

Newrez Announcements



Announcement 2024-042 Underwriting Guideline Updates – Government June 27, 2024

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

- Clarifications and/or corrections to the Newrez Guides as of June 27, 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.

USDA Updates

USDA released a [Stakeholder Announcement](#) on May 9, 2024 to assist homebuyers with affordable housing eligibility and approved an exemption to meet industry standards for interested party contributions.

This update permits the exclusion of real estate commission fees from the concession cap of 6%, on seller, interested party contributions or concessions as part of the purchase transaction.

This update permits the exclusion of real estate commission fees paid by the seller on behalf of the homebuyer from the concession cap of 6%, on seller, interested party contributions or concessions as part of the purchase transaction. This update ensures that regardless of any possible changes to real estate commission requirements, rural homebuyers will continue to be able to affordably access USDA financing.

Complete guidelines can be found in the USDA Underwriting Guide, Chapter 4G, Assets, 4G.2 Seller Concessions.

Newrez Underwriting Guide Updates

FHA Updates

Chapter 2I Employment and Income

Removed duplication for signed tax return requirements which is shown in section 2I.4, Self-Employed Income.

Complete guidelines can be found in the FHA Underwriting Guide, Chapter 2I, Employment and Income, 2I.1(g) Tax Returns

VA Updates

Chapter 3F Credit

Additional guidance provided for borrowers with a previous foreclosure and a significant delay in the transfer of title should contact Regional Loan Center of jurisdiction for guidance.

Complete guidelines can be found in the VA Underwriting Guide, Chapter 3F, Credit, 3F.8(a) Waiting Period Requirements

Chapter 3G Assets

Clarified verification is required for liquidation and receipt when the funds from the sale of stocks/bonds are used for the down payment or the closing costs when manually underwriting or if the AUS requires.

Complete guidelines can be found in the VA Underwriting Guide, Chapter 3G, Assets, 3G.3(m) Stocks, Stock Options, Bonds, Mutual Funds

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

- VA Purchase-Updated information for Housing Payment Assistance-Delegated Clients must be approved through HAP and Non-Delegated must be approved through Newrez
- FHA Streamline Refinance and VA IRRRL -Appraisal Section: Kansas requirements do not apply to Supervised Lenders such as Banks and Credit Unions

Overlay Matrix Updates

- 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.

[Newrezcorrespondent.com](https://www.newrez.com/correspondent)

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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](#).