



**To:** All Customers **From:** Credit Risk  
**Date:** 03/01/21 – Update 03/11/21 **Memo#:** 21032  
**Subject:** Louisiana, Oklahoma & Texas Severe Winter Storms – Conventional and Non-Agency Transactions

Due to the recent declared disaster in Louisiana, Oklahoma and Texas caused by severe winter storms on February 11, 2021, Flagstar Bank will now require satisfactory attestation or re-inspection within the FEMA declared counties. Please refer to all tables listed below for County and channel specific requirements.

Please note that appraisal re-inspections are not required to be completed by the original appraiser; however, a Flagstar Bank eligible appraiser must be utilized. For loans that have an appraisal that was ordered via [tpo.flagstar.com](http://tpo.flagstar.com), an appraisal re-inspection may be requested via the Appraisal Management Module on [tpo.flagstar.com](http://tpo.flagstar.com) by selecting “Yes” to the “Do you need a Property/Disaster Inspection” question.

State	County				Incident Date
LA	Avoyelles	Claiborne	La Salle	Richland	2/19/21
	Bienville	Concordia	Madison	Sabine	
	Bossier	De Soto	Natchitoches	Webster	
	Caddo	East Baton Rouge	Ouachita	West Carroll	
	Calcasieu	Franklin	Rapides	Winn	
	Catahoula	Grant	Red River		
OK	Canadian	Cotton	McIntosh	Pittsburg	2/8/21
	Carter	Hughes	Oklahoma	Stephens	
	Cherokee	Jefferson	Okmulgee	Tulsa	
	Comanche	Le Flore	Osage	Wagner	
TX	Anderson	Denton	Jim Hogg	Rockwall	2/11/21
	Angelina	Duval	Jim Wells	Rusk	
	Aransas	Eastland	Johnson	Sabine	
	Atascosa	Ector	Jones	San Jacinto	
	Austin	Ellis	Karnes	San Patricio	
	Bandera	Erath	Kaufman	Scurry	
	Bastrop	Falls	Kendall	Shelby	
	Bee	Fannin	Kleberg	Smith	
	Bell	Fort Bend	Lavaca	Stephens	
	Bexar	Freestone	Leon	Tarrant	
	Blanco	Galveston	Liberty	Taylor	
	Bosque	Gillespie	Limestone	Tom Green	



<b>TX</b>	Bowie	Goliad	Llano	Travis	2/11/21
	Brazoria	Gonzales	Lubbock	Trinity	
	Brazos	Grayson	Madison	Tyler	
	Brooks	Gregg	Matagorda	Upshur	
	Brown	Grimes	Maverick	Val Verde	
	Burleson	Guadalupe	McLennan	Van Zandt	
	Burnet	Hardin	Medina	Victoria	
	Caldwell	Harris	Milam	Walker	
	Calhoun	Harrison	Montague	Waller	
	Cameron	Hays	Montgomery	Washington	
	Chambers	Henderson	Nacogdoches	Webb	
	Cherokee	Hidalgo	Navarro	Wharton	
	Collin	Hill	Newton	Wichita	
	Colorado	Hood	Nueces	Willacy	
	Comal	Houston	Orange	Williamson	
	Comanche	Howard	Palo Pinto	Wilson	
	Cooke	Hunt	Panola	Wise	
	Coryell	Jackson	Parker	Wood	
	Dallas	Jasper	Polk	Rockwall	
	DeWitt	Jefferson	Robertson	Rusk	

We will continue to monitor the situation and will update the memo as needed. Please refer to this memo posted in the Seller’s Guide for the latest information.

Due to the impact of the Texas Winter Storm, the below requirements apply to all Conventional and Non-Agency transactions and may supersede the requirements of the *Natural Disaster Procedures*, [Doc #4915](#).

**Option 1**

<b>Conventional and Non-Agency Transactions</b>		
<b>Delivery</b>	<b>Purchase</b>	<b>Refinance</b>
<b>Wholesale (Table Funded) Loans that have not yet closed</b>	Borrower and Seller signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.	Borrower signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.
<b>Non-Delegated Correspondent loans that have not yet closed and funded</b>	Borrower and Seller signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.	Borrower signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.

