



Supplement 21-12: Recent Storms

Effective: 12/17/21
Retired: 07/26/22

Summary of Changes

HIGHLIGHTS

Effective for Mortgage Loans not Delivered as of December 17, 2021, there are additional requirements for Properties impacted by recent storms across the Central and Southern United States (Weather Event).

Primary Changes

For all Properties not yet Delivered, if the Property is located in Arkansas, Missouri, Kentucky, Illinois, Tennessee, or another State impacted by the Weather Event, you must confirm the Property:

- is accessible;
- is in livable condition;
- has working utilities; and
- has no damage or flooding issues in
 - external areas,
 - common areas, or
 - interior units.

Additionally, if a Property was impacted by the Weather Event:

- If the Mortgage Loan Origination Date has not yet occurred and the Property was inspected before December 10, 2021:
 - the Borrower must certify no storm damage occurred; or
 - if the Borrower certifies damage occurred:
 - the engineer must re-inspect the Property and estimate the damage;



- you must require a Completion/Repair Escrow based on the inspection; and
 - storm-related Completion/Repairs must be completed within 6-months after the Mortgage Loan Origination Date.
- If the Mortgage Loan Origination Date has occurred but the Mortgage Loan has not yet Delivered:
- the Borrower must certify no damage occurred from the Weather Event, and the standard Borrower and Lender representations and warranties will apply when the Mortgage Loan is Delivered; or
 - if the Borrower certifies damage occurred:
 - you must obtain remediation plans from the Borrower including scope, cost, and completion before Delivery; or
 - if repairs cannot be completed before Delivery,
 - you must comply with Part V, Chapter 4: Asset Management: Loan Document Administration, Section 414: Casualty Losses – Performing Mortgage Loans, and
 - if the repairs exceed the lesser of \$75,000 or 20% of the UPB, you must submit the transaction to Portfolio Risk Management at drawer_am@fanniemae.com before Delivery.

Questions

Please contact the following with any questions:

- the Fannie Mae Deal Team, for Properties not yet under application;
- Kelly Ormsby at (312) 368-7114, or kelly_ormsby@fanniemae.com, for Properties under application; and
- Portfolio Risk Management at drawer_am@fanniemae.com, for Properties with a Committed Mortgage Loan, but have not yet Delivered.