



Announcement

Announcement # 19-34

Date: June 18, 2019

Topic: Disaster Policy Implementation: Flooding in the Midwest

FEMA has recently declared several states in the Midwest as eligible for Individual Assistance, and several governors have issued states of emergency, due to ongoing severe flooding.

PennyMac is continuing to evaluate the extent of the flooding and is requiring post-disaster inspections in parts of Arkansas, Iowa, Michigan, Missouri, Nebraska, Ohio, and Oklahoma. Additional locations may be added as the flooding continues and subsides. Due to the ongoing nature of the floods, some areas are currently without an end date. These will be updated as the flooding recedes and damage can be assessed. Properties in Missouri have been updated to accept inspections dated on or after June 17, 2019.

Please review loan level conditions to see which transactions will require a post-disaster inspection and as of what date.

Existing PennyMac Disaster Policy

If the subject property is located in one of the impacted counties and the appraisal was completed prior to the incident period end date, PennyMac will require a post disaster inspection confirming the property was not adversely affected by the disaster. Clients may utilize any of the following re-inspection options to satisfy the post disaster inspection requirement:

- Property Inspection Report (Form 2075), or
- Appraisal Update and/or Completion Report (Form 1004D), or
- Certification from a Licensed Property Inspector, or
- Lender Certification with post-disaster photos that clearly demonstrate the property has not been adversely affected by the disaster. The Certification must not be executed by an employee that receives direct compensation from the subject transaction.

Note: Loans without an appraisal, such as DU Refi Plus, LP Open Access, and FHA Streamline, will require an eligible inspection product for a period of 90 days from the incident period end date, based upon the note date.

For complete details, please refer to the PennyMac Disaster Policy located in the PennyMac Seller's Guide on www.gopennymac.com. Please contact your Sales Representative with any questions.