

BULLETIN # 2018-52

TO: Distribution

DATE: December 3, 2018

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- DISASTER UPDATE-ALASKA EARTHQUAKE
- DISASTER UPDATE- CALIFORNIA FIRES
- REMINDER-FHAS SECTION 203(h) DISASTER RELIEF

DISASTER UPDATE- ALASKA EARTHQUAKE

Summary: Effective immediately, CMG is suspending loan closings/purchases in the state of Alaska due to the 7.0 Earthquake. The Governor of Alaska has declared a state of emergency. CMG Corporate Credit will monitor the situation and provide updates as the impact is assessed.

Effective Date: *Immediately*

DISASTER UPDATE- CALIFORNIA FIRES

Summary: CMG is lifting the suspension for the three California counties as fires are contained; CMG's Disaster Policy is in force: **Butte, Ventura, Los Angeles.**

FHA closings/purchases will not be eligible until an end date is issued (or FHA waiver) and a re-inspection received.

Note: Due to the large county sizes impacted by the FEMA individual assistance declaration, some zip codes may be eligible for conventional conforming appraisal waivers following the disaster. For conventional conforming loans receiving an appraisal waiver offer after the disaster date, exceptions to additional inspection requirements may be considered on a case by case basis. Additional information on the impact to Fannie Mae DU loans and impacted zip codes can be accessed here:

<https://www.fanniemae.com/content/news/appraisal-waiver-disaster-exclusion-wildfires.pdf>

Effective Date: *Immediately*

Link:

http://www.fire.ca.gov/current_incidents

**Disaster 4407 Individual Assistance: Butte, Loss Angelese, Ventura
CM Disaster Area Policy**

REMINDER- FHA'S SECTION 203(H) DISASTER RELIEF

Summary: As a reminder, CMG allows FHA's Section 203(h) mortgages. Section 203(h) of the National Housing Act authorizes FHA to insure Mortgages to victims of a Presidentially-Declared Major Disaster Area (PMDA) for the purchase or reconstruction of a Single Family Property. It allows FHA to insure mortgages made by qualified Mortgagees to victims of a Presidentially-Declared Major Disaster Area (PMDA) who have lost their housing, or whose housing was damaged and are in the process of rebuilding or buying another house.

Section 203(h) loans must be processed and underwritten in accordance with the regulations and requirements applicable to the 203(b) program except when specifically addressed by the guideline addendum. New guideline addendums are posted – click below for links to addendums:

<http://docs.cmqi.com/guidelines/FHA-203h-Disaster-Relief-WS-Corr.pdf>

COMBINING 203(H) WITH 203(B)

Utilize standard CMG product codes for 203(b) transactions. FHA Connection will need to reflect 203(h) program eligibility when combining 203(b) with 203(h).

Effective Date: *This is a reminder*

Please contact your Correspondent National Sales Manager

or your Correspondent Liaison with any questions.



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