

Newrez Announcements



Announcement 2025-045

Underwriting Guideline Updates – Government Loans

June 26, 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 June 26, 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

Newrez Underwriting Guide Updates

FHA Updates

Chapter 2A Eligibility

Added Certification of Trust requirements are acceptable in all states provided the following is met:

- 1) The borrower(s) must be the creator of the trust (settlor, grantor, trustor).
- 2) The borrower(s) must be the trustee of the trust.
- 3) The borrower(s) must be the primary beneficiary of the trust during their lifetime.
- 4) The trust must be revocable.
- 5) The trustee must have the authority to buy/hold, sell and encumber trust property.
- 6) The trust must have been created during the lifetime of the borrower.
- 7) The trust certificate must be fully executed.

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2A Eligibility, 2A.14

(c) Certification of Trust

VA Updates

Chapter 3A Eligibility

The following underwriting requirements were removed from Joint Loans:

- Joint loans must be manually underwritten; and,
- Loans are not eligible to be submitted to Automated Underwriting

Certification of Trust requirements are acceptable in all states provided the following is met:

- 1) The borrower(s) must be the creator of the trust (settlor, grantor, trustor).
- 2) The borrower(s) must be the trustee of the trust.
- 3) The borrower(s) must be the primary beneficiary of the trust during their lifetime.
- 4) The trust must be revocable.

- 5) The trustee must have the authority to buy/hold, sell and encumber trust property.
- 6) The trust must have been created during the lifetime of the borrower.
- 7) The trust certificate must be fully executed.

Complete guidelines can be found in the VA Underwriting Guide, Ch. 3A Eligibility, in the following sections:

- 3A.15 Joint Loans
- 3A.18 Ownership Interests, 3A.18 (c) Certification of Trust

USDA Updates

Chapter 4F Credit

Updated Credit Score requirements to identify:

- When a borrower has only 1 Credit Score, use the single reported score for loan eligibility.
- Credit reports that do not report any credit score, must refer to non-traditional tradeline requirements for eligibility.
- Tradeline requirements have been expanded to include GUS Refer, Refer with Caution AUS decisions.
 - Identified a credit score validation is required as part of tradeline requirements.
- Clarified for GUS Refer, Refer with Caution and manually underwritten files are not eligible for debt ratio exceptions if:
 - There is not one applicant with a validated score using traditional tradelines on the credit report, or
 - The file requires non-traditional credit tradelines

Complete guidelines can be found in the USDA Underwriting Guide, Ch. 4F Credit, in the following sections:

- 4F.3, Selection and Validation of Credit Scores
- 4F.3(a)(i) Trade Line Requirements for GUS Refer, Refer with Caution and Manually Underwritten Loans

Chapter 4G Assets

Reserve requirements were updated to reflect the following per USDA:

Use the ending balance as reflected on the most current bank statement, or on the verification of deposit if the date on the verification of deposit is dated after the bank statement. A more conservative approach using a lower figure may also be an option. Electronic printouts are not permitted, unless they are the official electronic statements provided by the banking institution. Online screen printouts of transaction are not permitted.

Complete guidelines can be found in the USDA Underwriting Guide, Ch. 4G Assets, 4G.3 (a) Financial Institution Accounts

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

- n/a
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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

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](#).