



Announcement 17-50

Date: November 13, 2017

Topic: Update to Disaster Policy Implementation: California Wildfires FHA Waivers

FHA requires a post-disaster inspection be completed for all loans secured by properties located in a Presidentially Declared Major Disaster Area (PDMDA) on or after the incident end date as determined by FEMA.

As the risk of further property damage is subsiding after the Northern California wildfires, FHA has issued an additional waiver regarding the timing of the property inspection for properties located in Lake, Napa, Mendocino, and Sonoma Counties. Effective immediately, PennyMac is aligning with FHA’s waiver and will accept property inspections dated on or after November 2, 2017 for all loans secured by properties located these counties.

Property inspections must meet all other FHA requirements, including but not limited to, the use of an FHA roster appraiser. Complete requirements can be found in FHA’s Handbook, 4000.1.

As a reminder, all areas requiring inspections and the inspection dates are included below.

For all FHA Loans:

Location	Inspection Dated on or After
<ul style="list-style-type: none"> • Butte County • Nevada County • Orange County • Yuba County 	October 24, 2017, per FHA Waiver
<ul style="list-style-type: none"> • Napa County • Sonoma County • Lake County • Mendocino 	November 2, 2017 per FHA Waiver

For all Non-FHA Loans:

Location	Inspection Dated on or After
<ul style="list-style-type: none"> • Napa County • Sonoma County 	October 23, 2017
<ul style="list-style-type: none"> • City of Fairfield 	October 17, 2017

<ul style="list-style-type: none"> • Lake County • Mendocino County • Nevada County • Yuba County 	
<ul style="list-style-type: none"> • Butte County • Orange County: Cities of <ul style="list-style-type: none"> ○ Anaheim, ○ Orange and ○ Tustin only 	<p>October 12, 2017</p>

PennyMac’s complete disaster policy can be found in the PennyMac Seller guide. As a reminder, Fannie Mae and Freddie Mac do not allow loans to close with an appraisal waiver for loans located in disaster areas. It is the Correspondent’s responsibility to ensure the property remains eligible for an appraisal waiver.

Additionally Correspondents are responsible for complying with all FHA requirements for properties located in Presidentially Declared Major Disaster Areas (PDMDA) for all FHA loans. Generally FHA requires inspections once FEMA has declared an end date for the disaster, however FHA has issued a waiver for counties impacted by the California wildfires to allow for disaster inspection dated on or after October 24, 2017 or November 2, 2017. Please see the waiver and the FHA handbook for complete details.

Please contact your Sales Representative with any questions.