

Newrez Announcements



Announcement 2022-034 Conforming Manufactured Home and New Construction Guideline Updates

April 21, 2022

Overview

Newrez LLC "Newrez" Approved Correspondent Clients: Newrez has removed, or revised Manufactured Home and New Construction underwriting overlays outlined below. These changes are effective immediately for all new locked loans.

Conforming Manufactured Home Overlay Removals or Revisions		
Topic	Current Guideline	New Guideline
Purchase, Rate & Term Refi, Cash-out Refi	Credit Score: 640	Credit Score: 620
Fannie Mae Credit Score Eligibility in DU for Multiple Borrowers	Representative credit score	Average Median Score for Multiple Borrowers to determine if Fannie Mae's 620 credit score requirement is met. See Announcement 2022-020
Eligible Subordinate Financing	Not permitted for manufactured homes	Manufactured homes eligible up to 95% CLTV
Manufactured Home as an ADU	Not permitted	<ul style="list-style-type: none">• Allow per Fannie Mae and Freddie Mac requirements• Removed as ineligible from Product Profile and Guide
Units located in Hawaii	Not permitted	<ul style="list-style-type: none">• Allow per Fannie Mae and Freddie Mac requirements• Removed as ineligible from Product Profile and Guide

©2022 Newrez LLC Information in this communication is a summary and is not complete. Printed copies may not contain the most up-to-date information. Refer to Newrez's Product Profiles, Newrez's Underwriting Guides, and agency guidelines for complete details. This information is for use by employees of Newrez only and should not be distributed to or used by consumers or other third-parties.

Conforming Manufactured Home Overlay Removals or Revisions		
Topic	Current Guideline	New Guideline
Units on a Property with a Hobby Farm	Not permitted	<ul style="list-style-type: none"> • Allow per Fannie Mae and Freddie Mac requirements • Removed as ineligible from Product Profile and Guide
Units with Mixed-Use	Not permitted	<ul style="list-style-type: none"> • Allow per Fannie Mae and Freddie Mac requirements • Removed as ineligible from Product Profile and Guide
Manufactured Housing Eligibility 1D.1 (f)(i) Manufactured Housing Eligibility	<ul style="list-style-type: none"> • The borrower must have owned both the manufactured home unit and land for at least 12 months preceding the date of application. • Minimum 600 square feet of gross living area. <p>Eligible for Delegated Clients only:</p> <ul style="list-style-type: none"> • The borrower must own the land on which the manufactured home is situated in fee simple; • Multi wide manufactured home located in a condo project must be approved either by Full Review or by Fannie Mae through PERS; • Manufactured home that is an ADU subject to Fannie Mae requirements; • Single-wide manufactured homes subject to Fannie Mae requirements: <ul style="list-style-type: none"> ○ Single wide manufactured home located in a condo or PUD project must be PERS approved. ○ Single-wide manufactured home not located in a condo or PUD is eligible with a date of manufacture not more than ten (10) years from the date of the appraisal. ○ Primary residence purchase and rate and term refinance 	<ul style="list-style-type: none"> • Minimum 400 square feet of gross living area; <p>Eligible for Delegated and Non-Delegated Clients</p> <ul style="list-style-type: none"> • The borrower must own the land on which the manufactured home is situated in fee simple, unless the manufactured home is located in a condo project • Multi wide manufactured home located in a condo project and located on leasehold estate must be PERS-approved; • Manufactured home that is an ADU subject to Fannie Mae or Freddie Mac requirements; • Single wide manufactured home located in a condo project must be PERS approved; • Single wide manufactured home located in a PUD project must be PERS approved (Fannie Mae only); and • Single wide manufactured homes located on an individual lot and not located in a PERS approved condo or PUD project are eligible subject to the following: <ul style="list-style-type: none"> ○ Must be primary residence; ○ Purchase or rate and term refinance; and ○ Have a date of manufacture not more than ten (10) years from the date of the appraisal.

©2022 Newrez LLC Information in this communication is a summary and is not complete. Printed copies may not contain the most up-to-date information. Refer to Newrez's Product Profiles, Newrez's Underwriting Guides, and agency guidelines for complete details. This information is for use by employees of Newrez only and should not be distributed to or used by consumers or other third-parties.

Conforming Manufactured Home Overlay Removals or Revisions		
Topic	Current Guideline	New Guideline
		<ul style="list-style-type: none"> LPMI where Newrez orders the mortgage insurance is not eligible.
Multi Wide Manufactured Homes 1D.1 (f)(i) Manufactured Housing Eligibility	Not permitted: <ul style="list-style-type: none"> Manufactured homes located on a leasehold Condos not permitted for Non-Delegated Clients 	Allow per agency <ul style="list-style-type: none"> Multi wide manufactured home located in a condo or PUD project must be approved either by Full Review or by Fannie Mae through PERS. <ul style="list-style-type: none"> Freddie Mac LPA does not require the PUD project to have PERS approval. Full Review is required. Leasehold <ul style="list-style-type: none"> The mortgage must be secured by the property improvements and the borrower's leasehold interest in the land. For condos, both the land and dwelling, including those located on leasehold estates, must be subject to the condo regime. Multi wide manufactured home located in a condo project and located on leasehold estate must be PERS-approved.
New Construction 1B.11 Conversion to Construction-to-Permanent Financing	Not permitted	New construction manufactured homes permitted. <ul style="list-style-type: none"> Single-close eligible for Delegated Clients Two-close eligible for Delegated and Non-Delegated Clients. Evidence that motor vehicle title has been (or will be) purged or surrendered is required. The Closing agent (or title company) to confirm actions taken to assure that the manufactured home has been permanently affixed to the land and that the lien is recorded.

©2022 Newrez LLC Information in this communication is a summary and is not complete. Printed copies may not contain the most up-to-date information. Refer to Newrez's Product Profiles, Newrez's Underwriting Guides, and agency guidelines for complete details. This information is for use by employees of Newrez only and should not be distributed to or used by consumers or other third-parties.

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.Newrezcorrespondent.com)

Newrez Fort Washington Operations 877-700-4622

Newrez Fort Washington Registration Desk/NT Desks 866-396-4622

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 at:

<https://www.Newrezcorrespondent.com/client-library/Newrez-training-calendar/>
