

Newrez Announcements



Announcement 2025-060

Smart Series Product Summary & Underwriting Guides Updates

August 28, 2025

Newrez LLC "Newrez" Approved Correspondent Clients; effective with applications on or after August 28, 2025.

Newrez is excited to announce a new feature for the SmartVest Program, Short Term Rental (STR) using AirDNA along with updates to the Smart Series suite of products and guidelines.

AirDNA is a tool that calculates the earning potential for the subject property to support eligibility and rental income documentation requirements for the SmartVest product. The tool will provide a minimum Market Score requirement to use the projected revenue and to determine the monthly rent. If the Market Score does not meet the requirement of < 60s, the DSCR requirement for the STR program is 1.00 and a Single-Family Comparable Rent Schedule (Form 1007/1000) must be used as qualifying short-term income. Refer to the Product Summary – Short Term Rental Income Documentation for complete details on this program and requirements.

An AirDNA report must be included in the initial file upload for loans submitted to Newrez for underwriting.

To connect with AirDNA for details on how to sign up for this new tool to support the SmartVest Short Term Rental program, <https://www.airdna.co/contact>

New Product Codes to support the Short Term Rental (STR) program

Product Code	Product Descriptions
2588	SmartVest STR 30 Year Fixed
2589	SmartVest STR 30 Year Fixed IO
2590	SmartVest STR 40 Year Fixed IO

Current Policy	New Policy
Product Summaries - SmartEdge	Product Summaries- SmartEdge
Qualifying Ratios: <ul style="list-style-type: none"> Maximum 50% DTI <ul style="list-style-type: none"> If the DTI is > 43%, residual income requirements must be met If the DTI is > 45%, residual income and three months reserves are required in addition to product requirement Asset Qualifier: No DTI 	Qualifying Ratios: Removed residual income requirements for DTI > 43% and > 45% <ul style="list-style-type: none"> Maximum 50% DTI <ul style="list-style-type: none"> If the DTI is > 45%, three months reserves are required in addition to product requirement Asset Qualifier: No DTI
Residual Income Table: <ul style="list-style-type: none"> Residual income requirements must be met if DTI is > 43% Residual income = Gross Qualifying Income - Monthly Debt	Residual Income Table: Removed restrictions
Residual Income: <ul style="list-style-type: none"> Residual income requirements must be met if DTI is > 43% Residual income = Gross Qualifying Income - Monthly Debt When required, monthly residual income must meet or exceed the family size requirement in the Residual Income Table above See below for Asset Qualifier product 	Residual Income: Removed

©2025 Newrez LLC. Information in this communication is a summary and may not be complete. Refer to Newrez's Product Profiles, Newrez's Underwriting Guides, and agency guidelines for the most up-to-date information. The information contained in Newrez's Product Profiles, Newrez's Underwriting Guides, and agency guidelines is for use by real estate and mortgage professionals only and not intended for distribution to consumers or other third parties.

Reserves: No reference regarding how to calculate reserves for an IO product	Reserves: Added: Interest Only products, calculate reserves using the Interest Only payment plus taxes, insurance, HOA (if applicable). (ITIA)
Product Summaries - SmartSelf	Product Summaries- SmartSelf
Qualifying Ratios: <ul style="list-style-type: none"> Maximum 50% DTI <ul style="list-style-type: none"> If the DTI is > 43%, residual income requirements must be met If the DTI is > 45%, residual income and three months reserves are required in addition to product requirement 	Qualifying Ratios: Removed residual income requirements for DTI > 43% and > 45% <ul style="list-style-type: none"> Maximum 50% DTI <ul style="list-style-type: none"> If the DTI is > 45%, three months reserves are required in addition to product requirement
Residual Income: Residual income requirements must be met if DTI is > 43% Residual income = Gross Qualifying Income - Monthly Debt And table regarding Family Size and amounts	Residual Income: Removed this section, no longer applicable for the Self Program
Reserves: No reference regarding how to calculate reserves for an IO product	Reserves: Added: Interest Only products, calculate reserves using the Interest Only payment plus taxes, insurance, HOA (if applicable). (ITIA)
Self Employed Borrowers: Note: <ul style="list-style-type: none"> If a letter from a CPA or licensed tax preparer (with PTIN) is provided, validation of their license is required. 	Self Employed Borrowers: Note: <ul style="list-style-type: none"> If a letter from a CPA or licensed tax preparer (with PTIN) is provided, validation of their license is required.

