

# Newrez Announcements



## Announcement 2026-038 Smart Series Product Summary and Underwriting Guide Updates May 28, 2026

Newrez LLC "Newrez" Approved Correspondent Clients; the following updates are effective with pipeline loans.

### Product Summary Updates

Current Policy	New Policy
<b>SmartVest Summary</b>	<b>SmartVest Summary</b>
Eligible Property Type: Condo Silent on PRD review	Eligible Property Type: Condo Added: Non -Warrantable Condo requires Non-Delegated loans to be submitted to PRD for review
Short Term Rental: Required to Obtain the Single Family Comparable Rent Schedule (Form 1007/1000)	Short Term Rental: REMOVED: Requirement to obtain (Form 1007/1000)
Appraisal: Form 1007 required	Appraisal: Updated to clarify Form 1007 only required when using Long Term Rental
<b>SmartEdge &amp; SmartSelf Summary</b>	<b>SmartEdge &amp; SmartSelf Summary</b>
Eligible Property Type: Condo Silent on PRD review	Eligible Property Type: Condo Added: Non-Delegated clients require PRD review for Edge, Self already stated
Non-Occupant Co-Borrower: Must be an immediate relative	Non-Occupant Co-Borrower: Removed: requirement to be an immediate relative

Maximum Condominium Exposure: Applies to Non-Warrantable condo	Maximum Condominium Exposure: Removed: that this policy is for Non-Warrantable only, it is for all Condos
<b>SmartEdge, SmartSelf &amp; SmartVest Summary</b>	<b>SmartEdge, SmartSelf &amp; SmartVest Summary</b>
Ineligible Property Type: Silent	Ineligible Property Type: Added: Geodesic/Dome home
Maximum Condominium Exposure:  Maximum 20% of properties in a condo project may have financing with company financing  Maximum 10% financed properties, including the subject property	Maximum Condominium Exposure:  Added: Maximum 20% of property in a condo project must have financing with company (per project, not per borrower)  Company financing limited to a maximum concentration of 10% in any Florida condo project (per project, not per borrower)  Projects ≤10 total units; borrower may finance one unit with the Company

**Product Guideline Updates**

Current Policy	New Policy
<b>SmartEdge, SmartSelf and SmartVest Guidelines</b>	<b>SmartEdge, SmartSelf and SmartVest Guidelines</b>
3A.1 Determining LTV  Determining Amount to Finance  Determining Value  Loan to Value (LTV Ratio)  Combined Loan to Value (CLTV)	3A.1 Determining LTV:  Removed all sections except: Permanently Modified HELOC <ul style="list-style-type: none"> <li>If a HELOC has been permanently modified and the outstanding unpaid principal balance (UPB) is less than the permanently modified HELOC, the modified</li> </ul>

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<p>Permanently Modified HELOC</p>	<p>HELOC amount must be used when calculating the CLTV.</p> <ul style="list-style-type: none"> <li>• The permanently modified HELOC must be documented with the one (1) of the following: <ul style="list-style-type: none"> <li>○ Modified and recorded Note;</li> <li>○ Recorded subordination agreement stating the credit line was permanently reduced; and</li> <li>○ Letter from the subordinate lien holder indicating a HELOC has been permanently reduced, in lieu of a recorded modification agreement. The letter must: <ul style="list-style-type: none"> <li>• Be on the lien holder’s letterhead;</li> <li>• State the permanently reduced HELOC amount; and</li> <li>• Include the date of the HELOC reduction.</li> </ul> </li> </ul> </li> </ul> <p>A comment on the credit report stating that the HELOC is permanently modified is not sufficient.</p>
<p>4A.1(d)(ii) Non-Warrantable Condo Project</p> <p>The company’s maximum exposure in a non-warrantable condo project is based on the number of units in the project:</p> <ul style="list-style-type: none"> <li>• Project with ≤10 units the company will finance 1 unit</li> <li>• Projects with &gt; 10 units the company will finance a maximum of 20% of the total units in the project</li> </ul>	<p>4A.1(d)(ii) Non-Warrantable Condo Project</p> <p><b>Removed</b> company’s maximum exposure – moved to summary</p> <p><b>Updated:</b></p> <p>Maximum 25% of total units may be 60 days or more past due <b>on either common expense assessments (dues) and/or each special assessment.</b></p>

Maximum 25% of total units may be 60 days or more past due

HOA Replacement Reserves:

- < 10% and > 7.5% if current reserve balance exceeds 10% of operating expenses
- < 7.5% and > 5.0% if current reserve balance exceeds 20% of operating expenses
- < 5.0% if current reserve balance exceeds 50% of operating expenses
- Project balance sheet must be provided within 120 days of Note date

No maximum investor concentration on investment property transactions

New construction projects in Florida are permitted without Fannie Mae PERS:

- Must meet all other Fannie Mae or Freddie Mac new construction project guidelines; and
- Not eligible for any additional expanded eligibility guidelines.

4A.1(e) Condotel:

No maximum investor concentration on investment property transactions

A minimum of 10% HOA reserves are required (Freddie Mac working capital requirements in lieu of reserves are acceptable on new construction);

HOA Replacement Reserves:

- < 15% and  $\geq$  10% if current reserve balance exceeds 10% of operating expenses
- < 10% and  $\geq$  7.5% if current reserve balance exceeds 20% of operating expenses
- < 7.5% if current reserve balance exceeds 50% of operating expenses
- Project balance sheet must be provided within 120 days of Note date

Removed:

No maximum investor concentration on investment property transactions

Removed:

New construction projects in Florida are permitted without Fannie Mae PERS:

- Must meet all other Fannie Mae or Freddie Mac new construction project guidelines; and
- Not eligible for any additional expanded eligibility guidelines.

4A.1(e) Condotel:

Removed:

No maximum investor concentration on investment property transactions

Updated:

A minimum of 15% HOA reserves are required (Freddie Mac working capital requirements in lieu of reserves are acceptable on new construction);

<p>8A.7(b)(i) Eligible Assets</p> <p>Retirement Accounts</p> <ul style="list-style-type: none"> <li>• 401(k)/403(b) plans or IRA, SEP or KEOUGH accounts <ul style="list-style-type: none"> <li>○ Borrower is at least 59 ½ years old (retirement age)</li> <li>○ Documentation has been provided confirming the borrower has full access to the funds</li> </ul> </li> </ul> <p>If the borrower is not 59 ½ years old, the borrower must have enough liquid assets to qualify until they reach 59 ½ years of age</p>	<p>8A.7(b)(i) Eligible Assets</p> <p>Retirement Accounts</p> <ul style="list-style-type: none"> <li>• 401(k)/403(b) plans or IRA, SEP or KEOUGH accounts <ul style="list-style-type: none"> <li>○ Borrower is at least 59 ½ years old (retirement age) <ul style="list-style-type: none"> <li>▪ If the borrower is not 59 ½ years old, but within 3 years of retirement, they must have enough non-retirement assets to qualify until they reach 59 ½ years of age.</li> </ul> </li> <li>○ Documentation has been provided confirming the borrower has full access to the funds</li> </ul> </li> </ul>
<p>11A.5 Mortgage Recast</p> <p>Recasts are subject to investor and/or servicing approval post-closing but not guaranteed.</p>	<p>11A.5 Mortgage Recast</p> <p>Not Permitted</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.

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