

Newrez Announcements



Announcement 2024-020 SmartEdge, SmartSelf and SmartVest Product Summary and SmartSeries Underwriting Guide Updates

April 1, 2024

Newrez LLC "Newrez" Approved Correspondent Clients; effective with applications on or after April 1, 2024.

The SmartEdge Product Summary updated as follows:

Current Policy	New Policy
Underwriting	Underwriting
<ul style="list-style-type: none"> • Non-Delegated Clients: <ul style="list-style-type: none"> ○ All loans must be underwritten by Newrez ○ Loans must be submitted to LoanScoreCard or to LoanNEX for approved clients • Delegated Clients: <ul style="list-style-type: none"> ○ Delegated Clients must be approved by Newrez. Contact your Regional Sales Manager • Loan must be submitted to DU/LPA <ul style="list-style-type: none"> ○ Note: If receiving an Approval/Eligible or Accept/Eligible, seller must document, and file must support the reason for a Non-QM Product being selected and must be manually underwritten per standard policy • Submission to DU is not required for the following: <ul style="list-style-type: none"> ○ Asset Qualifier ○ Interest Only loans 	<ul style="list-style-type: none"> • Non-Delegated Clients: <ul style="list-style-type: none"> ○ All loans must be underwritten by Newrez ○ Loans must be submitted to LoanScoreCard or to LoanNEX for approved clients • Delegated Clients: <ul style="list-style-type: none"> ○ Delegated Clients must be approved by Newrez. Contact your Regional Sales Manager • All Clients: <ul style="list-style-type: none"> ○ Loan must be submitted to DU/LPA but loan must be manually underwritten and documented according to the Smart Series Underwriting Guidelines. DU/LPA documentation level cannot be followed. ○ If receiving an Approve/Eligible or Accept, seller must document, and file must support the reason for a Non-QM Product being

	<p>selected and must be manually underwritten per standard policy</p> <ul style="list-style-type: none"> • Submission to DU is not required for the following: <ul style="list-style-type: none"> ○ Asset Qualifier ○ Interest Only loans
--	---

The SmartSelf Product Summary updated as follows:

Current Policy	New Policy
First Time Homebuyers (FTHB)	First Time Homebuyers (FTHB)
<p>A first-time homebuyer is a borrower who has had no ownership interest (sole or joint) in a residential property during the three-year period prior to application. If one borrower meets homeownership requirements, FTHB requirement do not apply.</p> <ul style="list-style-type: none"> • Primary residence only • Maximum loan amount of \$1,500,000 • Must have a 0x30x12 consecutive housing payment history within the past three years • Borrowers who lived rent free are not eligible 	<p>A first-time homebuyer is a borrower who has had no ownership interest (sole or joint) in a residential property during the three-year period prior to application. If one borrower meets homeownership requirements, FTHB requirement do not apply.</p> <ul style="list-style-type: none"> • Primary residence only • Maximum loan amount of \$1,500,000 • Must have a 0x30x12 consecutive housing payment history • Borrowers living rent free for more than two months but no more than 12 months prior to the application date are permitted if: <ul style="list-style-type: none"> ○ The borrower has a 12-month payment history within the last three years ○ A letter of explanation confirming the borrower is living rent free with a relative and has no monthly rent (LOE signed by borrower and relative) ○ Primary residence ○ Purchase transactions ○ Maximum 43% DTI ○ Additional three months reserves ○ Residual income requirements must be met

The SmartVest Product Summary updated as follows:

Current Policy	New Policy
<p>Investor Experience</p>	<p>Investor Experience Removed the word Notes and moved the 2 bullets under the First-Time Investor section to clarify this is for First-Time Investors only.</p>
<p>First-Time Investor</p> <p>A first-time investor with less than 12 months of landlord experience within the most recent three 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% • Borrower must currently own a primary residence for at least 12 months prior to the note date of the subject property and must have a current or prior 12-month housing history payment on the primary residence • Must have a 36-month credit history including a 12-month housing payment history <p>Notes:</p> <ul style="list-style-type: none"> • Maximum one investment property financed with the Company SmartVest product • CONDOTELS not permitted 	<p>First-Time Investor</p> <p>A first-time investor with less than 12 months of landlord experience within the most recent three 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% • Borrower must currently own a primary residence for at least 12 months prior to the note date of the subject property and must have a current or prior 12-month housing history payment on the primary residence • Must have a 36-month credit history including a 12-month housing payment history • Maximum one investment property financed with the Company SmartVest product • CONDOTELS not permitted
Ineligible Property Types	Ineligible Property Types
<ul style="list-style-type: none"> • Co-ops • Factory built homes • Manufactured housing • Mixed-use • More than 20 acres • Properties with a C5 and C6 condition rating <p>Unique properties (e.g., log homes, berm homes, dome homes)</p>	<ul style="list-style-type: none"> • Co-ops • Factory built homes • Leasehold Estate Condo Projects • Manufactured housing • Mixed-use • More than 20 acres • Properties with a C5 and C6 condition rating <p>Unique properties (e.g., log homes, berm homes, dome homes)</p>

The SmartSeries Underwriting Guide has been updated with the following:

Current Policy	New Policy
<p>5A.9 – Disputed Trade Lines</p> <p>Derogatory information: remove and pull new credit report when the disputed account has been open or active in the past 12 months</p>	<p>5A.9 Disputed Trade Lines</p> <p>Derogatory information: remove and pull new credit report when the disputed account has a Date of Last Activity (DLA) within the past 12 months</p>
	<p>8A.7 Other Income Source</p> <p>Added:</p> <p>Automobile Allowance for SmartEdge Only</p> <p>8A.8 Unacceptable Sources of Income</p> <p>Added:</p> <p>Automobile allowance and expense account reimbursement for SmartSelf and SmartVest</p>

The SmartSeries Underwriting Guide has been updated with the following:

5.A.7 Waiting Periods

Waiting period begins on the completion, discharge, or dismissal date (as applicable) of the derogatory credit event and ends on the note date.

8A.7(c) Automobile Allowance for SmartEdge Only

For an automobile allowance to be considered as acceptable stable income, the borrower must have received payments for at least two years. The lender must add the full amount of the allowance to the borrower’s monthly income, and the full amount of the lease or financing expenditure to the borrower’s monthly debt obligations.

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](https://www.newrez.com/correspondent)

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](#).