Newrez Announcements

Announcement 2026-008
Underwriting Guideline Updates – Government

January 22, 2026

Newrez LLC "Newrez" Approved Correspondent Clients; this announcement contains the following information:

- Most recent FHA Mortgagee Letter, effective immediately for all loans in the pipeline, unless otherwise noted.
- Clarifications and/or corrections to the Newrez Guides as of January 22, 2026.
- This memo also includes a summary of:
    - Previously announced guidelines have now been incorporated into the Newrez Underwriting Guide.
    - Updates to the Product Summaries and/or Overlay Matrix.

Please use this announcement as guidance until all applicable underwriting guides are published.

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FHA Info 2025-52

FHA announced the following updates in 4000.1 released 11.26.2025:

- Modified reference to Forbearance plan to indicate Mortgage Forbearance Plan
- References to HUD replaced with FHA
- Appraisal Review section added to reflect: The appraisal must be reviewed to ensure that it is complete, accurate, and provides a credible analysis of the marketability and value of the property
- Appraisal requirements removed:
    - The sketch must show “covered” or “uncovered” to indicate a roof or no roof (such as over a patio) from required Photographs and Exhibits.
    - Appraisal review: Lender must ensure the underwriter is trained to identify appraisal deficiencies, including prohibited discriminatory practices, through the appraisal review process. The review process must include processes for remediating deficiencies by:
        - requesting a general correction, explanation, or substantiation from the Appraiser;
        - requesting a Reconsideration of Value (ROV); and
        - Obtaining a second appraisal

      When the underwriter considers the Appraiser unable to resolve material deficiencies due to the nature of the deficiency, they may forgo communication with the Appraiser before obtaining a second appraisal.

    - It is required to report appraisals replaced due to material deficiencies to the applicable State Appraiser regulatory Agency.

Complete guidelines can be found in the Newrez Underwriting Guide, in the following Chapters:

- Chapter 2E, Underwriting, in sections:
    - Section 2E.2(a)(i), Total Risk Classifications
    - Section 2E.4, HUD Employee Mortgages
- Chapter 2G, Assets, Section 2G.3(b) Inducements to Purchase

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- Chapter 2J, Appraisal Requirements, in sections:
  - 2J.9(b)(ii) Photographs, Exhibits and Map Requirements
  - 2J.6 (c) Appraisal Review

Newrez Underwriting Guide Updates

FHA Updates

Chapter 2H Liabilities and Debt Ratios

Added requirement:

- Paying off revolving debt is permitted prior to or at closing. The Closing Disclosure must reflect pay off of the outstanding balance when paid off at closing.

Removed prior requirements specific to purchase, rate & term, and cash-out refinance referencing payoff of debt must be completed prior to closing.

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 2H Liabilities and Debt Ratios, Section 2H.2(q)(i) Payoff Revolving Debt for Qualification

Chapter 2I Employment and Income

Boarder Income formatting update to add subsections to identify:

- Required Documentation and
- Calculation of Effective Income

Complete guidelines can be found in the FHA Underwriting Guide,2I Employment and Income, 2I.6(d) Boarder Income (Total/Manual):

- 2I.1(d)(i) Required Documentation
- 2I.1(d)(ii) Calculation of Effective Income

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VA Updates

Chapter 3G Assets

Updated documentation requirements for value of stocks, bonds or mutual funds when using electronic or certified copies to require borrower's last one or two bank statements per DU or LPA.

Complete guidelines can be found in the VA Underwriting Guide, 3G Assets, 3G.3(m) Stocks, Stock Options, Bonds, Mutual Funds

Chapter 3H Liabilities and Debt Ratios

Installment debt guidelines clarified significant debt per VA handbook to reflect: Significant means that the debt has a monthly payment exceeding 2 percent of the stable monthly income for all borrowers. Significant debts and obligations not reported on the credit report require direct verification to be obtained.

Example: Monthly payments of $300 on an auto loan or lease with a remaining balance of $1,500, even though it should be paid out in 5 months, would be considered significant. The payment amount is so large as to cause a severe impact on the family's resources during the first, most critical, months of the home loan.

Complete guidelines can be found in the VA Underwriting Guide, 3H Liabilities and Debt Ratios, 3H.4(g) Installment Debt

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Prior Agency Announcements

Below is a summary of previously announced updates that have been incorporated into the Newrez Underwriting Guide.

- n/a

Product profile Releases and Overlay Matrix Updates

Product profile Releases

- n/a

Overlay Matrix

- n/a

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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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.

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