

Agency Guideline Revisions

Note: SunTrust specific overlays are underlined.

Topic	Impacted Document	Impacted Products	Current Guidelines	Revised Guidelines Effective for DU Version 10.2 and 10.3 Loan Casefiles Submitted or Resubmitted to DU ON OR AFTER December 8, 2018
<p>Fannie Mae's DU Appraisal Waivers <i>(Including the NEW Rural High-Needs Appraisal Waiver)</i></p>	<p>Correspondent Section 2.01 Agency Loan Programs-Guideline</p>	<ul style="list-style-type: none"> • Standard Agency (DU) • Agency Plus (DU) • HomeReady® Mortgage (DU) 	<p>Appraisal Requirements / Representations and Warranties on Property Value and Mortgaged Premises</p> <p>Fannie Mae DU Follow DU requirements, which are the same as non-AUS guidelines, except as follows:</p> <ul style="list-style-type: none"> • Representations and Warranties related to Appraisal Waivers <ul style="list-style-type: none"> • When a loan casefile is eligible for an appraisal waiver and the waiver is exercised by the lender, Fannie Mae accepts the value estimate submitted by the lender as the value for the subject property. The property value the lender enters in DU may be based on: <ul style="list-style-type: none"> • the lender's estimate of value, determined at the discretion of the lender, or • the borrower's estimate of value. • If the lender exercises the waiver offer, the lender is not responsible for the representations and warranties related to the value, marketability, and condition of the subject property. For all appraisal waivers, the lender remains responsible for the accuracy and completeness of all data that pertains to the property and project (if applicable) that is submitted to DU (other than the property value). <p>Note: Fannie Mae does not warrant that the estimated value provided by the lender is the actual value of the subject property. The lender may not make any statements to any third party (including the borrower) that Fannie Mae performed any kind of review, appraisal, or valuation of the property.</p> <hr/> <p>Appraisal Requirements / Fannie Mae's DU Appraisal Waivers</p> <p>SunTrust Note: An appraisal waiver is not allowed in all states. Correspondent lenders are responsible for adhering to all state, federal and/or regulatory lending guidelines, as well as licensing requirements. Correspondent lenders are advised to consult with their legal counsel or compliance managers for further state-specific appraisal waiver guidance.</p> <p>Non-AUS Not eligible</p> <p>Fannie Mae DU Follow DU requirements, which are as follows:</p> <ul style="list-style-type: none"> • Overview <ul style="list-style-type: none"> • For certain loan casefiles, DU offers an appraisal waiver – an option to waive the appraisal requirement. For loan casefiles that are not eligible for an appraisal waiver, DU will require an appraisal reported on the appropriate appraisal report form for the type of property being appraised. • Prior Appraisal Requirements <ul style="list-style-type: none"> • In order for an appraisal waiver to be considered, a prior appraisal must be found for the subject property in Fannie Mae's Collateral Underwriter (CU) data. • DU will compare the address for the subject property to the property addresses found in CU. For refinance transactions, a borrower name match between the loan casefile and the prior appraisal must also be found. DU will use the information from the prior appraisal to determine if the loan casefile is eligible for the appraisal waiver. In some cases, the prior appraisal may not be acceptable. 	<p>Appraisal Requirements / Representations and Warranties on Property Value and Mortgaged Premises</p> <p>Fannie Mae DU Follow DU requirements, which are the same as non-AUS guidelines, except as follows:</p> <ul style="list-style-type: none"> • Representations and Warranties related to Appraisal Waivers <ul style="list-style-type: none"> • When a loan casefile is eligible for an appraisal waiver and the waiver is exercised by the lender, Fannie Mae accepts the value estimate submitted by the lender as the value for the subject property. The property value the lender enters in DU may be based on: <ul style="list-style-type: none"> • the lender's estimate of value, determined at the discretion of the lender, or • the borrower's estimate of value. • If the lender exercises the waiver offer, the lender is not responsible for the representations and warranties related to the value, marketability, and condition of the subject property, except in the case of the rural high-needs appraisal waiver. With this appraisal waiver, the lender must warrant that the property is safe, sound, and structurally secure. For all appraisal waivers, the lender remains responsible for the accuracy and completeness of all data that pertains to the property and project (if applicable) that is submitted to DU (other than the property value). <p>Note: Fannie Mae does not warrant that the estimated value provided by the lender is the actual value of the subject property. The lender may not make any statements to any third party (including the borrower) that Fannie Mae performed any kind of review, appraisal, or valuation of the property.