

Newrez Announcements



Announcement 2025-042

Smart Series Product Summary, Underwriting Guides and Web Updates

June 23, 2025

Newrez LLC "Newrez" Approved Correspondent Clients; effective with applications on or after June 23, 2025. The SmartEdge and SmartSelf Product Summaries have been updated with the following:

Current Policy	New Policy
Product Summaries - SmartEdge	Product Summaries- SmartEdge
One Year Self Employment Program not currently offered	New Program: Primary Residence Only One Year Self Employment <ul style="list-style-type: none">• Maximum LTV/CLTV 75%• Minimum FICO 700• Maximum Loan Amount \$2,000,000• Purchase and Rate & Term Refinance Permitted
No Summary section for Self Employment Documentation	7. One (1) Year Self Employment Documentation <ul style="list-style-type: none">• Maximum LTV/CLTV is 75%• Primary Occupancy• Purchase and Rate and Term Refinance• Minimum FICO 700

	<ul style="list-style-type: none"> • Maximum Loan Amount \$2,000,000 • Must Own > 50% of the business • The borrower's most recent signed personal and business federal income tax returns reflecting a full year (12 months) of self-employment from the current business • The loan file must also contain documentation to support the history of prior employment for five (5) years <ul style="list-style-type: none"> ○ In a field that provides the same products or services as the current business; or ○ In an occupation in which they had similar responsibilities to those undertaken in connection with the current business. • Qualifying income is calculated using the requirements in section 8A.5(d) SmartEdge Underwriting Guide, along with YTD P&L requirements • All other SmartEdge requirements apply
33. Asset Qualifier – Ineligible Qualifying Assets <ul style="list-style-type: none"> • Annuity • Business assets • Cash value of life insurance • Equity in real estate including current home 	33. Asset Qualifier – Ineligible Qualifying Assets <ul style="list-style-type: none"> • 529 College Savings Plan • Annuity • Business assets • Cash value of life insurance

<ul style="list-style-type: none"> • Funds held in foreign accounts or investments • Gift funds • Gift of equity • Irrevocable trust • Private securities or any non-publicly traded assets • Restricted stock units, stock options, non-vested stock • Sale of personal assets • Stocks and bonds not publicly traded • The following trusts <ul style="list-style-type: none"> ○ Blind trusts ○ Irrevocable trust ○ Land trusts <p>Life estates</p>	<ul style="list-style-type: none"> • Equity in real estate including current home • Funds held in foreign accounts or investments • Gift funds • Gift of equity • Irrevocable trust • Private securities or any non-publicly traded assets • Restricted stock units, stock options, non-vested stock • Sale of personal assets • Stocks and bonds not publicly traded • The following trusts <ul style="list-style-type: none"> ○ Blind trusts ○ Irrevocable trust ○ Land trusts <p>Life estates</p>
Product Summaries - SmartSelf	Product Summaries - SmartSelf
One Year Self Employment Program not currently offered	<p>New Programs:</p> <p>Primary Residence</p> <p>One Year Self Employment</p> <ul style="list-style-type: none"> • Maximum LTV/CLTV 75% • Minimum FICO 700 • Maximum Loan Amount \$2,000,000 • Purchase and Rate & Term Refinance Permitted <p>Second Home</p> <p>One Year Self Employment</p> <ul style="list-style-type: none"> • Maximum LTV/CLTV 70% • Minimum FICO 700

	<ul style="list-style-type: none"> • Maximum Loan Amount \$2,000,000 • Purchase and Rate & Term Refinance Permitted
P&L Documentation Program not currently offered	<p>New Program:</p> <p>Primary Residence</p> <p>P&L Documentation</p> <ul style="list-style-type: none"> • Maximum LTV/CLTV 75% • Minimum FICO 700 • Maximum Loan Amount \$2,000,000 <ul style="list-style-type: none"> ○ Loan Amount > \$1,000,000 requires two (2) month's business bank statements to support the P&L income • Purchase and Rate & Term Refinance Permitted <p>Second Home</p> <p>P&L Documentation</p> <ul style="list-style-type: none"> • Maximum LTV/CLTV 70% • Minimum FICO 700 • Maximum Loan Amount \$2,000,000 <ul style="list-style-type: none"> ○ Loan Amount > \$1,000,000 requires two (2) month's business bank statements to support the P&L income • Purchase and Rate & Term Refinance Permitted

