

Newrez Announcements



Announcement 2025-048 **Underwriting Guideline Updates – Conforming Loans** **July 24, 2025**

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

- Most recent agency announcements, effective immediately for all loans in the pipeline, unless otherwise noted.
- Clarifications and/or corrections to the Newrez Guides as of July 24, 2025.
- 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.

Agency Announcements

Unless otherwise noted, underwriting guidelines below are effective immediately and the Newrez Underwriting Guide reflects these changes with the July 24, 2025 release.

Fannie Mae [SEL-2025-05](#) and Freddie Mac Bulletin [2025-9](#)

Condominium and Cooperative Project Eligibility

Newrez has incorporated Fannie Mae and Freddie Mac project review requirements to include projects that are terminating or involved in insolvency proceedings as an ineligible project type. This applies to all projects regardless of the project review type and also applies to loans eligible for a waiver of project review or exempt from review.

The Newrez Guide section 1D.1(d) Condominiums and 1D.1(e) Cooperatives include links to both Fannie Mae and Freddie Mac Selling Guide Condominium requirements and therefore, no updates to the Newrez Guide are required.

Fannie Mae [SEL-2025-05](#)

Lender incentives have been updated to remove the maximum amount for lender incentive (previously \$2,500). All other requirements remain.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1G, Assets, 1G.5(i) Lender Incentives.

Freddie Mac Bulletin [2025-9](#)

Manufactured Homes

Temporary buydowns secured by manufactured homes will now be permitted. All other requirements remain.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1C Financing, 1C.3 Temporary Interest Rate Buydowns and the Product Summaries.

CHOICE Home Update

CHOICE Home requirements have been updated to permit either the FANNIE Mae MH Advantage Sticker or the Freddie Mac CHOICEHome label as evidence that the property meets the required construction elements for Mortgage secured by CHOICEHomes. Regardless of the sticker, loans must be underwritten using LPA.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1J, Appraisal Requirements, 1J.8 (u)(iii) MH Advantage and CHOICEHome Appraisal Comparable Selection Requirements

Flood insurance

The requirement to use the full risk premium to calculate the housing expense-to-income and debt payment-to-income ratios where a flood insurance policy on the mortgaged premises shows a full risk premium and a discounted premium has been rescinded. The requirement was previously announced with subsequent postponements to the effective date.

No updates to the Newrez Underwriting guide are required.

Newrez Underwriting Guide Updates

Conventional Updates

Chapter 1I Employment and Income

- Expanded Analyzing Returns for a Corporation and the Borrower's Share of Income or Loss to identify cash flow analysis separately for Fannie Mae and Freddie Mac to identify:

Fannie Mae (DU Loan Transactions)	Freddie Mac (LPA Loan Transactions)
<p>The cash flow analysis can only consider the borrower's share of the business income or loss, taking into consideration adjustments to business income provided below. Earnings may not be used unless the borrower owns 100% of the business.</p>	<p>Must verify that the Borrower's legal right to the business income that is used as stable monthly income is not encumbered, restricted or prevented by the corporate resolution, partnership agreement, or other comparable document.</p> <p>Use of Business Income not reported on the Borrower's federal individual income tax returns may be considered as stable monthly income, provided the Seller's analysis confirm that based on the financial strength of the business, the use of these funds as personal income would not have a determined impact of the business.</p>

- Rental Income requirements for Fannie Mae and Freddie Mac guidelines updated to reflect same format and content as published by the agencies.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 11, Employment & Income, in the following sections:

- 11.9 (c) Borrower's Share of Income or Loss
- 11.12 Rental Income – Fannie Mae DU (section reformatted)
- 11.13 Rental Income – Freddie Mac LPA (section reformatted)

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 Profiles Releases

- Freddie Mac has expanded financing eligibility for Manufactured Homes to include Temporary Buydowns.
- The below Freddie Mac product profiles have been updated
 - Conforming Freddie Mac
 - Home Possible
 - BorrowSmart

Overlay Matrix Update

- The below will be added to the Overlay Matrix for Fannie Mae and Freddie Mac Conforming products
 - Condominiums
 - Condominiums with a CPM status of Unavailable or with a CPA status of Not Eligible are not eligible for purchase unless issues are resolved.
 - Ineligible Territories
 - Puerto Rico
 - Guam
 - US Virgin Islands
-

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](#).