<ul style="list-style-type: none"> • 1099 contractors are eligible provided a CPA or licensed tax preparer (with PTIN) with knowledge of the borrower's tax filing status confirms the borrower has filed Schedule C for the past two years • Borrowers whose self-employment cannot be independently verified are not eligible <p>Do not provide tax returns</p>	<ul style="list-style-type: none"> • 1099 contractors are eligible provided a CPA or licensed tax preparer (with PTIN) with knowledge of the borrower's tax filing status confirms the borrower has filed Schedule C for the past two years. • For 1099 contractors using the 1 Year Self Employed program bank statement feature must have a letter confirming the borrower has filed the Schedule C for the past one year. • Borrowers whose self-employment cannot be independently verified are not eligible • Do not provide tax returns
<p>Investment Property Eligibility Matrix:</p> <p>Not permitted</p> <ul style="list-style-type: none"> • First Time Homebuyers • Non-Permanent Residents 	<p>Investment Property Eligibility Matrix:</p> <p>Not permitted</p> <ul style="list-style-type: none"> • First Time Homebuyers • Non-Permanent Residents • P&L Documentation Program • 1 Yr Self Employed
<p>Product Summaries – SmartEdge and SmartSelf</p>	<p>Product Summaries – SmartEdge and SmartSelf</p>
<p>Investment Property Eligibility Matrix</p> <p>Not Permitted:</p> <ul style="list-style-type: none"> • First Time Homebuyers • Non-Permanent Residents 	<p>Investment Property Eligibility Matrix</p> <p>Not Permitted:</p> <ul style="list-style-type: none"> • First Time Homebuyers • Non-Permanent Residents • 1 Year Self Employed

Product Summaries SmartVest	Product Summaries SmartVest
Eligibility Grids: Current Grids do not reference Loan Term Rental	Eligibility Grids: Updated to reference Loan-Term Rental grids Added: New grids to support Short Term Rental Products and the CLTV is reduced by 5% in all grids.
DSCR: Minimum Debt Service Coverage Ratio Requirement <ul style="list-style-type: none"> DSCR Purchase, Rate & Term Refinance and Cash Out Refinance = .50 	DSCR: Minimum Debt Service Coverage Ratio Requirement <ul style="list-style-type: none"> DSCR Purchase, Rate & Term Refinance and Cash Out Refinance = .50 DSCR Utilizing Short Term Rental and the Market Score is < 60 = 1.00
Documentation: No reference to Long-Term Rental Income specifically	Documentation: Updated section: Long-Term Rental Income Documentation Added: Definition for Long-Term Rental Purchased as a Long Term rental property, defined as an investment property leased to a tenant for an extended period, typically six months to one year or more.

Short Term Rental Income Documentation	Short Term Rental Income Documentation
<p>Refinance</p> <ul style="list-style-type: none"> • Short Term Rental Income (Airbnb, VRBO, etc.) <ul style="list-style-type: none"> ○ Maximum LTV must be reduced by 5% ○ If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.) ○ Provide a 12-month yearly income statement of the property being in service, including a month-by-month rental history. Statement may be provided by borrower or third-party rental agency <ul style="list-style-type: none"> ▪ If no rent is received for a month, use zero and continue to average over 12-month period <ul style="list-style-type: none"> ○ A 24-month average is required when more than three months' rent are less than 50% of the monthly average of rental income ▪ If the 12-month average is within a 10% variance from the <i>Single-Family Comparable Rent Schedule (Form 1007/1000)</i> use the rental income calculated in 12 months 	<p>Purchase and Delayed Financing</p> <p>Purchased as a short-term rental unit, defined as being rented for less than month to month, (i.e., Airbnb or VRBO.).</p> <ul style="list-style-type: none"> • Obtain the AirDNA Property Earning Potential report for the subject property. <ul style="list-style-type: none"> ○ Verify that the Market Score is ≥ 60 ○ If the AirDNA Market Score requirements are met, take the Projected Revenue and divide by 12 months to determine the monthly rent. ○ If the AirDNA Market Score does not meet the requirements, the DSCR requirement is 1.00; and <ul style="list-style-type: none"> ▪ Obtain the Single-Family Comparable Rent Schedule (Form 1007/1000). <ul style="list-style-type: none"> ○ If the 1007/1000 is being used as qualifying short-term income, the appraiser must provide commentary on how the market rent was calculated, inclusive of daily/weekly rate and the appropriate occupancy rate for the subject property market; and ○ The DSCR requirement is 1.00 when using Form 1007.

