

Newrez Announcements



Announcement 2024-013 Underwriting Guideline Updates – Government

February 28, 2024

Newrez LLC "Newrez" Approved Correspondent Clients; this announcement contains the following information:

- Clarifications and/or corrections to the Newrez Guides as of February, 28, 2024
- This memo also includes a summary of:
 - Previously announced guidelines have now been incorporated into the Newrez Underwriting Guide.
 - Updates to the Product Summaries and/or Overlay Matrix.

Please use this announcement as guidance until all applicable underwriting guides are published.

USDA Announcement

GUS will be updated on April 1, 2024 to remove the required data entry for the Immigration/Naturalization Check Information screen for non-U.S. Citizen applicants utilizing the SAVE system through GUS.

Applicants are required to have a valid social security number and evidence of continued residency and income.

File must contain all necessary documents to validate borrower eligibility.

Complete guidelines can be found in the USDA Underwriting Guide, Chapter 4A, Eligibility, 4A.5(a) Eligible Borrowers

Newrez Underwriting Guide Updates

FHA Updates

Chapter 2I Employment and Income

Based on 2023 tax year, updated Allowable Age of Individual Income Tax Returns and documentation requirements.

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 2I, Employment and Income, 2I.1(h) Allowable Age of Individual Income Tax Returns

VA Updates

Chapter 3D Property Types

Updated Lava Zone eligibility to reflect:

- Content removed stating properties in Hawaii, located in Lava Zones are acceptable with insurance policy.
- Lava Zones 1 and 2 were added to Ineligible Property Types, which includes property characteristics.

Complete guidelines can be found in the VA Underwriting Guide, Chapter 3D, Property Types, in the following sections:

- 3D.1(h), Lava Flow Hazard Zones
- 3D.2 Ineligible Property Types

Chapter 3H Liabilities and Debt Ratios

- Updated Court Ordered Assigned Debt to only require copy of court order assigning debt. Removed requirement for proof of transfer of ownership.
- Added new debt requirements section for Open 30 Day Charge Accounts per VA Handbook

Complete guidelines can be found in the VA Underwriting Guide, Chapter 3H, Liabilities and Debt Ratios, in the following:

- 3H.4(f), Court-ordered Assignment of Debt
- 3H.5, Open 30-Day Charge Accounts

Chapter 3I Employment and Income

- Based on 2023 tax year, updated Allowable Age of Individual Income Tax Returns and documentation requirements.
- Expanded requirements for Converting an existing residence to an investment property to reflect guidelines per VA handbook.

Complete guidelines can be found in the VA Underwriting Guide, Chapter 3I, Employment and Income, in the following sections:

- 3I.1(h) Allowable Age of Individual Income Tax Returns
- 3I.5(f) Converting an Existing Primary Residence to an Investment Property

USDA Updates

Chapter 4J Appraisal Requirements

Clarified in section, Lava Zones, Lava Zones 1 and 2 are ineligible.

Complete guidelines can be found in the USDA Underwriting Guide Chapter 4J, Appraisal, 4J.13(t) Lava Zones

Prior Agency Announcements

Below is a summary of previously announced updates that have been incorporated into the Newrez Underwriting Guide.

- n/a

Product profile Releases and Overlay Matrix Updates

- Product profile Releases - n/a
 - Overlay Matrix - n/a
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Questions

If you have any questions regarding any information in this announcement, please feel free to contact your regional sales manager or client manager.

[Newrezcorrespondent.com](https://www.newrez.com/correspondent)

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Client Development

We offer a comprehensive training curriculum on Newrez products and processes, to keep your staff informed of the latest developments in products, technology solutions, compliance issues and process improvements. Each of these programs is offered by our training and development staff on a monthly basis and is updated regularly to reflect recent changes in the industry. Visit our [training site](#).