

Newrez Announcements



Announcement 2022-035 Smart Series Product Enhancements and Updates

April 25, 2022

Overview

Newrez LLC "Newrez" Approved Correspondent Client: Newrez is enhancing and updating our Smart Series product line as part of our continuing efforts to provide competitive, Non-QM financing options to our customers.

SmartSelf Enhancements		
Topic	Current Guideline	New Guideline
Loan Term	<ul style="list-style-type: none"> • 30-year Fixed Rate • 30-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 20-year amortization period 	<ul style="list-style-type: none"> • 30-year Fixed Rate • 30-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 20-year amortization period • 40-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 30-year amortization period
Qualifying Ratios	NA	<ul style="list-style-type: none"> • 40-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ Maximum 43% DTI
Business Bank Statements	Silent	The underwriter uses the information on the bank statements and what the borrower disclosed on the Smart Product Business Impact and Continuity Attestation to assess if additional information is needed to validate if the appropriate expense factor (+/- 50% or 70%) is being used

SmartSelf Enhancements		
Topic	Current Guideline	New Guideline
Appraisal	Removed the following from Product Profile and moved to the Smart Guide: <ul style="list-style-type: none"> • Re-use of appraisal • Appraisal transfer 	Moved the following information to the Guide <ul style="list-style-type: none"> • The re-use of an appraisal is not permitted • Appraisal transfers are permitted

SmartEdge Enhancements and Updates		
Topic	Current Guideline	New Guideline
Loan Term	<ul style="list-style-type: none"> • 30-year Fixed Rate • 30-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 20-year amortization period 	<ul style="list-style-type: none"> • 30-year Fixed Rate • 30-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 20-year amortization period • 40-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ 10-year interest only period ○ 30-year amortization period
Qualifying Ratios	NA	<ul style="list-style-type: none"> • 40-year Fixed Rate Interest Only <ul style="list-style-type: none"> ○ Maximum 43% DTI
First Time Homebuyer	Borrowers living rent free are not eligible	Borrowers living rent free for more than two months but no more than 12 months prior to the application date are permitted if: <ul style="list-style-type: none"> • The borrower has a documented 12-month payment history within the last three years • A letter of explanation confirming the borrower is living rent free with a relative and has no monthly rent (LOE signed by borrower and relative) • Maximum 43% DTI • Additional three months reserves • Residual income requirements must be met • Primary residence • Purchase transactions only
Appraisal	Removed the following from Product Profile and moved to the Smart Guide: <ul style="list-style-type: none"> • Re-use of appraisal • Appraisal transfer 	Moved the following information to the Guide <ul style="list-style-type: none"> • The re-use of an appraisal is not permitted • Appraisal transfers are permitted

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)

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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.

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