</p> <hr/> <p>Appraisal Requirements / Fannie Mae's DU Appraisal Waivers</p> <p>SunTrust Note: An appraisal waiver is not allowed in all states. Correspondent lenders are responsible for adhering to all state, federal and/or regulatory lending guidelines, as well as licensing requirements. Correspondent lenders are advised to consult with their legal counsel or compliance managers for further state-specific appraisal waiver guidance.</p> <p>Non-AUS Not eligible</p> <p>Fannie Mae DU Follow DU requirements, which are as follows:</p> <ul style="list-style-type: none"> • Overview <ul style="list-style-type: none"> • For certain loan casefiles, DU offers an appraisal waiver – an option to waive the appraisal requirement. For loan casefiles that are not eligible for an appraisal waiver, DU will require an appraisal reported on the appropriate appraisal report form for the type of property being appraised. • Prior Appraisal Requirements <ul style="list-style-type: none"> • In order for an appraisal waiver to be considered, a prior appraisal must be found for the subject property in Fannie Mae's Collateral Underwriter (CU) data. • DU will compare the address for the subject property to the property addresses found in CU. For refinance transactions, a borrower name match between the loan casefile and the prior appraisal must also be found. DU will use the information from the prior appraisal to determine if the loan casefile is eligible for the appraisal waiver. In some cases, the prior appraisal may not be acceptable.

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			<p>For example, if a CU "Overvaluation Flag" was issued on the prior appraisal, or the appraisal could not be scored, that prior appraisal will not be used and an appraisal waiver will not be offered on the new loan casefile.</p> <ul style="list-style-type: none"> • DU will not offer an appraisal waiver when an appraisal has been uploaded to the Uniform Collateral Data Portal (UCDP) within the prior 120 days from any lender. • Eligible Transactions <ul style="list-style-type: none"> • The appraisal waiver offer will be considered for the following transactions: <ul style="list-style-type: none"> • One-unit properties, including condominiums, • Limited cash-out refinance transactions: <ul style="list-style-type: none"> • Primary residences and second homes up to 90% LTV/TLTV • Investment Properties up to 75% LTV/TLTV • Cash-out refinance transactions: <ul style="list-style-type: none"> • Primary residences up to 70% LTV/TLTV • Second homes and investment properties up to 60% LTV/TLTV • Purchase transactions: <ul style="list-style-type: none"> • Primary residences and second homes up to 80% LTV/TLTV • DU loan casefiles that receive an "Approve/Eligible" recommendation. • Ineligible Transactions <ul style="list-style-type: none"> • The following transactions are not eligible for an appraisal waiver: <ul style="list-style-type: none"> • Properties located in a disaster-impacted area, unless Fannie Mae has received an appraisal of the property that was performed after the disaster. (See the "Properties Affected by a Disaster" subtopic subsequently presented in this topic for additional information), • Construction and construction-to-permanent loans, • Two- to four-unit properties, • HomeStyle Renovation and HomeStyle Energy loans, • Leasehold properties, • Loan casefiles where the value of the subject property provided to DU is \$1,000,000 or greater, • Manufactured homes, • Properties with resale restrictions, • DU loan casefiles that receive an ineligible recommendation, • Transactions using gifts of equity, and • Texas Section 50(a)(6) loans, • Furthermore, the lender may not exercise an appraisal waiver offer and must order an appraisal if one or more of the following applies: <ul style="list-style-type: none"> • DU was unable to identify ineligible criteria in the list above (for example, Texas 50(a)(6) loans), • The lender is required by law to obtain an appraisal, • The lender is using rental income from the subject property to qualify the borrower, or • The lender believes that an appraisal is warranted based on additional information the lender has about the property or subsequent events, such as a natural disaster (See the "Properties Affected by a Disaster" subtopic subsequently presented in this topic for additional information). <p>SunTrust Note: SunTrust clarifies that examples of additional information about the property</p>	<p>For example, if a CU "Overvaluation Flag" was issued on the prior appraisal, or the appraisal could not be scored, that prior appraisal will not be used and an appraisal waiver will not be offered on the new loan casefile.</p> <ul style="list-style-type: none"> • DU will not offer an appraisal waiver when an appraisal has been uploaded to the Uniform Collateral Data Portal (UCDP) within the prior 120 days from any lender. • Eligible Transactions <ul style="list-style-type: none"> • The appraisal waiver offer will be considered for the following transactions: <ul style="list-style-type: none"> • One-unit properties, including condominiums, • Limited cash-out refinance transactions: <ul style="list-style-type: none"> • Primary residences and second homes up to 90% LTV/TLTV • Investment Properties up to 75% LTV/TLTV • Cash-out refinance transactions: <ul style="list-style-type: none"> • Primary residences up to 70% LTV/TLTV • Second homes and investment properties up to 60% LTV/TLTV • Purchase transactions: <ul style="list-style-type: none"> • Primary residences and second homes up to 80% LTV/TLTV • DU loan casefiles that receive an "Approve/Eligible" recommendation. <p>SunTrust Note: See "Rural High-Needs Appraisal Waiver" presented below for specific eligibility requirements for appraisal waivers in selected rural high-needs areas.