

# Newrez Announcements



## **Announcement 2024-034 Underwriting Guideline Updates – Government**

**May 30, 2024**

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

- Clarifications and/or corrections to the Newrez Guides as of May 30, 2024
- 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 Updates

### FHA Mortgagee Letter [2024-07](#)

This update released on 05.01.2024 outlines Borrower Initiated Reconsideration of Value (ROV) requirements and process. FHA has enhanced its current policy and clarified standards for appraisal reviews, including:

- Receipt of a second appraisal
- Appraisal review process for remediating deficiencies including:
  - requesting a general correction, explanation, or substantiation from the Appraiser;
  - requesting a Reconsideration of Value (ROV); and
  - Obtaining a second appraisal
- Specific details and requirements for Borrower-Initiated ROV (Reconsideration of Value) Process

Clients may implement immediately but must implement for case numbers assigned on or after September 2, 2024.

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 2J, Appraisal Requirements, in following sections:

- 2J.6(a) Second Appraisal by Original Lender
- 2J.6 (c ) Appraisal Review
- 2J.7 General Reconsideration of Value Requirements
- 2J.7(a) Borrower-Initiated ROV

## Newrez Underwriting Guide Updates

### FHA Updates

#### Chapter 2B Transaction Types

Updated subchapter title from Conflict of Interest to Dual Capacity

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 2B, Transaction Types, 2B.1(b) Dual Capacity

## **Chapter 2D Property Types**

Links added to HUD Handbook with Grid for Condominium Reviews and Requirements

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 2D, Property Types, 2D.1(f) Condominium

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## **VA Updates**

### **Chapter 3B Transaction Types**

Updated subchapter title from Conflict of Interest to Dual Capacity

Complete guidelines can be found in the VA Underwriting Ude, Ch, 3B, Transaction Types, 3B.1(b), Dual Capacity

### **Chapter 3D Property Types**

Links added to VA Handbook for Condominium Reviews and Requirements

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 3D, Property Types, 3D.1(d) Condominium.

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## **USDA Updates**

### **Chapter 4B Transaction Types**

Retitled section titled Non-Arm's Length/Identity of Interest Transactions to Dual Capacity and identified parties acting in multiple rules who are not eligible.

Complete guidelines can be found in the USDA Underwriting Guide, Ch, 4B, Transaction Types, 4B.1(b), Dual Capacity

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## **Chapter 4D Property Types**

Identified link to USDA Property and Appraisal Requirements with location and clarification that Condominium projects governed by a HOA can be approved by any of the following:

- Fannie Mae or Freddie Mac
- HUD/FHA
- VA

Complete guidelines can be found in the USDA Underwriting Guide, Ch, 4D, Property Types, 4D,1 Condominium

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## **Policy Updates**

### **Chapter 7A Disaster Policy**

Updated VA Inspection requirements to identify:

- Loans closed prior to natural disaster are eligible for VA Guaranty without regard to the disaster.

Complete guidelines can be found in the Newrez Disaster Policy, 7A, VA Inspection Requirements

### **Chapter 9A Power of Attorney Policy**

Added a new category for VA purchase transactions titled Ineligible Agents under a POA to include: Any real estate agent with a financial interest in the transaction (or any person affiliate with such real estate agent).

Complete guidelines can be found in the Newrez Power of Attorney Policy, Ch 9A, 9A.5, VA (Ginnie Mae)

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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
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## Product Profile Releases and Overlay Matrix Updates

### Product Profile Releases

- n/a
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### Overlay Matrix Updates

- Power of Attorney – Added for VA transactions:
    - Any real estate agent with a financial interest in the transaction (or any person affiliate with such real estate agent) is an ineligible agent under a POA.
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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](http://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](#).