning and subsequent ending date to a particular disaster). The incident beginning period is defined by FEMA.
  - Incident period end date may be either:
    - Determined by FEMA and published at FEMA.gov, or
    - Determined by Bayview | Lakeview Loan Servicing and published in the *Disaster Announcement*, or
    - Determined by an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration)
- Impacted counties as determined by FEMA's Major Disaster Declaration of areas eligible for individual assistance and/or Bayview | Lakeview Loan Servicing and/or an Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration)
- Any related Bayview | Lakeview Loan Servicing and/or Investor (Fannie Mae, Freddie Mac, FHA, USDA or the Veterans Administration) announcements and special requirements
- Any additional documentation requirements, including
  - Additional appraisal or appraisal product requirements
  - Additional re-inspection requirements
  - Employment re-verification requirements, if any
- Effective date of any requirements



### Re-Inspection Requirements

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.

It is the responsibility of the Bayview | Lakeview compliance auditor to review the re-inspection report to deem acceptability in both form and content.

### Loans with Appraisals (Not Yet Purchased)

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, Bayview | 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 - Disaster Appraisal Inspection Report
- 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) **or fourteen (14) days after the incident period begin date, whichever is earlier.** Lakeview Loan Servicing reserves the right to extend the FHA declared incident period end date dependent upon the severity and scope of impact of the disaster.

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:
  - 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
    - DAIR - Disaster Appraisal Inspection Report
  - 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 with Appraisals (Purchased Not Delivered)

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, Bayview | 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 (excluding DURP), Freddie Mac (excluding LPOA), VA, USDA and Bayview Portfolio Products

- 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 - Disaster Appraisal Inspection Report
  - 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

### Fannie Mae DURP and Freddie Mac LPOA FHA loans closed and endorsed prior to the incident beginning date

- May be delivered without a re-inspection. Loan must meet standard property insurance requirements.

### FHA loans 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) **or fourteen (14) days after the incident period begin date, whichever is earlier. Lakeview Loan Servicing reserves the right to extend the FHA declared incident period end date dependent upon the severity and scope of impact of the disaster.**



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:
  - 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
    - DAIR - Disaster Appraisal Inspection Report
  - 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 on following page)**

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, Bayview | 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 appraisal waiver offering is not permitted for 120 days after the incident period end date.



**Loans without Appraisals - continued**

Program	Applies to:	Property Inspection Requirements		
		Loans Not Closed	Loans Closed Not Purchased	Purchased Not Delivered
<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.	<p>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.</p> <p>If the re-inspection indicates no damage then the PIW may be exercised.</p>	
<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).			
<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 after the incident end date is required and must indicate that the property has not been impacted by the disaster	A re-inspection is not required. Loan must meet standard property insurance requirements.
<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		





<p><b>FHA</b></p>	<p>FHA Streamline</p>	<p>A property inspection with exterior photos dated after the incident end date (as defined by FEMA, FHA or Lakeview) is required and must indicate that the property has not been impacted by the disaster</p>	<p>A property inspection with exterior photos dated after the incident end date (as defined by FEMA, FHA or Lakeview) is required and must indicate that the property has not been impacted by the disaster</p>	<p>A re-inspection is not required. Loan must meet standard property insurance requirements</p>
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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,
- The property is habitable, sound, and the property value is supported

**For Credit Policy Use Only**

Version Control			
Date	Version	Author	Description
01.31.19	19.0	DH	Bayview   Lakeview Loan Servicing Disaster Guidelines Published
08.01.19	19.1	DH	Updates to FHA re-inspection requirements

