

# Chapter 4407: Properties Impacted by Disasters

## 4407.1: Eligibility of properties impacted by a disaster (06/04/25)

This section contains requirements related to:

- [Property eligibility](#)
- [Condition of the Mortgaged Premises](#)

### (a) Property eligibility

The Seller represents and warrants that each property securing a Mortgage sold to Freddie Mac meets the property eligibility requirements in the Purchase Documents, including, but not limited to, the collateral representation and warranty requirements regarding the value, condition and marketability of the Mortgaged Premises in Section 5602.1.

The Seller must have policies and procedures in place to assess whether there has been any adverse effect on the Mortgaged Premises that needs to be addressed before the Mortgage is eligible for delivery to Freddie Mac. If the Mortgage is a Condominium Unit Mortgage, the Seller's assessment should include damage to Condominium Project Common Elements, separate from any specific Condominium Unit damage.

### (b) Condition of the Mortgaged Premises

For a Mortgage secured by a property impacted by a disaster to be eligible for sale to Freddie Mac:

- The property damage must not have impacted the safety, soundness or structural integrity of the Mortgaged Premises
- The Seller must ensure all damage is documented and is covered by insurance as required in Chapter 4703

If the property securing the Mortgage has been damaged such that the damage impacts the safety, soundness or structural integrity of the Mortgaged Premises, the property is not acceptable as security for the Mortgage, and the Mortgage is not eligible for sale to Freddie Mac until all repairs to the property are documented and completed.

## 4407.1: Eligibility of properties impacted by a disaster (Future effective date 01/26/26)

Refer to Bulletin 2025-7, which announced the policy requirements for Uniform Appraisal Dataset (UAD) 3.6. Sellers may submit to the Uniform Collateral Data Portal® appraisal reports that use UAD 3.6 before the mandatory effective November 2, 2026 version of this section.

This section contains requirements related to:

- [Property eligibility](#)
- [Condition of the Mortgaged Premises](#)

### (a) Property eligibility

The Seller represents and warrants that each property securing a Mortgage sold to Freddie Mac meets the property eligibility requirements in the Purchase Documents, including, but not limited to, the collateral representation and warranty requirements regarding the value, condition and marketability of the Mortgaged Premises in Section 5602.1.

The Seller must have policies and procedures in place to assess whether there has been any adverse effect on the Mortgaged Premises that needs to be addressed before the Mortgage is eligible for delivery to Freddie Mac. If the Mortgage is a Condominium Unit Mortgage, the Seller's assessment should include damage to Condominium Project Common Elements, separate from any specific Condominium Unit damage.

### (b) Condition of the Mortgaged Premises

For a Mortgage secured by a property impacted by a disaster to be eligible for sale to Freddie Mac:

- The property damage must not have impacted the safety, soundness or structural integrity of the Mortgaged Premises
- The Seller must ensure all damage is documented and is covered by insurance as required in Chapter 4703

If the property securing the Mortgage has been damaged such that the damage impacts the safety, soundness or structural integrity of the Mortgaged Premises, the property is not acceptable as security for the Mortgage, and the Mortgage is not eligible for sale to Freddie Mac until all repairs to the property are documented and completed.

## **4407.1: Eligibility of properties impacted by a disaster (Future effective date 11/02/26)**

This section contains requirements related to:

- [Property eligibility](#)
- [Condition of the Mortgaged Premises](#)

### **(a) Property eligibility**

The Seller represents and warrants that each property securing a Mortgage sold to Freddie Mac meets the property eligibility requirements in the Purchase Documents, including, but not limited to, the collateral representation and warranty requirements regarding the value, condition and marketability of the Mortgaged Premises in Section 5602.1.

The Seller must have policies and procedures in place to assess whether there has been any adverse effect on the Mortgaged Premises that needs to be addressed before the Mortgage is eligible for delivery to Freddie Mac. If the Mortgage is a Condominium Unit Mortgage, the Seller's assessment should include damage to Condominium Project Common Elements, separate from any specific Condominium Unit damage.

### **(b) Condition of the Mortgaged Premises**

For a Mortgage secured by a property impacted by a disaster to be eligible for sale to Freddie Mac:

- The property damage must not have impacted the soundness or structural integrity of the Mortgaged Premises
- The Seller must ensure all damage is documented and is covered by insurance as required in Chapter 4703

If the property securing the Mortgage has been damaged such that the damage impacts the soundness or structural integrity of the Mortgaged Premises, the property is not acceptable as security for the Mortgage, and the Mortgage is not eligible for sale to Freddie Mac until all repairs to the property are documented and completed.

