

Newrez Announcements



Announcement 2024-062 Underwriting Guideline Updates – Government

September 26, 2024

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 September 26, 2024
- 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

- None issued

FHA Employment and Income

- Updated Temporary Leave of Absence to clarify and remove requirements.
 - Clarified that the verification of pre-leave employment and income history must be in accordance with standard guidelines
 - Removed requirement to verify the amount of regular employment income the borrower received prior to the leave (duplicate of above)
 - Updated that all available liquid assets used to supplement the reduced income for the duration of the leave must be verified, not just verifiable.

Complete Guideline can be found in VA Underwriting Guide, Ch. 2I, Employment and Income, 2I.6 Temporary Leave

VA Employment and Income

- Updated Temporary Leave of Absence to clarify and remove requirements.
 - Clarified that the verification of pre-leave employment and income history must be in accordance with standard guidelines
 - Removed requirement to verify the amount of regular employment income the borrower received prior to the leave (duplicate of above)
 - Updated that all available liquid assets used to supplement the reduced income for the duration of the leave must be verified, not just verifiable.

Complete Guideline can be found in VA Underwriting Guide, Ch. 3I, Employment and Income, 3I.6 Temporary Leave

VA Financing

Calculating Loan-to-Value (LTV) and Combined Loan-to-Value (CLTV) Ratios

This section of the guide was updated to clarify:

- When the base loan amount, excluding the VA Funding Fee applies.
- When the total loan amount, including the VA Funding Fee applies.

Complete Guideline can be found in VA Underwriting Guide, Ch. 3C, VA Financing, 3C.2
Calculating Loan-to-Value (LTV) and Combined Loan-to-Value (CLTV) Ratios

USDA Employment and Income

- Reorganized the requirements in Temporary Leave of Absence and added clarifications and removed requirements.
 - Clarified that the verification of pre-leave employment and income history must be in accordance with standard guidelines
 - Removed requirement to verify the amount of regular employment income the borrower received prior to the leave (duplicate of above)
 - Updated that all available liquid assets used to supplement the reduced income for the duration of the leave must be verified, not just verifiable.

Complete Guideline can be found in VA Underwriting Guide, Ch. 4I, Employment and Income, 4I.67Temporary Leave

Prior Agency Announcements

Below is a summary of previously announced updates that have been incorporated into the Newrez Underwriting Guide.

- n/a
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Product Profile Releases and Overlay Matrix Updates

Product Profile Releases:

Updated FHA Streamline Refinance – Adding a Co-borrower section #22 to allow Non-Occupant Co-Borrower to be added to the transaction when it is a Credit Qualifying Streamline and all Non-Occupant Co-Borrower requirements are met.

VA Product Summary Updates:

- VA Product Summaries-Align VA Funding Fee verbiage under Eligibility Grid
- VA Refinance Product Summary- Added update in red to Seasoning Requirement: Construction to Permanent loans **including renovation loans** are exempt from 210-day seasoning requirement
- VA IRRRL Product Summary -Identify LTV/CLTV/Appraisal Requirements as an Overlay

Overlay Matrix Updates:

- Overlay Matrix -VA IRRRL Identify LTV/CLTV as an Overlay
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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](#).