



Keystone Funding Inc. Disaster Policy

This job aide is designed to assist our team in complying with our disaster policy, consistent with Federal Emergency Management Agency (FEMA) guidelines. It outlines the steps to be taken when a county and/or independent city is recognized as a Federally Declared Disaster Area. It highlights the critical need to secure each loan by conducting the required property inspections or re-inspections following natural disasters such as hurricanes, tropical storms, and tornadoes.

FEMA Designations and Federal Aid Assistance

FEMA designates areas eligible for federal aid assistance in two categories:

- Individuals: Aid for individuals and households.
- Public: Aid for state/local governments and certain private non-profit organizations.

Applicability

The following requirements apply to all loans, regardless of their processing style or appraisal prerequisites, located within Federally Declared Disaster Areas. These procedures are crucial for properties whose values were determined before the occurrence of a natural disaster. **Specifically, counties eligible for individual assistance are required to adhere to the guidance detailed below.**

Conventional Loans

- **Standard Appraisal Before Disaster:**
 - Re-inspection required by original appraiser or a qualified inspector.
 - Must confirm no damage and no impact on value or marketability.
 - Exterior photos and Form 1004D/442 needed if damage is found.
- **DU Issued Before Disaster (Appraisal Waiver):**
 - Property inspection required post-disaster.
 - For insured repairable damage: Close loan with documentation and repair cost estimates.
 - For uninsured damage affecting property integrity: Repairs required before closing.
- **LPA Issued Before Disaster:**
 - Non-standard appraisals disallowed; full appraisal showing no damage needed.
 - Current photos of property and comparables required.
 - Form 1004D/442 required if damage is found.



Conventional Loans (cont.)

- **Appraisal After Disaster:**
 - Must reflect no damage; prefer post-disaster comparables.
 - Non-acceptable MLS or previous appraisal photos.
 - Form 1004D/442 required if damage is found.
- **DU/LPA Issued After Disaster:**
 - Non-standard appraisals not allowed for 90 days post-incident.
 - Full appraisal reflecting no damage and current photos are required.
 - Form 1004D/442 required if damage is found.

FHA Loans

- **Appraisal Inspection Before Disaster:**
 - Re-inspection by original or any licensed FHA roster appraiser.
 - Must include interior/exterior inspection with photos.
 - Confirm dwelling is habitable, free from damage, and no flooding/windstorm damage.

VA Loans

- **Non-IRRRL Before Disaster:**
 - Exterior inspection by VA-approved appraiser required.
 - Address physical condition, impact of damages on value and marketability.
 - Interior inspection if damage noted.
 - Veteran Disaster Certification required before closing.
- **IRRRL Before Disaster:**
 - Exterior inspection with photos by licensed appraiser or professional inspector.
 - Address physical condition, impact of damages.
 - Interior inspection if damage noted.
 - Veteran Disaster Certification required before closing.