

Newrez Announcements



Announcement 2025-059

Underwriting Guideline Updates – Government Loans

August 28, 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 August 28, 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

FHA Mortgagee Letter [2025-19](#)

Inspection requirements have been updated to require only the following for Properties Located in a Presidentially Declared Major Disaster Area(s) before Endorsement:

Reasonable due diligence must be exercised to determine if additional inspections or repairs are necessary before endorsement of all Properties with pending Mortgages or endorsements in areas under a Presidentially Declared Major Disaster Area (PDMDA) designation for individual assistance. A determination must be made if a PDMDA will have an adverse effect on the Property's ability to serve as collateral.

For loans with an appraisal dated prior to the Disaster Incident Period End Date, the following is required:

- *A Disaster Area Inspection Report (DAIR)* or Lender's certification with supporting photos (delegated only) evidencing the property is free from damage and the disaster had no effect on the value or marketability.
 - If damage is noted by the inspection, all damage must be repaired and verified as complete prior to purchase by Newrez.

For loans with an appraisal dated after the Incident Period Start Date, but before the Incident End Period, when the disaster is not ongoing (i.e., Tornado or High Winds), the appraisal can be used to validate no damage.

If repairs are required, they must be completed prior to endorsement, unless the Property is habitable and a repair Escrow has been established in accordance with Repair Completion Escrow requirements.

The file must contain documentation for any information relied upon to make their determination if additional inspections or repairs are necessary. If applicable, copies of any inspections and evidence of repairs or the repair escrow must be included in the Case Binder.

Complete guidelines can be found in the Disaster Policy, 7A.5 FHA Inspection Requirements

Newrez Underwriting Guide Updates

FHA Updates

Chapter 2A Eligibility

Removed overlay and section for Ineligible Borrowers:

- Citizens of the following U.S. territories:
 - 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, Borrower Eligibility, 2A.12

Chapter 2F Credit

Updated Positive Rental Payment History when using TOTAL to reflect:

Written verification of rent from a landlord with no identity of interest. If the borrower (previously shown landlord) is renting from a family member, the following is required:

Copy of executed rental or lease agreement; and
12 months canceled checks or bank statements with satisfactory rental payment history.

Complete guidelines can be found in the FHA Underwriting Guide, 2F, Credit, 2F.8(a) Positive Rental Payment History Using TOTAL Mortgage Scorecard

USDA Updates

Chapter 4A Eligibility

Removed overlay and content for Ineligible Borrowers:

- Citizens of the following U.S. territories:
 - Federated States of Micronesia
 - The Republic of the Marshall Islands
 - The Republic of Palau

Complete guidelines can be found in the USDA Underwriting Guide, Chapter 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.

Newrez Guide	Topic	Newrez Announcement	Agency Announcement
USDA	<ul style="list-style-type: none">• 4E Automated Underwriting• 4F Credit• 4G Assets• 4I Employment and Income	2025-054	USDA Underwriting Guidelines Updates

Product Profile Releases and Overlay Matrix Updates

Product Profile Releases

VA Refinance Product Summary Update

- Added below Loan Term for IRRRL
 - IRRRL: Maximum loan term is the original term of the VA loan being refinanced plus 10 years, not to exceed 30 years + 32 days

Overlay Matrix

- The Citizens of US Territories and Federated States category has been removed from Ineligible Borrowers
- The USDA Ineligible Financing of Properties located in US Territories section has been updated to below:
 - Puerto Rico
 - Guam
 - US Virgin Islands
 - Commonwealth of Northern Mariana Islands
 - American Samoa
 - Federated States of Micronesia
 - Republic of Marshall 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](https://www.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](#).