

Newrez Announcements



Announcement 2022-079 Smart Series Updates

November 2, 2022

Overview

Newrez LLC "Newrez" Approved Correspondent Clients; Newrez is making updates to our Smart Series Products. The updates below are **effective immediately**.

Effective Date

- Loans with an LTV greater than 80% that were *Conditionally Approved* prior to 10/31/2022, will be honored.
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SmartSelf Product

The Debt-to-Income guidelines have been updated as follows:

Maximum 50% DTI

- If the DTI is > 43%, residual income requirements must be met
- If the DTI is >45%, residual income and three months reserves are required in addition to product requirements

The LTV/CLTV for Primary Residence Purchase and Rate & Term Refinance has been reduced.

Current Guidelines	New Guidelines
\$2M to 85% LTV/CLTV	\$2M to 80% LTV/CLTV

SmartEdge Product

The LTV/CLTV for Primary Residence Purchase, Rate & Term Refinance and Cash-out Refinance has been reduced for SmartEdge

Current Guidelines	New Guidelines
\$2M to 85% LTV/CLTV	\$2M to 80% LTV/CLTV

SmartEdge - Asset Qualifier

The LTV/CLTV for Primary Residence Purchase and Rate & Term Refinance has been reduced and the Minimum Credit Score has been increased for SmartEdge - Asset Qualifier

Current Guidelines	New Guidelines
\$2M to 85% LTV/CLTV with 680 FICO	\$2M to 80% LTV/CLTV with 700 FICO

SmartEdge Product

The Residual Income for Asset Qualifier Example has been updated to remove the subtraction of 60 Months of Debt Reserves (cash to close) from the calculation to determine residual income.

SmartVest

The Debt Service Coverage Ratio (DSCR) has been updated to identify the ratio for Fully Amortized products (all non-IO) and Interest Only products:

- **Fully Amortized products (all non-IO):** The DSCR is the ratio of operating income available to debt servicing for the **principal**, interest, taxes, insurance, and HOA fee payment (**PITIA**)
 - **Interest Only products:** The DSCR is calculated by taking 100% the gross rents divided by the Interest Only payment plus TIA of the subject property (**interest, taxes, insurance, and assessments**)
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LoanScorecard

LoanScorecard will return an Ineligible finding for loans not meeting these changes. Provided that is the only reason for the Ineligible decision and the loan is locked and not expired, the loan will be acceptable.

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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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](#).