</p> <ul style="list-style-type: none"> • Ineligible Transactions <ul style="list-style-type: none"> • The following transactions are not eligible for an appraisal waiver: <ul style="list-style-type: none"> • Properties located in a disaster-impacted area, unless Fannie Mae has received an appraisal of the property that was performed after the disaster. (See the "Properties Affected by a Disaster" subtopic subsequently presented in this topic for additional information); • Construction and construction-to-permanent loans, • Two- to four-unit properties, • HomeStyle Renovation and HomeStyle Energy loans, • Leasehold properties, • Loan casefiles where the value of the subject property provided to DU is \$1,000,000 or greater, • Manufactured homes, • Properties with resale restrictions, • DU loan casefiles that receive an ineligible recommendation, • Transactions using gifts of equity, and • Texas Section 50(a)(6) loans, • Furthermore, the lender may not exercise an appraisal waiver offer and must order an appraisal if one or more of the following applies: <ul style="list-style-type: none"> • DU was unable to identify ineligible criteria in the list above (for example, Texas 50(a)(6) loans), • The lender is required by law to obtain an appraisal, • The lender is using rental income from the subject property to qualify the borrower, or • The lender believes that an appraisal is warranted based on additional information the lender has about the property or subsequent events, such as a natural disaster (See the "Properties Affected by a Disaster" subtopic subsequently presented in this topic for additional information).

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			<p>include, but may not be limited to, the following:</p> <ul style="list-style-type: none"> a home inspection report or other information in the loan file that indicates the presence of adverse conditions and/or marketability factors, the presence of any contaminated site or hazardous substance affecting the property or the neighborhood in which the property is located. <p>Note: The lender may not exercise an appraisal waiver offer if an appraisal is obtained for the transaction.</p> <ul style="list-style-type: none"> Representations and Warranties <ul style="list-style-type: none"> When a loan casefile is eligible for an appraisal waiver and the waiver is exercised by the lender, Fannie Mae accepts the value estimate submitted by the lender as the value for the subject property. <p>Reference: See the “Representations and Warranties on Property Value and Mortgaged Premises” subtopic in the “Appraisal Requirements” topic for additional guidance.</p> Appraisal Waiver Messaging <ul style="list-style-type: none"> The following message will be displayed in the DU Underwriting Findings report when a loan receives an appraisal waiver offer: <ul style="list-style-type: none"> <i>“DU accepts the value submitted as the market value for this subject property. This loan is eligible for delivery to Fannie Mae without an appraisal and is eligible for representation and warranty relief on the value, condition and marketability of the subject property if the Appraisal Waiver is exercised by the lender at the time of loan delivery by including Special Feature Code 801 and the Casefile ID in the loan delivery file. If the waiver is not exercised, an appraisal based on an interior and exterior property inspection is required for this transaction. If an appraisal is obtained for this transaction, or the Selling Guide states that the transaction is not eligible for an Appraisal Waiver, the Appraisal Waiver may not be exercised and the loan cannot be delivered with Special Feature Code 801. Note that DU is not able to identify all transactions that are ineligible for an Appraisal Waiver, including community land trusts or properties with resale restrictions, and Texas Section 50(a)(6) mortgages.”</i> Exercising an Appraisal Waiver <ul style="list-style-type: none"> A lender may only exercise an appraisal waiver if: <ul style="list-style-type: none"> the final submission of the loan casefile to DU resulted in an appraisal waiver offer, an appraisal is not obtained for the transaction, and the appraisal waiver offer is not more than four months old on the date of the note and the mortgage. Special Feature Code Requirement: Lenders that elect to exercise the appraisal waiver must include SFC 801 at delivery. Lenders may not adversely select against Fannie Mae in determining which appraisal waiver offers to accept. Fannie Mae may monitor the lender’s exercise of appraisal waiver offers and delivery of loans to Fannie Mae, and may take appropriate measures if adverse selection is identified. <p>SunTrust Note: The above required SFC 801 will be automatically generated (on SunTrust systems) based on the selection of the appropriate appraisal type.</p> <ul style="list-style-type: none"> SunTrust clarifies that when a transaction is originated with an appraisal waiver, the lender is still 	<p>information).