

Newrez Announcements



Announcement 2025-035

Underwriting Guideline Updates – Government Loans

May 22, 2025

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

- Most recent FHA Mortgage Letter, effective immediately for all loans in the pipeline, unless otherwise noted.
- Clarifications and/or corrections to the Newrez Guides as of May 22, 2025.
- This memo also includes a summary of:
 - Previously announced guidelines that 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.

FHA, VA or USDA Announcement

- n/a
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Newrez Underwriting Guide Updates

FHA Updates

Chapter 2D Property Types

Expanded Ineligible Manufactured Homes as shown on Overlay Matrix for FHA transactions for:

- A manufactured home with deed restrictions.
- A manufactured home CONDO is ineligible

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2D Property Types, 2D.1(i)(vii) Ineligible Manufactured Home Property Types

VA Updates

Chapter 3J Appraisal Requirements

Identified appraisal transfers completed for one Veteran on a property cannot be used for a different Veteran on the same property. VA appraisals are specific to the individual Veteran and the property, and are valid for only a limited time.

Complete guidelines can be found in the VA Underwriting Guide, Ch. 3J Appraisal Requirements, 3J.6 Appraisal Transfer

Escrow Holdback Policy

Clarified an escrow account is not required for VA transactions when the following is true:

- The incomplete work is limited to the installation of landscaping due to inclement weather (lawns, shrubbery, etc.)
- The estimate cost to complete is not greater than \$2500, and
- There is adequate assurance that the work will be completed timely and satisfactorily (90-120 days)

Complete guidelines can be found in the Escrow Holdback Policy, Ch. 8A.6 VA Escrow Holdbacks.

Prior Agency Announcements

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

- n/a

Product Profile Releases and Overlay Matrix Updates

Product Profile Releases – n/a

Overlay Matrix

FHA below Ineligible Manufactured Homes have been added to the Overlay Matrix for FHA transactions.

- A manufactured home Condominium is ineligible
- A manufactured home is ineligible with deed restrictions

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

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