

Newrez Announcements



Announcement 2026-035 Underwriting Guideline Updates – Conforming Loans

May 28, 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 are 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

Both Fannie Mae and Freddie Mac released agency updates on May 6, 2026, Newrez is aligning with the following topics:

Freddie Mac Bulletin [2026-6](#)

A new chapter Employment and Income Freddie Mac has been created to separate the agency guidelines for employment and income guidelines.

In addition to this new chapter, the following have been updated:

Verbal Confirmation of Employment

- Updated VVOE requirements when using borrower provided paystubs for LPA transactions, the **YTD** paystub must:
 - Be from the pay period immediately preceding the Note Date, and
 - Be dated no more than 15 business days before the Note date.

This update removed the “paid through” date requirement for a YTD paystub that is used to satisfy the 10-day prior to closing VVOE.

Removed eligible income examples for Freddie Mac Option One – Paystub not Obtained before Closing or Delivery for:

- salaried income,
- hourly income from a new employer, if there is a guaranteed minimum number of weekly hours; and
- hourly earnings from the current employer with a future pay rate increase if the mortgage file demonstrates that current and future hours do not fluctuate.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 11, Employment and Income, in the following sections:

- 11.1(g) Verbal Confirmation of Employment
- 11.13(l)(ix) Freddie Mac LPA (Option One and Option Two)

Property Disclosure Statements

- A review of the property disclosure statement on purchase transactions must be completed (**if provided to the Seller**) for conditions that could adversely affect the market value, condition, or marketability of the subject property, including adverse physical deficiencies consistent with a C5 or C6 condition rating.
- Specified the property disclosure statement must be provided to the appraiser if the review of the property disclosure statement identifies conditions that could adversely affect the market value, condition, or marketability of the subject property.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1J Appraisal Requirements, 1J.8 (m)(iv) Identifying Property Condition

Fannie Mae SEL [2026-05](#)

A new chapter, Employment and Income Fannie Mae has been created to separate the agency guidelines for employment and income and align with the Fannie Mae recent updates to this chapter.

Clarified when a Two-Close Construction to Permanent Financing is modified, loan must be resubmitted to DU, unless the results of either the loan amount or interest rate is within DU resubmission tolerances.

Complete guidelines can be found in the Conventional Underwriting Guide, 1B Transaction Types, 1B.10 (a)(i) Fannie Mae, Modifications

Federal Income Tax Installment Agreements guidelines updated for Installment Agreements Pending IRS Approval to reflect:

For a pending IRS installment agreement, underwriter must obtain a copy of the application showing repayment terms, monthly payment and total amount owed. Monthly payment must be included in the DTI. If requirements are not met, borrower must pay off balance at or before closing.

Complete guidelines can be found in the Conventional Underwriting Guide, 1H Liabilities and Debt Ratios, 1H.4(h) Federal Income Tax Installment Agreement

Newrez Underwriting Guide Updates

Conventional Updates

Chapter 1A Eligibility

Added guidelines for Homeownership Education and Landlord Education requirements for Fannie Mae and Freddie Mac transactions.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1A Eligibility, 1A.10(c) Transactions that Require Homeownership Education

Chapter 1B Transaction Types

Updated requirements for a LCOR when the LTV/CLTV or HCLTV exceed 95% for DU transactions:

- DU must be informed if the existing loan is owned (or securitized) by Fannie Mae using the Owner of Existing Mortgage Field in the online application before submitting to DU
- When DU is not able to identify the borrower's existing loan is owned (or securitized) by Fannie Mae, identified other documentation requirements.

Updated the following For Cash Out Requirements for LPA transactions:

- Clarified refinance requirements for borrowers with less than 6 months' ownership and more than 6 months' ownership for eligibility requirements.
- Removed the following for Cash-Out Requirements for Manufactured Homes
 - At least one (1) borrower must have been the majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP; and
 - Title must be transferred from the LLC or LP and into the individual

borrower(s) name prior to the Note date.

Chapter 1H Liabilities and Debts

- Modified Real Estate Tax Abatement and Exemption content to reflect both Fannie Mae and Freddie Mac guidelines.
- Updated Federal Income Tax Installment Agreements to mirror both Fannie Mae and Freddie Mac agency guidelines for:
 - Approved IRS Installment Agreements and
 - Installment Agreements Pending IRS Approval

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1H Liabilities and Debt:

- 1H.1(b) Real Estate Tax Abatement and Tax Exemption
- 1H.4 (h) Federal Income Tax Installment Agreements

Chapter 1J Appraisal Requirements

The following appraisal updates have been made to align with the agency requirements:

- Value Acceptance
- Value Acceptance + Property Data
- ACE + PDR (LPA)

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

- 1J.4(g) Value Acceptance and ACE (Automated Collateral Evaluation)
- 1J.4(h) Value Acceptance + Property Data (DU) and ACE + PDR (LPA)

Prior Agency Announcements

Per Fannie Mae announcement SEL2026-02 and Newrez announcement 2026-23, the Employment and Income chapter has been updated with Fannie Mae's new policies, policy changes and clarifications and effective with application dates on or after June 1, 2026. Because of these updates, separate Employment and Income chapters have been posted for Fannie Mae and Freddie Mac.

Product Profile Releases and Overlay Matrix Updates

Product Profiles Releases

- Net Tangible Benefit
 - The Net Tangible Benefit section of all the product summaries have been updated to align with State and local requirements.
 - The Net Tangible worksheets are in the process of being updated.
- Conforming and Texas 50(A)(6) Product Summary Update
 - Manufactured Housing
 - LPA Fixed Rate maximum 30-year term for Cash-Out Refi
- Overlay Matrix Update
 - n/a

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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