</p> <p>SunTrust Note: SunTrust clarifies that examples of additional information about the property include, but may not be limited to, the following:</p> <ul style="list-style-type: none"> a home inspection report or other information in the loan file that indicates the presence of adverse conditions and/or marketability factors, the presence of any contaminated site or hazardous substance affecting the property or the neighborhood in which the property is located. <p>Note: The lender may not exercise an appraisal waiver offer if an appraisal is obtained for the transaction.</p> <p>SunTrust Note: See “Rural High-Needs Appraisal Waiver” presented below for specific ineligibility requirements for appraisal waivers in selected rural high-needs areas.</p> <ul style="list-style-type: none"> Representations and Warranties <ul style="list-style-type: none"> When a loan casefile is eligible for an appraisal waiver and the waiver is exercised by the lender, Fannie Mae accepts the value estimate submitted by the lender as the value for the subject property. <p>Reference: See the “Representations and Warranties on Property Value and Mortgaged Premises” subtopic in the “Appraisal Requirements” topic for additional guidance.</p> Rural High-Needs Appraisal Waiver <ul style="list-style-type: none"> In selected rural high-needs areas, Fannie Mae may offer appraisal waivers through DU for certain transactions. <p>SunTrust Note: The Rural High-Needs Appraisal Waiver offer will be considered only for property locations designated as rural high-needs by Fannie Mae’s Duty to Serve requirements. Click here to access an interactive version of the High-Needs Rural Areas Map (on the Federal Housing Finance Agency’s website) that shows the eligible counties.</p> <ul style="list-style-type: none"> The rural high-needs appraisal waiver offer will be considered for the following transactions only: <ul style="list-style-type: none"> loan casefiles that receive an “Approve/Eligible” recommendation; purchase transactions; one-unit primary residence properties (excluding manufactured homes); borrowers with income at or below 100% of the area median income; and LTV ratios up to 97% and TLTV ratios up to 105% with a Community Seconds. The following are ineligible for the rural high-needs appraisal waiver: <ul style="list-style-type: none"> cash-out or limited cash-out refinances; second homes and investment properties; and all other transactions that are ineligible for an appraisal waiver as listed above. The following table provides the requirements related to the home inspection. These requirements must be met for the lender to exercise the rural high-needs appraisal waiver.

✓ The lender must

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			<p>required to confirm that the subject property is not listed for sale per standard refinance guidelines. To comply with this requirement, the borrower must sign a <i>Property Ownership Affidavit</i> (COR 0061), or substantially similar document, disclosing whether the property is currently or was listed for sale.</p> <p>Reference: See the "Properties Affected by a Disaster" subtopic subsequently presented in this topic for additional information regarding loans impacted by a natural disaster with an appraisal waiver offer.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td>obtain a home inspection to determine the property condition. The inspection report must be retained in the loan file and made available to Fannie Mae upon request.</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td>review the inspection report to verify the property condition. The content of the inspection report must be sufficient for the lender to determine whether the property is safe, sound, and structurally secure. Any issues that compromise safety, soundness, or structural integrity must be repaired before loan delivery.</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td>obtain an affidavit signed by the borrower(s) confirming that they received a copy of the property inspection report, read the report, and were notified of any lender-required repairs. SunTrust Note: There is no Fannie Mae specific form/format for the above referenced affidavit requirement. A signed letter/statement from the borrowers attesting to the items noted above is acceptable.</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td>confirm that the purchase contract contains an inspection contingency that offers the borrower(s) enough time to cancel the contract without penalty if they so choose, should the inspection reveal an issue with the property.</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td>confirm that the inspector has liability insurance.</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td>use a professional inspector that meets the state license and education requirements for those states that regulate inspectors. Note: In states that do not have inspector licenses, inspectors that are professionally accredited members in good standing of a nationally recognized property inspection organization must be used. The national organization must require education, testing, and adherence to a code of ethics and to standards of practice.</td> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td>represent and warrant that the property is safe, sound, and structurally secure and that the property is not in C6 condition. See "Representations and Warranties" presented above and "Property Condition and Quality of Construction of the Improvements" in the "Appraisal Report Assessment" subtopic previously presented in this document, for additional information.