

Newrez Announcements



Announcement 2024-052 SmartSeries Underwriting Guide Updates August 22, 2024

Newrez LLC "Newrez" Approved Correspondent Clients; effective with applications on or after August 22, 2024.

The SmartEdge and SmartSelf Product Summaries have been enhanced to include an 85% LTV Tier to the Eligibility Matrix.

SMARTEDGE & SMARTSELF ELIGIBILITY MATRIX				
Transaction Type	Units	Loan Amount	Credit Score	LTV/CLTV ^o
Primary Residence				
Purchase	1-4	\$1,500,000	720	90%
Purchase Rate & Term Refi	1-4	\$3,000,000	740	75%
		\$2,000,000	700	80%
		\$1,500,000	700	85%
		\$1,000,000	660	80%
Cash out Refi	1-4	\$2,000,000	720	80%
		\$1,500,000	700	80%
		\$1,000,000	680	75%
		\$1,000,000	660	70%
^o Condotels <ul style="list-style-type: none"> • Cash out Refi: Maximum 75% LTV/CLTV or the maximum based on loan amount 				

The SmartVest Product Summary has been updated as follows:

29. Reserves	Removed	
	Additional financed properties, including pending sales	Additional 2 months per financed property

The Underwriting Guide have been updated as follows:

Current Policy	New Policy
Section 2A.1 Purchase Transaction	Section 2A.1 Purchase Transaction
Renegotiated sales contracts are not allowed, however, minor adjustments due to conditions or other relevant factors will be permitted. Increasing the sales price after the appraisal is completed to provide seller credit is not permitted.	Renegotiated sales contracts are not allowed, however, minor adjustments due to conditions or other relevant factors will be permitted.
Section 4A.4 Ineligible Property Types or Characteristics	Section 4A.4 Ineligible Property Types or Characteristics
<ul style="list-style-type: none"> Modular homes 	Removed
Section 5A.5(b) Traditional Tradelines Requirements	Section 5A.5(b) Traditional Tradelines Requirements
<p>All borrowers must meet the following tradeline requirements:</p> <ul style="list-style-type: none"> Three (3) tradelines from traditional credit sources (such as a bank or other financial institution) that reported for a minimum of 12 months prior to the date of the application (may be opened or closed) <ul style="list-style-type: none"> One (1) tradeline must have a minimum 24 month rating; One (1) tradeline must have a minimum \$5,000 high credit limit; and The seasoning and high credit limit may be met with the same tradeline. Joint accounts count as one (1) tradeline for each borrower. 	<p>All borrowers must meet the following tradeline requirements:</p> <ul style="list-style-type: none"> Three (3) tradelines from traditional credit sources (such as a bank or other financial institution) that reported for a minimum of 12 months prior to the date of the application (may be opened or closed) with one (1) tradeline reporting for a minimum of twenty-four (24) months from the application date. <p>OR</p> <ul style="list-style-type: none"> Two (2) trade lines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (opened or closed) within the most recent twenty-four (24) months, and One (1) additional open trade line for no less than 12 months <p>OR</p> <ul style="list-style-type: none"> Two (2) open tradelines are acceptable if both tradelines are: <ul style="list-style-type: none"> Open for the most recent twenty-four (24) months prior to the application date, and Both tradelines have activity in the past twelve (12) months from the application date. <p>Notes:</p> <ul style="list-style-type: none"> Joint accounts count as one (1) tradeline for each borrower. Each borrower contributing income for qualifying must meet the minimum

	<p>tradeline requirements; however, borrowers not contributing income for qualifying purposes are not subject to minimum tradeline requirements.</p>
Current Policy	New Policy
Section 5A.6 Housing Payment History	Section 5A.6 Housing Payment History
A mortgage payment is considered current if it is paid within the month due. A letter of explanation is required when payments are made beyond the month due.	A mortgage payment is considered current if it is paid within the month due. A letter of explanation is required when payments are made beyond the month due within the most recent twenty-four (24) months.
Section 6A.5 Non-Applicant Buyer's Assets	Section 6A.5 Non-Applicant Buyer's Assets
Silent	<p>Non-Borrowing Purchaser (Spouse)</p> <ul style="list-style-type: none"> • A non-borrowing spouse can be on title and the purchase contract and not be on the mortgage loan. • The spouse can provide funds used for closing with the guidance below: <ul style="list-style-type: none"> ○ Provide letter from the spouse to indicate this is their contribution to the purchase transaction. ○ State it does not represent a loan to the borrower and no repayment is required. ○ Include on application as other assets. ○ Verify funds are available; do not need to source; and ○ Verify the money came from the spouse. ○ Funds received from the spouse are acceptable as funds to close. <p>Note: The funds from the spouse are not considered gift funds.</p>

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.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](#).