<p>32. Self Employed Borrowers</p> <ul style="list-style-type: none"> • At least one borrower must meet the definition of self-employed: <ul style="list-style-type: none"> ◦ A borrower with a 25% or greater ownership interest in a business is considered self-employed ◦ Borrower earns a majority of their income (51% or more) from their self-employment and use their self-employed income for qualification • Borrower must be self employed for a minimum of two years with business income being used to qualify 	<p>32. Self Employed Borrowers</p> <ul style="list-style-type: none"> • At least one borrower must meet the definition of self-employed: <ul style="list-style-type: none"> ◦ A borrower with a 25% or greater ownership interest in a business is considered self-employed ◦ Borrower earns a majority of their income (51% or more) from their self-employment and use their self-employed income for qualification • Borrower must be self-employed for a minimum of two (2) years with business income being used to qualify or a minimum of one (1) year with business income being used to qualify under the 12/mo. self-employment program
<p>33. Self Employed Borrowers One Year</p> <p>Not currently offered</p>	<p>33. Self Employed Borrowers One Year</p> <ul style="list-style-type: none"> • Must Own > 50% of the business <ul style="list-style-type: none"> ◦ Verify the borrower's ownership percentage following the requirements in Section 32. Self-Employed Borrowers • Business must have been owned and operational for a minimum of one (1) year • Most recent 12 months bank statements, covering the most recent 12 months of being self-employed • The loan file must also contain documentation to support the history of prior employment of five (5) years: <ul style="list-style-type: none"> ◦ In a field that provides the same products or services as the current business; or

	<ul style="list-style-type: none"> ○ In an occupation in which they had similar responsibilities to those undertake in connection with the current business. <p>All other SmartSelf requirements apply</p>
<p>34. P&L Documentation Requirements</p> <p>Not currently offered</p>	<p>34. P&L Documentation Requirements</p> <ul style="list-style-type: none"> • Must Own > 50% of the business <ul style="list-style-type: none"> ○ Verify the borrower's ownership percentage following the requirements in Section 32. Self-Employed Borrowers • Business must have been owned and operational for a minimum of two (2) years • Most recent 12/mo. P & L (within 60 calendar days of the application date) • P & L must be completed, signed and dated by an independent licensed CPA/EA/PTIN/CTEC in good standing • Borrower(s) must sign and date the P & L • Qualifying income is calculated by dividing the net profit by the number of months in the covered period (subject to ownership percentage) • Loan Amount > \$1,000,000: Obtain the most recent two (2) month's business bank statements <ul style="list-style-type: none"> ○ Business bank statement deposits must support 80% of the monthly average gross

	<p>revenue from the P & L</p> <p>All other SmartSelf requirements apply</p>
SmartEdge, SmartSelf and SmartVest Guidelines	SmartEdge, SmartSelf and SmartVest Guidelines
<p>1A.5 Vesting Options – SmartVest</p> <p>Vesting is only permitted to be in the name of an LLC, regardless of how the LLC files with the IRS (Corporation, Partnership, and S-Corporations). Vesting in the name of a Corporation, Partnership, and S-Corporations are not permitted.</p>	<p>1A.5 Vesting Options – SmartVest</p> <p>Vesting is only permitted to be in the name of an LLC, regardless of how the LLC files with the IRS (Corporation, Partnership, and S-Corporations). Vesting in the name of a Corporation, Partnership, and S-Corporations which is not an LLC is not permitted.</p> <p>Non-LLC owners are not permitted to be borrowers on the loan.</p>
<p>2A.1(b) Conflict of Interest (Dual Capacity)</p> <p>Parties acting in multiple roles in a single mortgage transaction are not eligible. For example, the real estate agent (selling agent or buyer's agent) for the subject property may not function as the loan officer for the borrowers purchasing the same subject property or a loan officer may not take their own application.</p> <p>Exception: Newrez will permit only the following: Loan officers who are appropriately licensed in the state of CA or FL who are acting as the buyer's agent. A copy of the FL Disclosure of Conflict of Interest or CA Dual Capacity Disclosure is required to be provided.</p>	<p>2A.1(b) Conflict of Interest (Dual Capacity)</p> <p>Parties acting in multiple roles in a single mortgage transaction are not eligible. For example, the real estate agent (selling agent or buyer's agent) for the subject property may not function as the loan officer for the borrowers purchasing the same subject property or a loan officer may not take their own application.</p>

Loan Registration System	Loan Registration System
Current Documentation Style:	New Documentation Style:
1099 – 1 Year	1099 – 1 Year
1099 – 2 Year	1099 – 2 Year
12-Month Bank Statement	12-Month Bank Statement
24-Month Bank Statement	24-Month Bank Statement
Asset Qualifier	Asset Qualifier
Full	Full
No Documentation	No Documentation
No Income/No Employment	No Income/No Employment
No Income/Verified Asset	No Income/Verified Asset
Standard	One (1) Year Self-Employment
	P&L Statement
	Standard

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

Newrez Operations 877-700-4622

Newrez Registration Desk/NT Desks 866-396-4622

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](#).