

THDA LENDER NOTICE: #2024-30

October 3, 2024

SUBJECT: Reminder Guidance for THDA Originating Agents Regarding Presidentially Declared Major Disaster Areas

In the aftermath of the devastation caused by Hurricane Helene, THDA reminds Originating Agents (OA) about its guidance for THDA mortgage loans in the following Tennessee counties where the President has declared a Major Disaster:

- Carter
- Cocke
- Greene
- Hamblen
- Hawkins
- Johnson
- Unicoi
- Washington

This declaration is made when natural disasters or other events are of such severity that it is beyond the combined capabilities of state and local governments to respond.

The following guidance serves as a reminder that applies to all Presidentialy Declared Major Disaster Areas (PDMDA) which can be found in the [THDA Originating Agents Guide](#).

Properties Affected by a Disaster

It is the OA's responsibility to be aware of and act upon any mortgage loan impacted by disasters prior to the sale to THDA. The OA must have a policy in place to identify properties with pending mortgages (or endorsements if applicable). OA should contact the appropriate source e.g. Tennessee Emergency Management Agency (TEMA), Federal Emergency Management Agency (FEMA) to determine whether properties located in its origination footprint are included in the disaster areas. OA must ensure appropriate Agency guidelines are followed that identifies and quantifies any dwelling damage. This information and documentation must be available to THDA upon request. Any damages to properties must be reported to THDA immediately.

THDA's Disaster Policy applies to any of the following:

- FEMA declared disaster areas eligible for Individual Assistance.
- Areas Identified by TEMA or THDA.
- Properties that the Lender has reason to believe sustained damage in a disaster.

By the sale of the loan to THDA, the OA warrants that the subject property is in marketable condition and that there are no repairs or other detrimental conditions to the subject property at the time of sale. THDA is not responsible to provide notification to the OA of disaster areas. If at any time after loan purchase, THDA or a subsequent investor, determines that the subject property was damaged and not in fully marketable condition at time of sale, the loan is subject to repurchase.

Documentation Requirements for Properties Affected by a Disaster

Appraisals completed on or before the incident period end date.

Prior to loan purchase, THDA will require a post disaster inspection confirming the property has not been adversely affected by the disaster. The inspection may be provided in various formats as long as the appropriate Agency's requirements are met.

- Property Appropriate Inspection Report
- Appraisal Update and/or Completion Report (Form 1004D)
- Certification from a Licensed Property Inspector
- Post-disaster inspection from an established and reputable service provider, with post-disaster photos that clearly demonstrate the property has not been adversely affected by the disaster.
- Lender Certification with post-disaster photos that clearly demonstrate the property has not been adversely affected by the disaster. The Certification must not be executed by an employee that receives direct compensation from the subject transaction.

Appraisals completed after the incident period end date.

For a period of 90 days from the incident period end date, full appraisals are required on impacted properties. In the report, the appraiser must confirm the property has not been adversely affected by the disaster.

Thank you for your continued support and participation in THDA mortgage loan programs.