

Newrez Announcements



Announcement 2022-025 Conforming Underwriting Guide Removals and Updates

February 28, 2022

Overview

Newrez Approved Correspondent Clients: Newrez has removed or revised numerous underwriting overlays, outlined below. **The changes announced in this announcement are effective immediately.**

Conforming Removals and Guideline Updates		
Topic	Current Guideline	New Guideline
Chapter 1B Transactions 1B.1(b) Non-Arm's Length Transactions	Non-arm's length transactions require full documentation for income, regardless of the AUS findings. (e.g., two (2) years for income).	Removed from guide
Chapter 1D Property Types 1D.7 Ineligible Property Types	Manufactured home units in Hawaii are not permitted.	Manufactured home units in Hawaii are permitted Product Profiles will be updated in a future release
Chapter 1H Liabilities and Debt Ratios 1H.1 (b) Texas Agricultural Exemption	For loans in Texas, agricultural exemptions must have been removed and evidence of roll back taxes from the tax assessor must be in the file. If roll back taxes are due, that debt must be included in the DTI ratio.	No longer required. Removed from Guide.
Chapter 1J Appraisals 1J.1 (b) Appraisal Trainees	An unlicensed or uncertified appraiser, or trainee is permitted to perform a significant or all of the appraisal (if qualified to do so). If an unlicensed or uncertified individual provides significant professional assistance, they	The Supervisory Appraiser is not required to inspect the subject property or comparable sales with the Trainee, except if any of the following circumstances are present: <ul style="list-style-type: none"> Sales price or market value exceeds FHFA high-cost limits

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Conforming Removals and Guideline Updates		
Topic	Current Guideline	New Guideline
	<p>must sign the left side of the appraiser certification as the appraiser if:</p> <ul style="list-style-type: none"> • They are working under the supervision of a state-licensed or state-certified appraiser as an employee or sub-contractor; • The right side of the appraiser certification is signed by that supervisory appraiser; and • It is acceptable under state law. 	<ul style="list-style-type: none"> • Property is complex, such as: <ul style="list-style-type: none"> ○ Complex or atypical properties ○ Mixed-use property with residential and non-residential improvements ○ Dwellings exceeding 5,000 square feet ○ Properties with significant or unusual site improvements, such as a large indoor riding area • The Supervisory Appraiser must sign the report.

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

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