



## Supplement 22-01: Mississippi Water Crisis

Effective: 09/27/22  
Retired: 04/03/23

### Summary of Changes

HIGHLIGHTS
<p><b>Effective for Mortgage Loans not Delivered as of September 27, 2022</b>, additional requirements apply to Properties impacted by the Mississippi Water Crisis.</p>

#### Primary Changes

For all Properties not yet Delivered, if the Property is located in Mississippi, 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.



<b>For Properties Impacted By The Mississippi Water Crisis</b>	
<b>If the...</b>	<b>You must ensure...</b>
<ul style="list-style-type: none"><li>• Mortgage Loan Origination Date has not yet occurred; and</li><li>• Property was inspected before August 30, 2022.</li></ul>	<ul style="list-style-type: none"><li>• the Borrower certifies no damage occurred; or</li><li>• if the Borrower certifies damage occurred:<ul style="list-style-type: none"><li>- the engineer must re-inspect the Property and estimate the damage;</li><li>- you must require a Completion/Repair Escrow based on the inspection; and</li><li>- Mississippi Water Crisis-related Completion/Repairs must be completed within 6-months after the Mortgage Loan Origination Date.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Mortgage Loan Origination Date has occurred; and</li><li>• Mortgage Loan has not yet Delivered.</li></ul>	<ul style="list-style-type: none"><li>• the Borrower certifies no damage occurred from the Mississippi Water Crisis, and the standard Borrower and Lender representations and warranties will apply when the Mortgage Loan is Delivered; or</li><li>• if the Borrower certifies damage occurred:<ul style="list-style-type: none"><li>- you must obtain remediation plans from the Borrower including scope, cost, and completion before Delivery; or</li><li>- if repairs cannot be completed before Delivery,<ul style="list-style-type: none"><li>▪ you must comply with Part V, Chapter 4: Asset Management: Loan Document Administration, Section 414: Casualty Losses – Performing Mortgage Loans, and</li><li>▪ if the repairs exceed the lesser of \$75,000 or 20% of the UPB, you must submit the transaction to Portfolio Risk Management at <a href="mailto:drawer_am@fanniemae.com">drawer_am@fanniemae.com</a> before Delivery.</li></ul></li></ul></li></ul>

## Questions

Please contact the following with any questions:

- the Fannie Mae Deal Team, for Properties not yet under application;
- Michael Keeney at (404) 398-6146, or [michael\\_d\\_keeney@fanniemae.com](mailto:michael_d_keeney@fanniemae.com), for Properties under application; and
- Portfolio Risk Management at [drawer\\_am@fanniemae.com](mailto:drawer_am@fanniemae.com), for Properties with a Committed Mortgage Loan not yet Delivered.