</td> </tr> </table> <ul style="list-style-type: none"> • Appraisal Waiver Messaging <ul style="list-style-type: none"> • The following message will be displayed in the DU Underwriting Findings report when a loan receives an appraisal waiver offer other than the rural high-needs appraisal waiver offer: <ul style="list-style-type: none"> • "DU accepts the value submitted as the market value for this subject property. This loan is eligible for delivery to Fannie Mae without an appraisal and is eligible for representation and warranty relief on the value, condition and marketability of the subject property if the Appraisal Waiver is exercised by the lender at the time of loan delivery by including Special Feature Code 801 and the Casefile ID in the loan delivery file. If the waiver is not exercised, an appraisal based on an interior and exterior property inspection is required for this transaction. If an appraisal is obtained for this transaction, or the Selling Guide states that the transaction is not eligible for an Appraisal Waiver, the Appraisal Waiver may not be exercised and the loan cannot be delivered with Special Feature Code 801. Note that DU is not able to identify all transactions that are ineligible for an Appraisal Waiver, including community land trusts or properties with resale restrictions, and Texas Section 50(a)(6) mortgages." • The following message will be displayed in the DU Underwriting Findings report when a loan receives a rural high-needs appraisal waiver offer: 		obtain a home inspection to determine the property condition. The inspection report must be retained in the loan file and made available to Fannie Mae upon request.		review the inspection report to verify the property condition. The content of the inspection report must be sufficient for the lender to determine whether the property is safe, sound, and structurally secure. Any issues that compromise safety, soundness, or structural integrity must be repaired before loan delivery.		obtain an affidavit signed by the borrower(s) confirming that they received a copy of the property inspection report, read the report, and were notified of any lender-required repairs. SunTrust Note: There is no Fannie Mae specific form/format for the above referenced affidavit requirement. A signed letter/statement from the borrowers attesting to the items noted above is acceptable.		confirm that the purchase contract contains an inspection contingency that offers the borrower(s) enough time to cancel the contract without penalty if they so choose, should the inspection reveal an issue with the property.		confirm that the inspector has liability insurance.		use a professional inspector that meets the state license and education requirements for those states that regulate inspectors. Note: In states that do not have inspector licenses, inspectors that are professionally accredited members in good standing of a nationally recognized property inspection organization must be used. The national organization must require education, testing, and adherence to a code of ethics and to standards of practice.		represent and warrant that the property is safe, sound, and structurally secure and that the property is not in C6 condition. See "Representations and Warranties" presented above and "Property Condition and Quality of Construction of the Improvements" in the "Appraisal Report Assessment" subtopic previously presented in this document, for additional information.
	obtain a home inspection to determine the property condition. The inspection report must be retained in the loan file and made available to Fannie Mae upon request.																	
	review the inspection report to verify the property condition. The content of the inspection report must be sufficient for the lender to determine whether the property is safe, sound, and structurally secure. Any issues that compromise safety, soundness, or structural integrity must be repaired before loan delivery.																	
	obtain an affidavit signed by the borrower(s) confirming that they received a copy of the property inspection report, read the report, and were notified of any lender-required repairs. SunTrust Note: There is no Fannie Mae specific form/format for the above referenced affidavit requirement. A signed letter/statement from the borrowers attesting to the items noted above is acceptable.																	
	confirm that the purchase contract contains an inspection contingency that offers the borrower(s) enough time to cancel the contract without penalty if they so choose, should the inspection reveal an issue with the property.																	
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	use a professional inspector that meets the state license and education requirements for those states that regulate inspectors. Note: In states that do not have inspector licenses, inspectors that are professionally accredited members in good standing of a nationally recognized property inspection organization must be used. The national organization must require education, testing, and adherence to a code of ethics and to standards of practice.																	
