

# Newrez Announcements



## **Announcement 2026-010 Smart Series Product Summary and Underwriting Guide Updates January 29, 2026**

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Update (February 19, 2026)

Clarification on Non-Traditional Credit:

Non-Traditional Credit is Only Permitted on SmartEdge and SmartSelf transactions and must meet the guidelines in Section 5A.5(b) Nontraditional Trade Line Requirements (SmartEdge and SmartSelf) which identifies how and when Non-Traditional Credit may be utilized to supplement traditional credit.

Refer to the full guidelines that are detailed in 5A.5(b) of the Smart Series Underwriting Guide.

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Newrez LLC "Newrez" Approved Correspondent Clients; the following updates are effective with pipeline loans.

Current Policy	New Policy
<b>Product Summaries – SmartEdge, Self, Vest</b>	<b>Product Summaries- SmartEdge, Self, Vest</b>
Non-Traditional Credit – Permitted	Non-Traditional Credit – Permitted for Primary Residence, Purchase and Rate & Term Refinance Only
Ineligible Property Types	Ineligible Property Types Added: Condotels converted from motels
Asset Qualifier – SmartEdge Only	Asset Qualifier – SmartEdge Only Added: Health Spending Account (HSA) as ineligible
<b>Product Summaries – SmartVest</b>	<b>Product Summaries – SmartVest</b>
Prepayment Penalty Pennsylvania – 1-2 unit properties loan amount must be > \$319,777	Prepayment Penalty Pennsylvania – 1-2 unit properties loan amount must be > \$329,411
<b>SmartEdge, SmartSelf and SmartVest Guidelines</b>	<b>SmartEdge, SmartSelf and SmartVest Guidelines</b>
2A.3 Cash Out Refinance Cash out refinance transactions must meet the following: <ul style="list-style-type: none"> <li>• Pay off existing mortgages by obtaining a new first mortgage secured by the same property or be a new mortgage on a property that has no mortgage lien secured against it;</li> <li>• Pay off any outstanding subordinate mortgage liens of any age; <ul style="list-style-type: none"> <li>○ Payoff of draws taken in the past 12 months on a</li> </ul> </li> </ul>	2A.3 Cash Out Refinance Cash out refinance transactions must meet the following: <ul style="list-style-type: none"> <li>• Pay off existing mortgages by obtaining a new first mortgage secured by the same property or be a new mortgage on a property that has no mortgage lien secured against it;</li> <li>• Pay off any outstanding subordinate mortgage liens of any age;</li> <li>• One (1) borrower must have held title</li> </ul>

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<p>HELOC are counted in the cash in the maximum cash in hand amount.</p> <ul style="list-style-type: none"> <li>• One (1) borrower must have held title to the subject property for at least six (6) months preceding the Note date of the new loan, with the following exceptions: <ul style="list-style-type: none"> <li>○ There is no waiting period with documentation and verification that the borrower was legally awarded the property (divorce, separation, dissolution of a domestic partnership) or acquired the property through an inheritance.</li> <li>○ If the property was owned prior to closing by an inter vivos revocable trust, the time held by the trust may be counted towards meeting the borrower's six (6) month ownership requirement if the borrower is the primary beneficiary of the trust.</li> <li>○ Time held in a limited liability company (LLC) or Corporation that is controlled, or majority owned by the borrower(s) may be counted towards the borrower's six-month ownership requirement. Ownership must</li> </ul> </li> </ul>	<p>to the subject property for at least six (6) months preceding the Note date of the new loan, with the following exceptions:</p> <ul style="list-style-type: none"> <li>○ There is no waiting period with documentation and verification that the borrower was legally awarded the property (divorce, separation, dissolution of a domestic partnership) or acquired the property through an inheritance.</li> <li>○ If the property was owned prior to closing by an inter vivos revocable trust, the time held by the trust may be counted towards meeting the borrower's six (6) month ownership requirement if the borrower is the primary beneficiary of the trust.</li> <li>○ Time held in a limited liability company (LLC) or Corporation that is controlled, or majority owned by the borrower(s) may be counted towards the borrower's six-month ownership requirement. Ownership must be transferred out of the LLC / Corporation and into the name of the individual borrower(s) in order to close</li> </ul>
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<p>be transferred out of the LLC / Corporation and into the name of the individual borrower(s) in order to close the transaction, unless permitted by product.</p> <ul style="list-style-type: none"> <li>Finance reasonable and customary loan costs or fees, including prepaid items within limitations imposed by applicable laws.</li> </ul> <p>Refer to our Smart Series <a href="#">Product Summaries</a> for use of cash out proceeds requirements.</p>	<p>the transaction, unless permitted by product.</p> <ul style="list-style-type: none"> <li>Finance reasonable and customary loan costs or fees, including prepaid items within limitations imposed by applicable laws.</li> </ul> <p>Refer to our Smart Series <a href="#">Product Summaries</a> for use of cash out proceeds requirements.</p>
<p>4A.1 ( e ) Condotels</p>	<p>4.A1 ( e ) Condotels</p> <p>Added: Condotels that are converted from motels are not eligible</p>
<p>6A.6 Unacceptable Asset Sources</p>	<p>6A.6 Unacceptable Asset Sources</p> <p>Added: Health Spending Account (HSA)</p>
<p>8A.7(b)(i) Eligible and Ineligible Assets</p> <p>Retirement Accounts – 100%</p> <ul style="list-style-type: none"> <li>401(k)/403(b) plans or IRA, SEP or KEOUGH accounts <ul style="list-style-type: none"> <li>Borrower is at least 59 ½ years old (retirement age)</li> <li>Documentation has been provided confirming the borrower has full access to the funds</li> </ul> </li> </ul> <p>If the borrower is not 59 ½ years old, the</p>	<p>8A.7(b)(i) Eligible and Ineligible Assets</p> <p>Retirement Accounts – 90%</p> <ul style="list-style-type: none"> <li>401(k)/403(b) plans or IRA, SEP or KEOUGH accounts <ul style="list-style-type: none"> <li>Borrower is at least 59 ½ years old (retirement age)</li> <li>Documentation has been provided confirming the borrower has full access to the funds</li> </ul> </li> </ul> <p>If the borrower is not 59 ½ years old, the</p>

<p>borrower must have enough liquid assets to qualify until they reach 59 ½ years of age</p>	<p>borrower must have enough liquid assets to qualify until they reach 59 ½ years of age</p>
<p>8A.7(r) Social Security Income</p> <p>Document Social Security Retirement income with a copy of the benefit verification letter.</p> <p>Evidence the Income source and type, payment amount, and frequency must be documented with evidence of one (1) of the following:</p> <ul style="list-style-type: none"> <li>• Social Security Award letter:</li> <li>• Most recent individual income tax return:</li> <li>• SSA-1099, or</li> <li>• Evidence of current receipt</li> </ul>	<p>8A.7(r) Social Security Income</p> <p>Evidence the Income source and type, payment amount, and frequency must be documented with evidence of one (1) of the following:</p> <ul style="list-style-type: none"> <li>• Social Security Award letter:</li> <li>• Most recent individual income tax return:</li> <li>• SSA-1099, or</li> <li>• Evidence of current receipt</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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## Client Development

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