If the lease is >10% variance, use the rental income shown on the *Single-Family Comparable Rent Schedule* ([Form 1007/1000](#))

Notes:

- If the transaction is a payoff of a construction to permanent loan, the subject transaction can apply the purchase guidelines if the Certificate of Occupancy was issued within ninety (90) calendar days of the application date and the appraisal supports the subject property as new construction.
- If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.)

Refinance

- Obtain the AirDNA Property Earning Potential report for the subject property.
 - Verify that the Market Score is ≥ 60
 - If the AirDNA Market Score does not meet the requirement, the DSCR requirement is 1.00
 - If the AirDNA Market Score requirements are met, take the Projected Revenue and divide by 12 months to determine the monthly rent; and
- Provide a 12-month yearly income statement of the property being in service from a third party, (i.e., Airbnb or VRBO), including a month-to-month rental history; and

	<ul style="list-style-type: none"> ○ Take the 12-month yearly income and divide by 12 months to determine the monthly rent; and • Obtain the Single-Family Comparable Rent Schedule (Form 1007/1000). <ul style="list-style-type: none"> ○ If the 1007/1000 is being used as qualifying short-term income, the appraiser must provide commentary on how the market rent was calculated, inclusive of daily/weekly rate and the appropriate occupancy rate for the subject property market; and <ul style="list-style-type: none"> ▪ The DSCR requirement is 1.00 when using Form 1007. • Take the lessor of the 12-month average from the AirDNA or the 12-month average from the yearly Income Statement to determine the qualifying monthly rent; or • Take the lessor of the monthly short-term rental from Form 1007/1000, if utilizing the 1007 for qualifying short-term rental income, or the 12-month average from the yearly Income Statement to determine qualifying monthly rent. <p>Notes:</p> <p>If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.)</p>
--	---

Housing Payment: <ul style="list-style-type: none"> • Housing Payment History: 0x30x12 • Inclusive of all liens regardless of position • Applies to all mortgages on all financed properties 	Housing Payment: <ul style="list-style-type: none"> • Housing Payment History: 0x30x12 • Inclusive of all liens regardless of position • Applies to all mortgages and rental payments within 12 months prior to closing
Multiple Mortgages to Same Borrower: <ul style="list-style-type: none"> • Borrower may own an unlimited number of financed properties • Maximum Financing with Newrez <ul style="list-style-type: none"> ○ Borrower limited to eight loans with Newrez not to exceed \$3,000,000 in aggregate <ul style="list-style-type: none"> ▪ Maximum 20% of properties in a condo project may have financing with Newrez ▪ Projects ≤ 10 total units; borrower may finance one unit with Newrez ▪ Company financing limited to a maximum concentration of 10% in any Florida condo project (per project not per borrower) • All real estate owned, along with any associated lien(s) must be disclosed on the application <ul style="list-style-type: none"> ○ No other liabilities are required to be on the 1003 (URLA) • New multiple loans must be underwritten simultaneously 	Multiple Mortgages to Same Borrower: <p>Added: properties owned free and clear are not included</p>
Smart Edge, Smart Self and Smart Vest Guidelines	Smart Edge, Smart Self and Smart Vest Guidelines
Trust Certification:	Trust Certification:

<p>Trust Certification completed by the borrower or the borrower's attorney is acceptable in lieu of the full trust documents. The title commitment is still required.</p>	<p>Trust Certification completed by the borrower or the borrower's attorney is acceptable in lieu of the full trust documents. The title commitment is still required.</p> <p>Trust Certifications are acceptable in all states when all of the following requirements are met:</p> <ol style="list-style-type: none"> 1) The borrower(s) must be the creator of the trust (settlor, grantor, trustor). 2) The borrower(s) must be the trustee of the trust. 3) The borrower(s) must be the primary beneficiary of the trust during her lifetime. 4) The trust must be revocable. 5) The trustee must have the authority to buy/hold, sell and encumber trust property. 6) The trust must have been created during the lifetime of the borrower. 7) The trust certificate must be fully executed.
<p>Verification of Rents:</p> <p>Rental history must be documented by one (1) of the following:</p> <ul style="list-style-type: none"> • Verification of Rent (VOR), by a professional management company and/or private party; or 	<p>Verification of Rents:</p> <p>Removed reference to credit supplement requirements:</p> <p>Rental history must be documented by one (1) of the following:</p>

<ul style="list-style-type: none"> • Copy of lease agreement and 12 months' cancelled checks or bank statement: or • Credit supplement verifying the housing payment history. 	<ul style="list-style-type: none"> • Verification of Rent (VOR), by a professional management company and/or private party; or • Copy of lease agreement and 12 months' cancelled checks or bank statement
---	--

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](#).