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				<ul style="list-style-type: none"> “DU accepts the purchase price submitted as the value for the subject property. This loan can be delivered to Fannie Mae without an appraisal and is eligible for representation and warranty relief on the value and marketability of the subject property if a home inspection report from a qualified home inspector is obtained, and the appraisal waiver is exercised by including Special Feature Code 801 and the Casefile ID in the loan delivery file. The lender must review the home inspection report to confirm that there are no physical deficiencies or conditions that affect the safety, soundness, or structural integrity of the property and that the property is not in C6 condition. The borrower must also be given a copy of the home inspection report and must be notified of any lender-required repairs; and any deficiencies that impact the safety, soundness, or structural integrity of the property must be repaired prior to delivery of the loan. If the appraisal waiver is not exercised, an appraisal based on an interior and exterior property inspection is required for this transaction. If an appraisal is obtained for this transaction, or the Selling Guide states that the transaction is not eligible for an appraisal waiver, the appraisal waiver may not be exercised and the loan cannot be delivered with Special Feature Code 801. Note that DU is not able to identify all transactions that are ineligible for an appraisal waiver, including community land trusts or properties with resale restrictions, and Texas Section 50(a)(6) mortgages.” Exercising an Appraisal Waiver <ul style="list-style-type: none"> A lender may only exercise an appraisal waiver if: <ul style="list-style-type: none"> the final submission of the loan casefile to DU resulted in an appraisal waiver offer, an appraisal is not obtained for the transaction, and the appraisal waiver offer is not more than four months old on the date of the note and the mortgage. Special Feature Code Requirement: Lenders that elect to exercise the appraisal waiver must include SFC 801 at delivery. Lenders may not adversely select against Fannie Mae in determining which appraisal waiver offers to accept. Fannie Mae may monitor the lender’s exercise of appraisal waiver offers and delivery of loans to Fannie Mae, and may take appropriate measures if adverse selection is identified. <p>SunTrust Note: The above required SFC 801 will be automatically generated (on SunTrust internal systems) based on the selection of Property Inspection Waiver as the appraisal type on SunTrust internal systems.</p> <ul style="list-style-type: none"> SunTrust clarifies that when a transaction is originated with an appraisal waiver, the lender is still required to confirm that the subject property is not listed for sale per standard refinance guidelines. To comply with this requirement, the borrower must sign a <i>Property Ownership Affidavit</i> (COR 0061), or substantially similar document, disclosing whether the property is currently or was listed for sale. <p>Reference: See the “Properties Affected by a Disaster” subtopic subsequently presented in this topic for additional information regarding loans impacted by a natural disaster with an appraisal waiver offer.</p>
Properties Affected by a Disaster	Correspondent Section 2.01 Agency Loan Programs-Guideline	<ul style="list-style-type: none"> Standard Agency (DU) Agency Plus (DU) HomeReady® 	<p>Appraisal Requirements / Properties Affected by a Disaster</p> <p>Non-AUS</p> <ul style="list-style-type: none"> Overview <ul style="list-style-type: none"> The lender warrants for each loan it delivers to SunTrust that the property is not damaged by fire, 	<p>Appraisal Requirements / Properties Affected by a Disaster</p> <p>Non-AUS</p> <ul style="list-style-type: none"> Overview <ul style="list-style-type: none"> The lender warrants for each loan it delivers to SunTrust that the property is not damaged by fire,

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		Mortgage (DU)	<p>wind, or other cause of loss and that there are no proceedings pending for the partial or total condemnation of the property. The lender also warrants that the mortgage conforms to all applicable requirements in the <i>Correspondent Selling Guide</i>, including the requirement that the mortgage is an acceptable investment. Finally, the lender represents and warrants that it knows of nothing involving the mortgage or the property that can reasonably be expected to cause the mortgage to become delinquent or adversely affect the mortgage's value or marketability.</p> <ul style="list-style-type: none"> • Property Eligibility Requirements <ul style="list-style-type: none"> • The lender must be able to make the warranties that are described above. Therefore, before delivery of a mortgage loan to SunTrust where the property may have been damaged by a disaster, the lender is expected to take prudent and reasonable actions to determine whether the condition of the property may have materially changed. The lender is responsible for determining if an inspection of the property and/or new appraisal is necessary to support this warranty. If a property is located in a condo project, both the condition of the unit and the condition of the building in which the unit is located must be assessed. • The following table summarizes Fannie Mae's requirements depending on the status of the loan at the time of the disaster, and whether the lender intended to deliver the loan with an appraisal. