

Newrez Announcements



Announcement 2025-058

Underwriting Guideline Updates – Conforming Loans

August 28, 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 August 28, 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 August 28, 2025 release.

Fannie Mae SEL- [2025-06](#)

Fannie Mae: Co-operative project eligibility and Project Eligibility Waiver (PEW) process updates are:

Co-op project eligibility requirements:

- Negative cash flow allowance: Co-op projects may *now* be eligible with up to 5% negative cash flow, provided the deficit results from isolated and non-recurring circumstances.
- Mortgage Maturity: Co-ops with underlying mortgages maturing within three months are eligible if refinance terms are secured or the mortgage will be paid off prior to maturity.
- Subordinate financing: Permitted for principal residences with LTV/CLTV/HCLTV ratios up to 90%.
- Geographic requirements have been removed from the Fannie Mae Selling Guide which provided project review flexibilities for NY co-ops and delivery requirements.

Newrez Geographic Eligibility for Co-op's has NOT changed. For a list of eligible co-op locations, refer to the Product Summaries.

Project Eligibility Waiver process

The PEW process is being retired and new PEW requests will no longer be able to be submitted. Loans associated with existing valid PEWs must be delivered by the waiver's expiration date – No extensions will be permitted. Lenders may continue to use the Project Eligibility Review Service (PERS) for special projects that do not meet all of standard eligibility requirements.

Effective September 1, 2025, new PEW submissions will no longer be accepted.

Freddie Mac Bulletin [2025-10](#)

CHOICEHomes has been expanded to allow mortgages secured by single-wide homes which meet certain criteria. Newrez is currently evaluating this and additional guidance will follow in a future announcement.

Fannie Mae SEL- [2025-04](#) and Freddie Mac Bulletin [2025-7](#) – UPDATE

Previously, Newrez Announcement 2025-44, indicated both Fannie Mae and Freddie Mac were jointly developing a new version of the Uniform Appraisal Dataset (UAD) 3.6 and appraisal forms redesign. Newrez is continuing the work needed to be ready for the January 2026 release date. Until further notice, Newrez is not accepting the updated UAD 3.6 version but will communicate additional details prior to the January 2026 implementation.

Newrez Underwriting Guide Updates

Chapter 1B Conforming Transactions

- Clarified that new construction properties that are non-arm's length transactions must be secured by a principal residence.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1B, Conforming Transactions, 1B.1(b) Non-Arm's Length Transactions

Chapter 1G Conforming Assets

- Updated the following bullet to remove the reference to LPA and align with the Freddie Mac Selling Guide.
 - Account statements must be dated within 45 days of application for DU.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1G, Conforming Assets, 1G.3(a) Financial Institution Accounts

Chapter 1H Liabilities and Debt Ratios

- Identified the following separately for Fannie Mae and Freddie Mac for Federal Income Tax Installment Agreements, which is in addition to all guidelines posted:

	Fannie Mae	Freddie Mac
Approved IRS Installment Agreement	<ul style="list-style-type: none">There is no indication that a Notice of Federal Income Tax Lien has been filed against the borrower in the county in which the subject property is located; and	<ul style="list-style-type: none">There must be no indication, and the Seller must have no knowledge, that the IRS has filed a Notice of Federal Tax Lien for the taxes owned by the Borrower; and

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1H, Liabilities and Debt Ratios, 1H.4(i) Federal Income Tax Installment Agreements

Chapter 1I Conforming Employment and Income

- Added w-2 transcripts may be used in lieu of w-2 forms.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1I, Conforming Employment and Income, 1I.1(e) W-2 Form.

Chapter 1J Appraisal Requirements

Updated Appraisal Report Forms and criteria for DU transactions requires Report Form 1004D using an on-site visual inspection of the property only.

- Completion Alternatives identified for any appraisal report form including Hybrid and Desktop when subject is:
 - New or proposed construction
 - Existing construction – repairs or alterations

- Existing construction – inspections with a professionally prepared report
- Guidelines identified for Property Data Collection for:
 - Existing construction – repairs or alterations and
 - Existing construction – inspection requiring a professionally prepared report
- Overlay added Ineligible Completion reports with:
 - Alternative methods, such as virtual inspections, digital photos, site videos, or other technological solutions, and
 - All completion documentation must include one or more visually verifiable exhibits. A Link to the digital exhibits from within the form is acceptable but must be accessible by the agencies for the life of the loan. These exhibits must be unaltered and able to be authenticated using metadata and the geocode for the subject property.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1J Appraisal Requirements, 1J.4(a) List of Appraisal Report Forms:

- Appraisal Update/Completion report (Fannie Mae Form 1004D/Freddie Mac Form 442)
- Completion Alternatives Attestation letters (Fannie Mae)
- Completion Alternatives (Fannie Mae)

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

- The Freddie Mac Co-op Eligibility Matrix in the Product Summaries have been updated to state below
 - Note: LPA findings of Ineligible in Purchase Eligibility field solely due to the transaction being a Cooperative Share Mortgage is eligible for sale to Newrez.
- The Fannie Mae Co-op Grid on the Conforming and HomeReady product summaries have been updated to state below:
 - Fannie Mae: Subordinate financing: Permitted for primary residence with LTV/CLTV/HCLTV ratios $\leq 90\%$

Overlay Matrix Update

- The Citizens of US Territories and Federated States category has been removed from Ineligible Borrowers
- The Conforming Ineligible Financing of Properties located in US Territories section has been updated to below:
 - Fannie Mae and Freddie Mac
 - Puerto Rico
 - Guam
 - US Virgin Island
 - Commonwealth of Northern Mariana Islands
- The below Co-op Eligible Locations have been added to Overlay Matrix. All other states are ineligible.
 - NYC: Five Boroughs (Bronx, Brooklyn, Manhattan, Queens, and Staten Island) and Nassau, Rockland, Suffolk, and Westchester counties
 - NJ: Bergen, Essex, and Hudson counties
 - IL: Cook County
 - Philadelphia County-Client must be approved

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](#).