<b>Non-Delegated Correspondent that closed after the incident date but before February 26, 2021 and have not been purchased</b>	Borrower signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.	Borrower signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.
<b>Delegated Correspondent that have not yet been purchased</b>	Borrower signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.	Borrower signed attestation that the condition of the subject property has not been impacted by the Texas Severe Winter Storms (DR-4586-TX) or the Oklahoma Severe Winter Storm (DR-4587_DR), as applicable. There was no damage to the subject property.

**ATTESTATION**

The [Disaster Condition Certification, Doc. #3642](#) or a similar form may be used to attest the borrower and seller, as applicable, are not aware of any structural or physical damage that resulted from the Storms that has altered the condition of the Property. The attestation form must be uploaded as a single document upload under the Appraisal Inspection header. The attestation may be digitally or wet signed.

**Option 2**

Conventional and Non-Agency Transactions		
Delivery	Purchase	Refinance
<b>All Channels</b>	<b><u>Option 2</u></b> Interior Inspection (see below for requirements)	<b><u>Option 2</u></b> Interior inspection (see below for requirements)

An interior inspection performed by an appraiser, appraiser trainee, home inspector, real estate agent, or a company that specializes in property inspections is required. The inspection attestation must include the following:

- A statement that the subject property has not sustained any damage.
  - For condominiums, a statement that the condo project and common elements, if applicable, within the project have not sustained damage.
- Interior photos of all main living (e.g., living room, all bedrooms, kitchen(s), etc.) areas evidencing no damage
- Photos of running water in all bathrooms and kitchen(s)

The following are examples of acceptable inspection forms:

- Freddie Mac form 2070
- Appraisal Update and/or Completion Report (Form 1004D)
- Catastrophic Disaster Inspection Report (CDAIR), Disaster Area Inspection Report (DAIR) prepared by a certified appraiser or a Disaster Inspection Company.

If the re-inspection confirms the property has been damaged, use the following to determine documentation requirements, before the loan is eligible to close or eligible for purchase by Flagstar Bank.

- If the property has been damaged and the damage does not affect the safety, soundness, or structural integrity of the property and the repair items are covered by insurance, the loan is eligible for closing/purchase. In these circumstances, documentation of the professional estimates of the repair costs, ensuring that sufficient insurance proceeds are available for the borrower's benefit to guarantee the completion of the repairs must be provided.
- If the property was damaged and the damage is uninsured or the damage affects the safety, soundness, or structural integrity of the property, the property must be repaired and an appraisal updated on Fannie Mae Form 1004D (Freddie Mac 442) must be provided before the loan may close and/or be eligible for purchase by Flagstar Bank.

If the attestation confirms the property has been damaged an interior inspection completed by an appraiser must be obtained to determine the extent of the damage. Use the following to determine documentation requirements, before the loan is eligible to close or eligible for purchase by Flagstar Bank.

- If the property has been damaged and the damage does not affect the safety, soundness, or structural integrity of the property and the repair items are covered by insurance, the loan is eligible for closing/purchase. In these circumstances, documentation of the professional estimates of the repair costs, ensuring that sufficient insurance proceeds are available for the borrower's benefit to guarantee the completion of the repairs must be provided.
- If the property was damaged and the damage is uninsured or the damage affects the safety, soundness, or structural integrity of the property, the property must be repaired and an appraisal updated on Fannie Mae Form 1004D (Freddie Mac 442) must be provided before the loan may close and/or be eligible for purchase by Flagstar Bank.

Note: TX 50(a)(6) liens are not eligible for an appraisal waiver.

For appraisals performed after the incident date for the indicated affected disaster area(s), the appraiser must provide the following commentary/evidence:

- Property is free from damage and the disaster had no effect on value or marketability.
- If the appraisal indicates damage, the extent of the damage must be addressed. Completion of repairs is required as evidenced by Form 1004D/442, Appraisal Update and/or Completion Report with photos of interior and exterior.

## **CONVENTIONAL TRANSACTIONS - APPRAISAL WAIVERS, DESKTOP APPRAISALS, AND EXTERIOR-ONLY APPRAISAL**

For loans where an appraisal is not required due to DU/LPA offering an appraisal waiver or the loan meets the COVID appraisal flexibilities, the appraisal waiver, desktop appraisal, and exterior-only appraisal may continue to be used as long as an attestation or interior inspection has been provided as described above are met.

## **CUSTOMER SUPPORT**

If you have questions, please email [UnderwritingSupport@flagstar.com](mailto:UnderwritingSupport@flagstar.com) or call the underwriting support desk at (866) 945-9872.