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Loan Status As of Disaster</th> <th style="background-color: #0056b3; color: white;">Loan Files With Appraisals</th> </tr> </thead> <tbody> <tr> <td>In Process</td> <td>Determine if condition of the property has materially changed since the appraisal effective date.</td> </tr> <tr> <td>Closed, But Not Delivered (<i>to SunTrust</i>)</td> <td>Determine if condition of the property has materially changed since the appraisal effective date.</td> </tr> </tbody> </table> <p>The above requirements are necessary to support the lender's property representations and warranties, and apply through the end of the delivery process.</p> <ul style="list-style-type: none"> • Lenders should use the following criteria when determining if the mortgage loan can be delivered to SunTrust: <ul style="list-style-type: none"> • 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 lender may deliver the mortgage to SunTrust. In these circumstances, the lender must obtain documentation of the professional estimates of the repair costs and must ensure that sufficient insurance proceeds are available for the borrower's benefit to guarantee the completion of the repairs. • 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 before the mortgage loan is delivered to SunTrust. • Age of Documentation Requirements <ul style="list-style-type: none"> • When a loan is secured by a property located in a FEMA-Declared Disaster Area eligible for individual assistance, Fannie Mae provides additional flexibilities. The following requirements apply: <ul style="list-style-type: none"> • The underwriting documentation, including credit reports and verifications of income and assets, must be dated no more than 180 days before the note date. • The appraisal must be dated no more than 180 days before the note date. Lenders must comply with the property eligibility requirements above. 	Loan Status As of Disaster	Loan Files With Appraisals	In Process	Determine if condition of the property has materially changed since the appraisal effective date.	Closed, But Not Delivered (<i>to SunTrust</i>)	Determine if condition of the property has materially changed since the appraisal effective date.	<p>wind, or other cause of loss and that there are no proceedings pending for the partial or total condemnation of the property. The lender also warrants that the mortgage conforms to all applicable requirements in the <i>Correspondent Selling Guide</i>, including the requirement that the mortgage is an acceptable investment. Finally, the lender represents and warrants that it knows of nothing involving the mortgage or the property that can reasonably be expected to cause the mortgage to become delinquent or adversely affect the mortgage's value or marketability.</p> <ul style="list-style-type: none"> • Property Eligibility Requirements <ul style="list-style-type: none"> • The lender must be able to make the warranties that are described above. Therefore, before delivery of a mortgage loan to SunTrust where the property may have been damaged by a disaster, the lender is expected to take prudent and reasonable actions to determine whether the condition of the property may have materially changed. The lender is responsible for determining if an inspection of the property and/or new appraisal is necessary to support this warranty. If a property is located in a condo project, both the condition of the unit and the condition of the building in which the unit is located must be assessed. • The following table summarizes Fannie Mae's requirements depending on the status of the loan at the time of the disaster, and whether the lender intended to deliver the loan with an appraisal. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Loan Status As of Disaster</th> <th style="background-color: #0056b3; color: white;">Loan Files With Appraisals</th> </tr> </thead> <tbody> <tr> <td>In Process</td> <td>Determine if condition of the property has materially changed since the appraisal effective date.</td> </tr> <tr> <td>Closed, But Not Delivered (<i>to SunTrust</i>)</td> <td>Determine if condition of the property has materially changed since the appraisal effective date.</td> </tr> </tbody> </table> <p>The above requirements are necessary to support the lender's property representations and warranties, and apply through the end of the delivery process.</p> <ul style="list-style-type: none"> • Lenders should use the following criteria when determining if the mortgage loan can be delivered to SunTrust: <ul style="list-style-type: none"> • 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 lender may deliver the mortgage to SunTrust. 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However, DU is not aware of all disasters and the lender may need to obtain an appraisal even if DU offered an appraisal waiver. <ul style="list-style-type: none"> Appraisal Waiver Offers Following a Disaster <ul style="list-style-type: none"> After Fannie Mae has received an acceptable appraisal that was performed following a disaster, that appraisal can serve as the basis for a future appraisal waiver. DU may issue appraisal waiver offers in disaster areas as soon as 120 days following a disaster. Lenders may exercise these offers in accordance with the requirements outlined in the “Fannie Mae’s DU Appraisal Waivers” subtopic previously presented in this topic. Age of Documentation Requirements <ul style="list-style-type: none"> When a loan is secured by a property located in a FEMA-Declared Disaster Area eligible for individual assistance, Fannie Mae provides additional flexibilities. 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