

Newrez Announcements



Announcement 2022-033 Conforming Overlay Removals and Updates

April 21, 2022

Overview

Newrez LLC "Newrez" Approved Correspondent Clients: Newrez has removed, or revised Conforming Overlay underwriting overlays outlined below. These changes are effective immediately for all new locked loans.

Conforming Overlay Removals and Updates		
Topic	Current Guideline	New Guideline
Chapter 1B Transactions	<ul style="list-style-type: none"> • Permanent Financing For New Construction • Single-Close Modification of the Note <ul style="list-style-type: none"> ○ All credit, income, asset documentation must be updated at modification date; ○ Document expiration dates apply based on the modification date; • Appraisal must be dated within 120 days of the final modification note date. If the appraisal is greater than 120 days, an appraisal update is required 	<p>Section rewritten</p> <ul style="list-style-type: none"> • Conversion of Construction-to-Permanent Financing <ul style="list-style-type: none"> ○ Single-Closing Transactions (Delegated Clients only) <ul style="list-style-type: none"> ▪ Fannie Mae only ▪ Documents may be more than four (4) months but no more than 12 months old at the time of the conversion to permanent financing if all of the following are met at the time of the original closing of the construction loan: <ul style="list-style-type: none"> ○ Max 95% LTV/CLTV/HCLTV; ○ Min 700 credit score; and ○ DU Approve/Eligible.

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Conforming Overlay Removals and Updates		
Topic	Current Guideline	New Guideline
Chapter 1I Employment and Income 1I.15 Unacceptable Sources of Income	Silent	Income paid in the form of cryptocurrency is not permitted.
Chapter 1J Appraisal 1J.4 (a) List of Appraisal Forms 1J.4 (g) Desktop Appraisals	NA	<ul style="list-style-type: none"> • Use for appraisals of one-unit properties with a DU Approval and recommendation. • Added new section for Desktop Appraisal requirements
Chapter 1J Appraisal 1J.4 (f) Appraisal Waiver Options	Silent	<ul style="list-style-type: none"> • The subject property must not currently be listed for sale. • It is recommended that there be confirmation in the loan file evidencing that the property is not listed for sale. Since there is not an appraisal, the underwriter should search a real estate database such as Zillow or Realtor.com to verify that the property is not currently listed for sale and document the file.
Chapter 1J Appraisal 1J.7 (l) (x) Manufactured Home Accessory Unit	N/A	Added new section for Manufactured Homes as an Accessory Unit.

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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