

# Newrez Announcements



## Announcement 2022-048 FHA Manufactured Home and New Construction Guideline Updates June 6, 2022

### Overview

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

FHA Manufactured Home Overlay Removals and Revisions		
Topic	Current Guideline	New Guideline
<b>Purchase</b> AUS & Manual Underwrite	<b>Credit Score:</b> 640 <b>CLTV:</b> 96.5%	<b>Credit Score:</b> 580 <b>CLTV:</b> 105%
<b>Rate &amp; Term, Simple Refi, Cash-out Refi</b> AUS	<b>Credit Score:</b> 640	<b>Credit Score:</b> 580
<b>Rate &amp; Term, Simple Refi, Cash-out Refi</b> Manual Underwrite	<b>Credit Score:</b> 640	<b>Credit Score:</b> 600
<b>Streamline Refinance</b> Non-Credit Qualify, Credit Qualify	<b>Credit Score:</b> 640 <b>LTV/CLTV:</b> Unlimited	<b>Credit Score:</b> 580 <b>LTV/CLTV:</b> 105/125
<b>ARMs: 30-year Terms</b>	Not permitted	Allow
<b>Eligible Subordinate Financing</b>	Not permitted	<ul style="list-style-type: none"><li>• Allow per FHA requirements</li><li>• Purchase and Standard Refi eligible up to 105%</li></ul>
<b>Manufactured home as an ADU or storage unit</b>	Not permitted	<ul style="list-style-type: none"><li>• Allow per FHA requirements</li><li>• Removed as ineligible from Product Profile and Guide</li></ul>

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FHA Manufactured Home Overlay Removals and Revisions		
Topic	Current Guideline	New Guideline
<b>Units in a condo project</b>	Not permitted	<ul style="list-style-type: none"> <li>• Allow per FHA requirements</li> <li>• Removed as ineligible from Product Profile and Guide</li> </ul>
<b>Units located in Hawaii</b>	Not permitted	<ul style="list-style-type: none"> <li>• Allow per FHA requirements</li> <li>• Removed as ineligible from Product Profile and Guide</li> </ul>
<b>Units on a leasehold estate</b>	Not permitted	<ul style="list-style-type: none"> <li>• Allow per FHA requirements</li> <li>• Removed as ineligible from Product Profile and Guide</li> </ul>
<b>Units on a property with a hobby farm</b>	Not permitted	<ul style="list-style-type: none"> <li>• Allow per FHA requirements</li> <li>• Removed as ineligible from Product Profile and Guide</li> </ul>
<b>Units with a mixed-use</b>	Not permitted	<ul style="list-style-type: none"> <li>• Allow per FHA requirements</li> <li>• Removed as ineligible from Product Profile and Guide</li> </ul>
<b>New Construction</b> Chapters 2B.6, 2B.7, 2B.8, 2B.9	Not permitted	New construction manufactured homes permitted per FHA requirements. <ul style="list-style-type: none"> <li>• Single-close eligible for Delegated Clients.</li> <li>• Building on Own Land (Two-close) eligible for Delegated and Non-Delegated Clients.</li> <li>• 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.</li> <li>• Self-built and borrower acting as own contractor are not permitted.</li> </ul>

FHA Manufactured Home Overlay Removals and Revisions		
Topic	Current Guideline	New Guideline
<b>2D.1 Property Types</b> 2D.1(h)(iii) Titling the Manufactured Home as Real Property	The loan is not eligible if the original chattel deed or motor vehicle title is not purged, and the property does not have clear marketable real estate title	<ul style="list-style-type: none"> <li>• 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</li> <li>• The loan is not eligible if the original chattel deed or motor vehicle title is not purged, and the property does not have clear marketable real estate title.</li> </ul>
<b>Ineligible Manufactured Home Property Types</b> Chapter 2D.1(h)(vii) Ineligible Manufactured Home Property Types	The following are ineligible manufactured housing property types: <ul style="list-style-type: none"> <li>• A manufactured home that is not titled as real estate;</li> <li>• A manufactured home that was installed or occupied previously at any other site or location. The home may only have moved from the manufacturer's or dealer's lot to the current site of the home;</li> <li>• A manufactured home located in a mobile home park;</li> <li>• A manufactured home on a leasehold estate;</li> <li>• A manufactured home with deed restrictions;</li> <li>• A manufactured home with a manufactured home ADU or storage unit;</li> <li>• A manufactured home with a mixed-use;</li> <li>• A manufactured home with subordinate financing;</li> <li>• A manufactured housing attached units located in a condo or PUD project (Non-</li> </ul>	The following are ineligible manufactured housing property types: <ul style="list-style-type: none"> <li>• A manufactured home that is not titled as real estate;</li> <li>• A manufactured home that is not permanently affixed;</li> <li>• A manufactured home that was installed or occupied previously at any other site or location. The home may only have moved from the manufacturer's or dealer's lot to the current site of the home;</li> <li>• A manufactured home located in a mobile home park;</li> <li>• A manufactured home with a manufactured home ADU or storage unit; and</li> <li>• A manufactured home with deed restrictions.</li> </ul>

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Topic	Current Guideline	New Guideline
	Delegated Correspondent Client); <ul style="list-style-type: none"> <li>• Construction-to-permanent; and</li> <li>• New construction.</li> </ul>	

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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.

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