



## HUMBOLDT COUNTY EARTHQUAKE and DISASTER AREA POLICY

Pinnacle Capital Mortgage will implement additional property re-inspection and review requirements on loans secured by properties located in disaster areas. It is important to note that not all disaster areas as determined by PCM are qualified as FEMA disaster declarations. Please refer to the following procedures on loans that are located in PCM-determined disaster areas.

**RECENT DISASTER: HUMBOLDT COUNTY** On Saturday, January 9, 2010 an earthquake struck off the shore of Northern California, about 33 miles from the city of Eureka in Humboldt county. This is considered a PCM Disaster Area and the following requirements apply:

**EFFECTIVE DATE:** January 9, 2010.

- All appraisals performed on or before JANUARY 9, 2010 will require the appropriate re-inspection and review requirements detailed below.
- All appraisals performed after January 9, 2010 must contain a written certification from the appraiser that indicates the property is free from damage and the disaster had no affect on value or marketability, or if there was damage, address the extend of that damage.

### **RE-INSPECTION AND REVIEW REQUIREMENTS:**

- **Any Appraisal Performed on or Before Incident Period End Date for Disaster:**  
Property must be re-inspected by the original appraiser or acceptable inspection source (such as, a nationally recognized field company or local professional licensed inspector). The appraiser/property inspector must provide the following commentary/ evidence: Property is free from damage and the disaster had no affect on value or marketability.

If the re-inspection indicates damage, the extent of the damage must be addressed. Completion of repairs is required as evidenced by Form 1004D, Appraisal Update and/or Completion Report, with photos, prior to funding the loan.

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- **Standard Appraisal Performed After Incident Period End Date for Disaster (Appraisal report forms 1004,1004c,1025, 1073 and 2090):** If the property is free from damage: Preferably, all comparables should be post-disaster; however, if sufficient comparables are not available, then the appraiser must provide current photos of the subject property and comparables. Multiple Listing Service (MLS) photos or photos used for previous appraisals are not acceptable.

If the appraisal indicates damage: The extent of the damage must be addressed. Completion of repairs is required evidenced by Form 1004D/442, Appraisal Update and/or Completion Report, with photos, prior to funding loan.

- **Non-Standard Appraisals (Property Valuation Update, PIW, 1075, 2055, 2075 and 2095):** Not allowed for **1 Year** after the disaster incident period end date.

**ADDITIONAL REQUIREMENTS FOR VA LOANS IN DISASTER AREAS:** Any loan funded prior to the disaster is eligible for VA guaranty without regard to the disaster.

For a loan on a property located within the disaster area to be eligible for VA guaranty, appraised on or before the date of the disaster, and not funded prior to that date, the following certifications must be included in the loan file:

1. Lender Certification - *This is to affirm that the property which is the security for VA loan number \_\_\_\_\_ has been inspected to ensure that it was either not damaged in the recent disaster or has been restored to its pre-disaster condition or better. (The Lender Certification must be signed by the Lender, including Title and Date)*
2. Veteran Certification - *I have inspected the property located at \_\_\_\_\_ and find its condition now to be acceptable to me. I understand that I will not be charged for any disaster-related expenses, and now wish to close the loan. (The Veteran Certification must be signed and dated by the Veteran)*

**ADDITIONAL REQUIREMENTS FOR FHA STREAMLINE LOANS IN DISASTER AREAS:** FHA Streamline Refinance loans do not require an appraisal. To ensure that the property has not been damaged, PCM requires an exterior inspection to be performed by an FHA-approved inspector.

**PCM will not fund any loans that do not adhere to the requirements detailed above. Please contact your Account Executive with any questions.**

