



Announcement 2020-049

July 13, 2020

Updated August 3, 2020

Conforming, FHA, VA, and USDA Guideline Updates

August 3, 2020 update: Permit Verbal Re-verification of Employment within 10 days of the Note date for USDA

NewRez is updating our conventional conforming, FHA, VA, and USDA guidelines, removing, or modifying overlays. In addition, the Underwriting Chapters (6, 7, 8, and 9) will be removed from the Client Guide. The current format of our product matrices are being replaced with new Product Profiles that contain significantly more information.

You must refer to the applicable agency selling guide for any information not contained in the Product Profiles (e.g., Fannie Mae or Freddie Mac Selling Guide, HUD Handbook 4000.1, VA Lenders Handbook and USDA HB1-3555). At a future date, NewRez will introduce a new Underwriting Guide and reformatted Product Profiles.

As a reminder, 2019 tax returns must be filed by July 15, 2020. If tax returns are required for loan qualification and the borrower has not filed their tax return, a Copy of Application for Automatic Extension of Time to File 2019 U.S. Individual Income Tax Return (IRS Form 4868) is required through October 15, 2020. After October 15, 2020, tax returns are required.

Current Guideline	New Guideline
Conventional Conforming Guideline Updates	
Forbearance Attestation required	Not required. Follow agency guidelines
<ul style="list-style-type: none"> Employees of NewRez Correspondents not eligible for financing Principal/Owners of NewRez Correspondents are not eligible 	Employees of NewRez Correspondents eligible for financing
Follow LPA for credit score requirement	620 credit score
Cash-out Refi: 660 credit score	640 credit score
Manufactured Home: 660 credit score	640 credit score
Manufactured home condo projects not permitted	<ul style="list-style-type: none"> Permitted for Delegated Correspondents Not permitted for Non-Delegated Correspondents
Verbal Re-verification of Employment required three business days prior to the note date	Required 10 business days prior to the note date
Appraisal Waiver and ACE LTV/CLTV eligibility on product profile	LTV/CLTV eligibility removed from product profile. Follow AUS
Assets Used for Qualifying Income <ul style="list-style-type: none"> Guidance for Assets Used for Qualifying for Fannie Mae on product profile 	Guidance removed. Refer to Fannie Mae Selling Guide

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Medical Doctor/Dentist: Option for exclusion of student loan payment for deferred student loans	No longer eligible. Follow Fannie Mae or Freddie Mac Selling Guide for deferred student loans
Guidance for Corporate Relocation on product profile	Guidance removed. Refer to Fannie Mae or Freddie Mac Selling Guide
Employment After the Note Date <ul style="list-style-type: none"> Fannie Me Option 1 and 2 permitted Freddie Mac Option 1 and 2 permitted 	<ul style="list-style-type: none"> Fannie Mae not permitted Freddie Mac Option 1 permitted. See Freddie Mac Selling Guide
Texas 50(a)(6): Silent	<ul style="list-style-type: none"> Added specific Texas Home Equity restrictions Added definition of urban versus rural Added third liens as ineligible secondary financing Maximum 25 acres
Escrow waiver policy for investment properties in properties in CA: LTV < 90%	LTV ≤ 80% for investment property
Mortgage Credit Certificates not permitted	<ul style="list-style-type: none"> Permitted for Delegated Correspondents Not permitted for Non-Delegated Correspondents
Loans in Alaska and Hawaii not permitted	
New York CEMA not permitted	
FHA Guideline Updates	
Forbearance Attestation required	Not required; follow FHA guidelines
<ul style="list-style-type: none"> Employees of NewRez Correspondents not eligible for financing Principal/Owners of NewRez Correspondents are not eligible 	Employees of NewRez Correspondents eligible for financing
Purchase, Rate & Term and Simple Refi <ul style="list-style-type: none"> 640 credit score to 45% DTI 	<ul style="list-style-type: none"> 620 credit score to 50% DTI 640 credit score to 55% DTI
Cash-out Refi: 680 credit score to 43% DTI	640 to 50% DTI
Manufactured Homes <ul style="list-style-type: none"> Purchase, Rate & Term and Simple Refi: 680 credit score to 55% DTI Cash-Out Refi: Not permitted Streamline Refi Credit Qualify: Not permitted Streamline Refi Non-Credit Qualify: Not permitted 	<ul style="list-style-type: none"> Purchase, Rate & Term and Simple Refi: 640 credit score to 55% DTI Cash-Out Refi: 640 credit score to 50% DTI Streamline Refi Credit Qualify: 640 credit score to 50% DTI Streamline Refi Non-Credit Qualify: 640 credit score
CLTV: 96.5% CLTV	100% (cost of acquisition)
Verbal Re-verification of Employment required three calendar days prior to the note date	Required 10 calendar days prior to the note date
HUD REO program permitted	<ul style="list-style-type: none"> Permitted for Delegated Correspondents Not permitted for Non-Delegated Correspondents
Income and asset documentation may not be more than 60 days old on the Note date	<ul style="list-style-type: none"> Delegated Correspondents: Follow FHA age of documentation Non-Delegated Correspondents: Income and asset documentation may not be more than 60 days old on the Note date
Down Payment Assistance not permitted	

