

Newrez Announcements



Announcement 2025-013 Smart Series Underwriting Guide Updates February 20, 2025

Newrez LLC "Newrez" Approved Correspondent Clients; effective with applications on or after February 20, 2025.

The SmartEdge, SmartSelf and SmartVest Summaries and the Smart Series Underwriting Guides have been updated with the following:

Current Policy	New Policy
SmartEdge and Smart Series	
Maximum cash out <ul style="list-style-type: none"> • LTV ≤ 60% - \$750,000 • LTV > 60% - \$500,000 	Maximum cash out <ul style="list-style-type: none"> • LTV ≤ 50% - \$1,000,000 • LTV > 50% and ≤ 60% - \$750,000 • LTV > 60% - \$500,000
SmartSelf	
Bank Statement Requirements: <ul style="list-style-type: none"> • Non-Sufficient Funds are where payment of a check cannot be made due to insufficient funds in the account <ul style="list-style-type: none"> ○ No more than six (6) NSF events in any 12-month period (multiple NSF's are permitted in one day) <ul style="list-style-type: none"> ▪ More than six (6) NSF events in the prior 12-months may be eligible if: <ul style="list-style-type: none"> • The NSF's in the current 12-month period are below the minimum allowed • Borrower Provides an explanation to support that the prior 12-month period issues have been resolved • Examples: June 2019 to May 2020 there are 	Bank Statement Requirements: <ul style="list-style-type: none"> • Non-Sufficient Funds are where payment of a check cannot be made due to insufficient funds in the account <ul style="list-style-type: none"> ○ No more than six (6) NSF events in any 12-month period (multiple NSF's are permitted in one day) <ul style="list-style-type: none"> ▪ More than six (6) NSF events in the prior 12-months may be eligible if: <ul style="list-style-type: none"> • The NSF's in the current 12-month period are below the minimum allowed • Borrower Provides an explanation to support that the prior 12-month period issues have been resolved • Examples: June 2019 to May 2020 there are

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<p>more than four (4) NSF's and there are zero NSF's from the current 12-month period (July 2020 to June 2021)</p> <p>Overdrafts are not considered an NSF if covered by funds transferred from another account</p>	<p>more than four (4) NSF's and there are zero NSF's from the current 12-month period (July 2020 to June 2021)</p> <ul style="list-style-type: none"> • Unlimited NSF events in any 12-month period when the FICO is ≥ 720 and borrower has 0x30x12 housing payment within the most recent 24 months prior to closing. <p>Overdrafts are not considered an NSF if covered by funds transferred from another account</p>
SmartVest	
<p>Maximum cash out</p> <ul style="list-style-type: none"> • \$750,000 for LTV/CLTV $\leq 60\%$ for one or multiple loans where all loans have LTV/CLTV $\leq 60\%$ • \$500,000 for LTV/CLTV $> 60\%$ for one or more loans 	<p>Maximum cash out</p> <ul style="list-style-type: none"> • \$1,000,000 for LTV/CLTV $\leq 50\%$ for one or more loans • \$750,000 for LTV/CLTV $> 50\%$ and $\leq 60\%$ for one loan or multiple loans where all loans have LTV/CLTV $\leq 60\%$ • \$500,000 for LTV/CLTV $> 60\%$ for one or more loans
<p>Documentation:</p> <p>Subject property is tenant occupied at the time of closing.</p>	<p>Documentation:</p> <p>Subject property is tenant occupied at the first payment due date.</p>
<p>Investor Experience:</p> <p>A first time investor with less than 12 months of landlord experience within the most recent three (3) years prior to the application date is permitted if all of the following are met:</p> <ul style="list-style-type: none"> • Minimum FICO Score of 700 • Maximum LTV of 75% 	<p>Investor Experience:</p> <p>A first time investor with less than 12 months of landlord experience within the most recent three (3) years prior to the application date is permitted if all of the following are met:</p> <ul style="list-style-type: none"> • Minimum FICO Score of 700 • Maximum LTV is the lessor of 75% or the maximum LTV permitted per the eligibility matrix
Smart Series Underwriting Guide	
<p>Property Flips – SmartEdge and SmartSelf</p> <p>Purchase Transactions:</p> <ul style="list-style-type: none"> • Appreciation greater than 10% in the past 90 days requires two (2) full appraisals • Appreciation greater than 20% in the past 91-180 days requires two (2) full appraisals; <p>The cost of the second appraisal must be paid for by the lender; and Waiver of second appraisal is not permitted when the transaction is HPML.</p>	<p>Property Flips – SmartEdge and SmartSelf</p> <p>Purchase Transactions: HPML ONLY</p> <ul style="list-style-type: none"> • Appreciation greater than 10% in the past 90 days requires two (2) full appraisals • Appreciation greater than 20% in the past 91-180 days requires two (2) full appraisals; and • The cost of the second appraisal must be paid for by the lender; and • Waiver of second appraisal is not permitted when the transaction is HPML.
<p>Tax Transcripts:</p> <p>If tax returns are used to qualify, obtain the following:</p> <ul style="list-style-type: none"> • IRS stamped tax returns for the most recent year; • The previous most recent two (2) years' transcripts; and • Proof of tax refund or payment 	<p>Tax Transcripts:</p> <p>If tax returns are used to qualify, obtain the following:</p> <ul style="list-style-type: none"> • IRS stamped tax returns, or proof of e-filing for the most recent year; • The previous most recent two (2) years' transcripts; and • Proof of tax refund or payment

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

Newrez Operations 877-700-4622

Newrez Registration Desk/NT Desks 866-396-4622

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](#).