

# Newrez Announcements



## Announcement 2025-036 Closed End Second Updates

May 22, 2025

Newrez LLC "Newrez" Approved Correspondent Clients; Newrez has expanded the Debt - to-Income and Appraisal requirements on the Closed End Second product. These updates are effective immediately and apply to existing pipeline.

A new Eligibility Matrix has been established that will enable the DTI maximum to 50% with a CLTV reduction of 5% when the DTI is 45.01% to 50%.

ELIGIBILITY MATRIX					
Units	Occupancy	Loan Amount	Credit Score	CLTV	DTI
1 Unit	Primary Residence	\$300,000	760	85%	45.01%–50%
		\$350,000	720	80%	
		\$400,000	760	75%	
		\$300,000	700		

In addition, the following updates have been made to the Appraisal guidelines:

Section of the Guide	Current Policy	Updated Policy
8A.1 General Appraisal	<p>The following conditions must be met on an appraisal:</p> <ul style="list-style-type: none"> <li>• Value is on an “as-is” basis and not subject to future improvements.</li> <li>• Condition rating is C1 through C4.</li> <li>• C5 and C6 condition ratings are ineligible.</li> <li>• Appraisals assigned from another lender are not permitted.</li> <li>• Appraisal must be completed for subject transaction; prior appraisals are not permitted.</li> </ul>	<p>The following conditions must be met on an appraisal:</p> <ul style="list-style-type: none"> <li>• Value is on an “as-is” basis and not subject to future improvements, <b>with an as-is appraisal or 1004D evidencing completion of any cited repair/improvements.</b></li> <li>• <b>1004D to be completed and satisfied prior to closing.</b></li> <li>• Condition rating is C1 through C4.</li> <li>• C5 and C6 condition ratings are ineligible.</li> <li>• Appraisals assigned from another lender are not permitted.</li> <li>• Appraisal must be completed for subject transaction; prior appraisals are not permitted.</li> </ul>
8A.2 Primary Valuation Requirements	<p>Exterior Property Inspection is required for Loan amount ≤\$250,000 and includes photos of the left and right sides of the home.</p>	<p>Exterior Property Inspection is required for Loan amount ≤\$250,000 and includes photos of the left and right sides, <b>when accessible</b>, of the home.</p>

## 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.newrezcorrespondent.com)

Newrez Operations 877-700-4622

Newrez Registration Desk/NT Desks 866-396-4622

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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](#).