

National Disaster Notification

Severe Storms and Flooding

Underwriting Bulletin 2010-03; DATED 08-19-2010

ALERT: Due to severe storms and flooding, properties located in the following areas must comply with the policy contained herein. Up to date status on Presidential declared disaster areas may be found at www.fema.org or State related websites.

IMPORTANT: Please be advised for any loans within the affected counties, a re-inspection of the property will be required. Step by step instructions below detail how to order re-inspections as well as complete the change of circumstance form, if applicable.

- ✓ ClearPoint Funding will require a re-inspection (**DIR: Disaster Inspection Report**) of the subject property prior to issuing closing documents.
 - You will need to log into your account at <http://wholesale.clearpointfunding.com> and select the Tab **ORDER APPRAISAL** to order a re-inspection/DIR of the property.
- ✓ A fee is associated with the re-inspection/DIR of these properties. If you choose to charge the borrower for this fee, you will be required to complete a "**Change of Circumstance Form**" (located on our website under Forms) indicating the reason for the re-disclosure (Natural Disaster) and the increased fee. This completed form must be forwarded to: disclosure@clearpointfunding.com
- ✓ Closely examine your **rate lock expiration date**. If a rate lock **extension** is needed (noting, any fee changes to the borrower will require a change of circumstance form as well), select the tab from our web site labeled "**SELECT A RATE LOCK EXTENSION**" and complete. All extension fees are listed on the website for your convenience.
- ✓ If you have any questions, please contact your Account Executive.

Illinois		
Declared Areas	Effective Date	Expiration/End Date
Counties of Carroll, Cook, DuPage, Jo Daviess, Ogle, Stephenson, Winnebago	07/22/2010	08/07/2010
IMPORTANT: Appraisals performed <u>BEFORE</u> the Expiration/End Date will require documentations as indicated on page two (2) of this notification.		

Continued on next page

National Disaster Notification, Continued

Underwriting/Closing Requirements: For loans secured by properties appraised and not closed/funded prior to the disaster declaration date, ClearPoint Funding will require the following additional documentation on all loans.

REQUIREMENTS:	
Property appraised prior to the disaster THROUGH to FEMA's Expiration/Safe Date:	<p>A thorough inspection/DIR of the property is required; it is important to note that the degree and nature of the inspection will vary depending on the nature of the disaster and property location:</p> <ul style="list-style-type: none"> ✓ The original appraiser (if available) should perform the inspection to the extent he/she deems necessary so that a certification stating the below can be signed and warranted: <ul style="list-style-type: none"> • Property is free from damage and is in the same condition as previously/originally appraised; • Marketability and value remain the same. • Re-inspections will be required for up to 90 calendar days after the Expiration/Safe Date. <p>NOTE: In order to comply with HVCC regulations, the re-inspection must be ordered through ClearPoint Funding's appraisal management company. Refer to the previous page for specific instructions.</p>
Reduced Appraisal Forms:	<p>Non-standard appraisals (such as PIW, 2055, etc.) will NOT be permitted once a location has been declared by FEMA within a disaster area. A full appraisal will be required up to 60 calendar days after the Expiration/Safe Date. Between 60 to 90 calendar days after the Expiration/Safe Date, the PIW will be permitted along with a re-inspection and borrower certification.</p>
Borrower's Certification and Affidavit for Weather Related Damage form	<p>In addition to the re-inspection/DIR, the borrower must sign a certification of acceptable property condition if their home is in one of the disaster areas. A copy of this form is located on ClearPoint Funding's website.</p>
If the re-inspection/DIR, reports any damage or change in value to the property, then:	<p>Prior to closing, ClearPoint Funding will require the property to be repaired adequately and evidenced by the FNMA Form 1004D (appraisal update and/or completion report).</p>
IMPORTANT if the property location is within a FEMA declared area AND a FLOOD ZONE:	<p>Loans in the NDN site AND in a FEMA Flood Zone will NOT be allowed to close until after the Expiration/Safe Date has been published AND the re-inspection has been performed</p>
Property appraised AFTER FEMA's Expiration/Safe Date for the disaster:	<p>For up to 90 calendar days after the Expiration/Safe Date is issued by FEMA, the appraisal must include written certification by the appraiser that <i>"The property is free from damage and the disaster has had no affect on the subject property's value or marketability"</i>.</p>