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Manufactured home condo project not permitted	<ul style="list-style-type: none"> • Permitted for Delegated Correspondents • Not permitted for Non-Delegated Correspondents
Subordinate Financing not permitted	
Mortgage Credit Certificates not permitted	
Manufactured Home Condo Projects not permitted	
Loans in Alaska and Hawaii not permitted	
Prior Mortgage Credit Rejects not permitted	
VA Guideline Updates	
Forbearance Attestation required	Not required; follow VA guidelines
<ul style="list-style-type: none"> • Employees of NewRez Correspondents not eligible for financing • Principal/Owners of NewRez Correspondents are not eligible 	Employees of NewRez Correspondents eligible for financing
Purchase <ul style="list-style-type: none"> • \$510,400 with 640 credit score to 55% DTI • \$1,000,000 with 680 credit score to 55% DTI 	\$1,000,000 with min 620 credit score to DTI per AUS
Cash-out Refi: 660 credit score to 50% DTI	Min 620 credit score to 50% DTI
Manufactured Home <ul style="list-style-type: none"> • 680 credit score to 55% DTI 	<ul style="list-style-type: none"> • Purchase: 640 credit score to DTI per AUS • Cash-out Refi: 640 credit score to 50% DTI • IRRRL: 640 credit score
IRRRL <ul style="list-style-type: none"> • 510,400 with 640 credit score • \$1,000,000 with 680 credit score 	\$1,000,000 with 640 credit score
Verbal Re-verification of Employment required three calendar days prior to the note date	Required 10 calendar days prior to the note date
Certificate of Eligibility (COE) IRRRL clarification	Added clarification when a COE is not required on an IRRRL
Down Payment Assistance required clarification	Added Clarification that assistance may be in the form of grant or second lien per the VA Lenders Handbook
Manufactured home condo project not permitted	<ul style="list-style-type: none"> • Permitted for Delegated Correspondents • Not permitted for Non-Delegated Correspondents
Loans in Alaska and Hawaii not permitted	
Mortgage Credit Certificates not permitted	
USDA Guideline Updates	
Forbearance Attestation required	Not required; follow USDA guidelines
<ul style="list-style-type: none"> • Employees of NewRez Correspondents not eligible for financing • Principal/Owners of NewRez Correspondents are not eligible 	Employees of NewRez Correspondents eligible for financing
Purchase Standard Rate & Term Refi: 41% DTI	44% DTI
Streamlined Refi: 41% DTI	32/44% DTI
Streamlined Assist Refi: 43% DTI	44% DTI
Verbal Re-verification of Employment required (3) three calendar days prior to the note date	Required 10 business days prior to the note date
Down Payment Assistance not permitted	<ul style="list-style-type: none"> • Permitted for Delegated Correspondents • Not permitted for Non-Delegated
Loans in Alaska and Hawaii not permitted	

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Mortgage Credit Certificates not permitted	Correspondents
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Please reference the NewRez Lending Library for the changes to the Product Profiles and Overlay Matrix outlined in this announcement.

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