

Newrez Announcements



Announcement 2026-016 Underwriting Guideline Updates – Conforming Loans

February 26, 2026

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

- Most recent agency announcements, effective immediately for all loans in the pipeline, unless otherwise noted.
- Clarifications and/or corrections to the Newrez Guides effective immediately
- 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.

Agency Announcements

Unless otherwise noted, underwriting guidelines below are effective immediately and the Newrez Underwriting Guide reflects these changes with the February 26, 2026 release.

Fannie Mae and Freddie Mac issued a joint announcement regarding manufacturer specification updates (effective June 4, 2026) for Fannie Mae MH Advantage and Freddie Mac CHOICEHomes. Newrez is currently reviewing these changes and additional guidance will be provided at a later date.

Fannie Mae SEL - [2026-01](#)

Non-traditional Credit

The following guidelines have been released for either No Borrower has a Credit Score or Not All Borrowers have a credit score when using a DU decision:

- If DU requires a nontraditional credit history to be documented, at least two credit references for each borrower are required.
- No additional documentation is required if DU conducts a cash flow assessment and issues a message that the third-party asset verification report may be used to satisfy the requirements.

Complete guidelines can be found in the Newrez Underwriting Guide, Chapter 1F Credit, Section 1F.5(b) Number of Nontraditional Credit Sources Required.

Gift Funds

Gift funds received from a donor with a mentorship relationship with the borrower are added as eligible.

Complete guidelines can be found in the Newrez Underwriting Guide, Chapter 1G Assets, Section 1G.3(m) Gift Funds.

Single Close Construction loans

Currently, these loans are not eligible for LPA transactions; however, topic is under review. Updates will be provided when review is completed.

Two- Closing Construction Loans

Clarified for LPA Two-Close Cash Out refinances the minimum 6-month ownership requirement does not apply if:

- at least one Borrower inherited or was legally awarded the land in accordance with a final judgment or decision from a legal body (e.g. court, jury, judge or arbitrator) as in a case of divorce, separation or dissolution of a domestic partnership.

Complete guidelines can be found in the Newrez Underwriting Guide, Chapter 1B Transaction Types, Section 1B.10(b)(i) Loan Purpose and LTV/CLTV Calculation.

Home Possible and Refi Possible

Freddie Mac made updates (effective April 12, 2026) to qualifying income, unsecured loan proceeds and eligible mortgages. Newrez is currently reviewing these changes and additional guidance will be provided at a later date.

Authorized User Accounts

LPA Accept eligible mortgages do not require assessment of authorized user tradelines on the borrower's credit report.

Complete guidelines can be found in the Newrez Guide, Chapter 1F.4(b) Authorized User Account

Income Continuance Start date

The following income sources for LPA transactions have been updated to specify the start date for the three-year continuance requirement is based on the application received date for the following income types:

- Alimony, child support and/or separate maintenance
- Homeownership Voucher Program
- Mortgage Differential
- Nonrecurring restricted stock and restricted stock unit awards subject to time-based provisions
- Notes receivable
- Royalty payments (fixed payments)
- Trust Income (fixed payment)

Complete guidelines can be found in the Newrez Underwriting Guide, Chapter 1I Employment and Income, Section 1I.13 Other Income Sources

ACE (Automated Collateral Evaluation)

Any reference to appraisal waiver used with ACE has been removed from the guide.

Multiple Parcel Requirements

Clarified the following exceptions for parcels not adjoined to each other:

- Parcel without a residence is non-buildable (such as waterfront properties where the parcel without the residence provides access to the water) are eligible, if the parcel without the residence is non-buildable but may include non-residential improvements such as a garage or dock and the file contains evidence that the parcel without the residence cannot be improved with a dwelling.

Complete guidelines can be found in the Newrez Underwriting Guide, Chapter 1J Appraisal Requirements, in the following sections:

- 1J.4(g) Value Acceptance and ACE (Automated Collateral Evaluation)
- 1J.8(d) Multiple Parcel Requirements

Newrez Underwriting Guide Updates

Conventional Updates

Chapter 1A Eligibility

Borrower Eligibility

- Updated Borrower eligibility for Non-Permanent Resident Alien with Eligible and Ineligible Visa Types
- Added guidelines for Borrowers without an Acceptable Visa
- Identified both Eligible and Ineligible Employment Authorization Document (EAD) with detailed grids and description
- Added overlay on Eligible Employment Authorization Document (EAD) grid for EAD #C33 - An alien who has been granted Deferred Action for Childhood Arrivals (DACA)

Multiple Financed Properties

Maximum Number of Financed Properties clarified for both DU and LPA transactions based on occupancy and transaction type.

Complete guidelines can be found in the Newrez Underwriting Guide, Chapter 1A Eligibility, in following sections:

- 1A.8 (c) Non-Permanent Resident Alien
- 1A.11 Multiple Financed Properties

Chapter 1G Assets

Guidelines and requirements for both Fannie Mae (DU) and Freddie Mac (LPA) transactions using Employer Assisted Housing Benefits have been added to the underwriting guide.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1G, Assets, Section 1G.3(j) Employer Assistance Benefits

Chapter 11 Employment and Income

- Clarified if DU validates income, not required to determine if borrower is employed by a family member or interested party to the property sale or purchase.
- Removed reference to status of income for non-taxable income documents.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 11, Employment and Income, Section 11.1(J) When Tax returns are Required

Prior Agency Announcements

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

- n/a
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Product Profile Releases and Overlay Matrix Updates

Product Profiles Releases

- **Conforming Product Summary Update**
 - Number of Financed Properties
 - Second Home & Investment Properties
 - Fannie Mae Only: Removal of the requirement for a minimum 720 credit score if borrower owns 7-10 financed properties
- **Conforming and Home Possible Product Summary Update**
 - Temporary Buydowns
 - Rate & Term Refinance Transactions now permitted

Overlay Matrix Update

- **Conforming Products**
 - Temporary Buydowns
 - ARMS not permitted
 - Ineligible Borrowers
 - Borrowers living in the U.S. under Deferred Action for Childhood Arrivals (DACA) ineligible for Delegated Clients only
 - Employer Assistance Benefits
 - Freddie Mac (LPA)
 - Ineligible for Delegated Clients only
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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.

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](#).