

Newrez Announcements



Announcement 2025-049

Underwriting Guideline Updates – Government Loans

July 24, 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 July 24, 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

The following Mortgagee Letters were released by U.S. Department of Housing and Urban Development on June 27, 2025:

FHA Mortgagee Letter [2025-15](#)

This announcement released 06.27.2025 rescinds the requirement to provide the Fannie Mae/Freddie Mac Form 1103, Supplemental Consumer Information Form (SCIF), which collects and reports certain information from borrowers.

FHA Mortgagee Letter [2025-16](#)

The announcement released 06.27.2025 eliminated the full-time employment requirement for Direct Endorsement Underwriter eligibility to allow part-time employment with an FHA-approved Mortgagee. Mortgagees must continue to ensure their DE underwriters are permanent employees of a single mortgagee and underwriting functions are not contracted out.

FHA Mortgagee Letter [2025-17](#)

The announcement released 06.27.2025 rescinds the policy established in ML2024-20, Adoption of Federal Flood Risk Management Standard (FFRMS) for Minimum Property Standards (MPS) in Special Flood Hazard Areas (SFHA) and generally restores the eligibility that preceded the ML.

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2J, Appraisal Requirements, 2J.10(g)(x) Flood Zones

FHA Mortgagee Letter [2025-18](#)

The announcement released 06.27.2025 removed the following appraisal requirements:

- Underwriter to use the Appraiser's opinion of remaining economic life.
- Photograph requirements that exceed industry standards in Photograph, Exhibits, and Map Requirements
- Remaining economic life reporting requirement in Effective Age.
- Redundant requirements for additional comparable sales and listings in FHA Appraisal Requirements for Market Conditions and Changing Markets – Required Analysis and Reporting

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2J, Appraisal Requirements, in the following sections:

- 2J.9(b)(ii) Photographs, Exhibits and Map Requirements
- 2J.11(a)(viii) Market Conditions and Changing Markets
- 2J.11(a)(ix) Effective Age

FHA Mortgagee Letter [2025-19](#)

The announcement released 06.27.2025 removed the mandatory Inspection and Repair Escrow requirements for Mortgages Pending Closing or Endorsement in a Presidentially-Declared Major Disaster Areas (PDMDAs) and replaced with Properties located in a PDMDAs before endorsement. Newrez is currently evaluating this and additional guidance will follow in a future announcement.

FHA Updates

Chapter 2A Eligibility

Overlay identified for the following Ineligible Borrowers:

Citizens of the following U.S. territories are ineligible for financing:

- Federated States of Micronesia
- The Republic of the Marshall Islands
- The Republic of Palau

Complete guidelines can be found in the FHA Underwriting Guide, 2A, Eligibility, 2A.12(a) Ineligible Borrowers

Chapter 2C Financing

Updated Principal Curtailments guidelines to remove reference to see Ch.C704 Principal Curtailment Policy

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2C, Financing, 2C.7 Principal Curtailments

Chapter 2G Assets

Transfer of Gift Funds has been modified to reflect:

Transfer of gift funds from the donor to the borrower must be verified and documented as shown in 4000.1 handbook for:

1. Gifts that will be verified prior to settlement
2. Gifts that will be verified at closing
3. Gifts of land

Removed previous requirements to verify and document sufficient funds to cover the gift are available in the donor's account or have been transferred to the borrower's account prior to closing is required.

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2G, Assets, 2G.4(i) Gift Funds (Total and Manual)

Chapter 2I Employment and Income

Reference removed for Tax Transcripts to Refer to Product Summaries.

Complete guidelines can be found in the FHA Underwriting Guide, Ch.2I Employment and Income, 2I.1(b) Tax Transcripts

Chapter 2J Appraisal Requirements

Updated provisions for Shared Well Agreements for both new and existing construction property shown below with numerical order and FHA 4000.1 guidelines released 01.10.2025:

- #8 Modified term from assessment to easement.
- #11 Added requirement per 4000.1 update released for 1.10.2025 for shared wells.
- #19 and #20 - removed duplicate information shown in both #19 and #20 and renumbered all statements through 22

Complete guidelines can be found in the FHA Underwriting Guide, Ch. 2J, Appraisal Requirements, 2J.10(j)(iv) Shared Wells

VA Updates

Chapter 3C Financing

Principal Curtailment guidelines updated to remove reference to See Chapter 1304 Principal Curtailment Policy for additional details.

Complete guidelines can be found in the VA Underwriting Guide, Ch. 3C, Financing, 3C.7 Principal Curtailments

Chapter 3G Assets

Updates completed to reflect documentation guidelines per VA handbook to support value of Stocks, Bonds or Mutual Funds from one of the following:

- Verification of Deposit, or
- electronic, or certified copies of the borrower's last two bank statements.

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

USDA Updates

Chapter 4A Eligibility

Overlay identified for the following Ineligible Borrowers:

Citizens of the following U.S. territories are ineligible for financing:

- Federated States of Micronesia
- The Republic of the Marshall Islands
- The Republic of Palau

Complete guidelines can be found in the USDA Underwriting Guide, Ch.4A Eligibility, 4A.6 Ineligible Borrowers

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 Update

The Ineligible Territories below will be added to the Overlay Matrix.

FHA and USDA Ineligible Territories

- Puerto Rico
- Guam
- US Virgin Islands
- Commonwealth of Northern Mariana Islands
- American Samoa

VA Ineligible Territories

- Puerto Rico
- Guam
- US Virgin Islands
- Commonwealth of Northern Mariana Islands
- American Samoa

The below Ineligible Borrowers will be added to the Overlay Matrix for FHA VA and USDA.

- Residents of US Territories and Federated States
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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](#).