## **4407.2: Representation and warranty relief for automated collateral evaluation (ACE) appraisal**

## **waiver or ACE+ PDR offers and Loan Collateral Advisor® (06/04/25)**

For Mortgages secured by property in an Eligible Disaster Area, Freddie Mac:

- May systematically suspend automated collateral evaluation (ACE) appraisal waiver and/or ACE+ PDR eligibility and appraised value representation and warranty relief eligibility on new Loan Product Advisor® or Loan Collateral Advisor® submissions
- Will notify Sellers in a Guide Bulletin of the occurrence of any disaster that requires a systematic suspension

Freddie Mac will monitor market developments within impacted areas and reinstate eligibility at its discretion.

Note: See Chapter 5602 for eligibility requirements for ACE appraisal waivers, ACE+ PDR and Loan Collateral Advisor appraised value representation and warranty relief.

## **4407.3: Age of documentation and Loan Product Advisor® submission requirements in Eligible Disaster Areas (06/04/25)**

This section contains:

- [Collateral valuation in an Eligible Disaster Area](#)
- [Special age of credit documentation requirements](#)
- [Special delivery requirements](#)

### **(a) Collateral valuation in an Eligible Disaster Area**

The following flexibilities apply to Mortgages secured by properties in Eligible Disaster Areas and will continue to apply for six months after the disaster declaration date announced by the Federal Emergency Management Agency (FEMA):

- For a Mortgage secured by property in an Eligible Disaster Area, although Section 5604.3(a)(i) provides otherwise, the effective date of the appraisal report must not be more than 180 days before the:
  - ❑ Note Date

- ❑ Effective Date of Permanent Financing, for Construction Conversion Mortgages or Renovation Mortgages
- ❑ Modification date, for Seller-Owned Modified Mortgages
- ❑ Conversion Date, for Seller-Owned Converted Mortgages
- ❑ Assumption agreement date, if applicable
- For a Mortgage secured by property in an Eligible Disaster Area, although Section 5602.3(f) provides otherwise, the Feedback Certificate message that offers the Seller an automated collateral evaluation (ACE) appraisal waiver is valid for 180 days, if the Seller does not make any loan data changes that invalidate the ACE appraisal waiver offer.

If the ACE appraisal waiver offer on the Feedback Certificate is more than 180 days old as of the Note Date, the Seller must resubmit the Mortgage to Loan Product Advisor® to determine whether the Mortgage is still eligible for an ACE appraisal waiver.

See Section 5602.3 for maintaining ACE appraisal waiver eligibility.

- For a Mortgage secured by property in an Eligible Disaster Area, although Section 5602.4(f) provides otherwise, the Feedback Certificate message that offers the Seller ACE+ PDR is valid for 180 days, if the Seller does not make any loan data changes that invalidate the ACE+ PDR offer.

If the ACE+ PDR offer on the Feedback Certificate is more than 180 days old as of the Note Date, the Seller must resubmit the Mortgage to Loan Product Advisor to determine whether the Mortgage is still eligible for ACE+ PDR.

See Section 5602.4 for maintaining ACE+ PDR eligibility.

- For a Freddie Mac Enhanced Relief Refinance® Mortgage secured by property in an Eligible Disaster Area, if an HVE® value estimate is systematically suspended for the Mortgaged Premises on resubmission to Loan Product Advisor, the Seller may use the HVE value from the original submission

## **(b) Special age of credit documentation requirements**

The following flexibilities apply to Mortgages secured by properties in Eligible Disaster Areas and will continue to apply for six months after the disaster declaration date announced by FEMA.

For a Mortgage secured by property in an Eligible Disaster Area, although Sections 5102.4(a) and 5203.1(j) provide otherwise:

- Any required credit and capacity underwriting documentation (including, but not limited to, credit reports, verifications of income, employment and sources of funds) must be dated no more than 180 days before the:
    - ❑ Note Date
    - ❑ Effective Date of Permanent Financing, for Construction Conversion and Renovation Mortgages
    - ❑ Modification date, for Seller-Owned Modified Mortgages
    - ❑ Conversion Date, for Seller-Owned Converted Mortgages
    - ❑ Assumption agreement date, if applicable
  - For Loan Product Advisor Mortgages secured by property in an Eligible Disaster Area, although Section 5101.1(b) provides otherwise, the Mortgage must be submitted to Loan Product Advisor no more than 180 days before, and no later than, the Note Date or, for Construction Conversion and Renovation Mortgages, the Effective Date of Permanent Financing.
- Note: Loan Product Advisor will automatically pull a new credit report for submissions or resubmissions more than 120 days after the date of the credit report used in the previous Loan Product Advisor assessment.
- The requirements for the 10-day pre-closing verification of employment in Section 5302.2 and the verification of the current existence of the self-employed Borrower's business in Section 5304.1(m) continue to apply

### **(c) Special delivery requirements**

The Seller must deliver ULDD Data Point *Investor Feature Identifier* valid value "H37" when delivering a Mortgage using the flexibilities in this Section 4407.3. See Section 6302.44 for special delivery requirements.