Newrez Announcements

Announcement 2026-066
Smart Series Product Summary and Underwriting Guide Updates
August 20, 2026

Newrez LLC "Newrez" Approved Correspondent Clients, the following updates are effective with pipeline loans.

Product Summary Updates:

Current Policy	New Policy
SmartEdge, Self & Vest Summaries	**SmartEdge, Self & Vest Summaries**
Incidental Cashback: Cash out amount on a rate and term refinance not to exceed the lesser of $2,000 or 2% of the loan amount	**Incidental Cashback:** Cash out on rate and term refinance not to exceed the greater of 1% of the unpaid principal balance of the new mortgage or $2,000.
SmartVest Summary	**SmartVest Summary**
Prepayment Penalty: South Carolina loan amount must be > $765,000	**Prepayment Penalty:** South Carolina loan amount must be > $810,000

Required Documentation:
The following documentation is required
 	
• All real estate owned, along with any associated lien(s) must be disclosed on the application
  ○ No other liabilities are required to be on the 1003(URLA)
• Mortgage/lien rating for each financed property
• <u>Business Purpose Loan Certification</u>, signed by borrower(s)
• Occupancy Certification, signed by the borrower(s)
• Personal Guaranty Document required when the LLC appears on the Note, regardless of if the borrower is signing the Note.
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	  ○ No other liabilities are required to be on the 1003(URLA)
	• Mortgage/lien rating for each financed property
	• <u>Business Purpose Loan Certification</u>, signed by borrower(s)
	  ○ Cash in hand must comply with this disclosure
	• Occupancy Certification, signed by the borrower(s)
	  ○ Occupancy of the subject property by borrower or borrower's family member is not permitted
	• Personal Guaranty Document required when the LLC appears on the Note, regardless if the borrower is signing the Note.

Short Term Rental: AirDNA Property Earning Potential	**Short Term Rental**: Updated to reflect the name of the report: AirDNA Rentalizer Report (Property Earning Potential) Also added a Link to the AirDNA report
Long Term Rental: **Purchase and Delayed Financing** Purchased as a Long Term rental property, defined as an investment property leased to a tenant for an extended period, typically six	**Long Term Rental:** **Purchase and Delayed Financing** Subject property is tenant occupied at the time of first payment due:

months to one year or more. Subject property is currently vacant or tenant has been provided notice to vacate and property will be vacant at the time of first payment due: • The lesser of the market rent from the *Single-Family Comparable Rent Schedule* (Form 1007/1000) / *Small Residential Income Property Appraisal Report* (1025/72) or the current (active) lease agreement will be used to determine the monthly rent. Subject property is vacant at the time of first payment due: • The market rent from the *Single-Family Comparable Rent Schedule* (Form 1007/1000) / *Small Residential Income Property Appraisal Report* (1025/72) will be used to determine the monthly rent.	• The lesser of the market rent from the *Single-Family Comparable Rent Schedule (Form 1007/1000) / Small Residential Income Property Appraisal Report (1025/72)* or the current (active) lease agreement will be used to determine the monthly rent. Subject property is currently vacant or tenant has been provided notice to vacate and property will be vacant at the time of first payment due: • The market rent from the *Single-Family Comparable Rent Schedule (Form 1007/1000) / Small Residential Income Property Appraisal Report (1025/72)* will be used to determine the monthly rent.

Product Guideline Updates:

Current Policy	New Policy
Smart Series Guidelines – All	**Smart Series Guidelines – All**
2A.2 Rate and Term Refinance: Incidental cash back not to exceed the lesser of 2% of the balance of the new loan or $2,000.	**2A.2 Rate and Term Refinance:** Incidental cash back not to exceed the greater of 1% of the unpaid principal balance of the new mortgage or $2,000.

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<td>2A.9 Construction to Permanent Financing

See 2A.2 Rate and Term Refinance</td>
<td>2A.4 Construction to Permanent Financing – Two Close Refinance

If the borrower is acting as his/her own builder, the following must be met:
<table>
<tr><td>Smart Edge & Self</td><td>Smart Vest</td></tr>
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<td>The subject property must be a primary or secondary home only
The borrower cannot receive cash back at closing that is not a direct verifiable reimbursement of expenses</td>
<td>The borrower cannot receive cash back at closing that is not a direct verifiable reimbursement of expenses
The property must have a current long term lease agreement signed prior to the application date</td>
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<td>2A.6 Delayed Financing:

Note:
Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan.</td>
<td>2A.7 Delayed Financing:

Note:
Funds received as gifts and used to purchase the property may not be reimbursed with proceeds of the new mortgage loan.
Proceeds from Delayed Financing may not be used as reserves.</td>
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<td>9A.2 Appraisal Methods</td>
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A Desktop Appraisal, Hybrid Appraisal, and Bifurcated Appraisals are not permitted.	A Desktop Appraisal, Hybrid Appraisal, Bifurcated Appraisals and 1004D Alternatives are not permitted.
3A.3(a) Buydown Agreement The borrower must agree in writing that the buydown funds in the buydown account will be automatically applied each month to reduce the monthly payment of principal and interest to the extent provided under the subsidy buydown agreement. • The buydown plan must be a written agreement between the party providing the buydown funds and the borrower. • All of the terms of the buydown plan must be disclosed to all parties, including the mortgage insurer and the property appraiser. • The buydown agreement must provide that the borrower is not relieved of his or her obligation to make the mortgage payments required by the terms of the mortgage note if, for any reason, the buydown funds are not available. • The buydown agreement may include an option for the buydown funds to be returned to the borrower or to the Company, if it funded the buydown, if the mortgage is paid off before all of	**3A.3(a) Buydown Agreement** The borrower must agree in writing that the buydown funds in the buydown account will be automatically applied each month to reduce the monthly payment of principal and interest to the extent provided under the subsidy buydown agreement. • The buydown plan must be a written agreement between the party providing the buydown funds and the borrower. • All of the terms of the buydown plan must be disclosed to all participating parties. • The buydown agreement must provide that the borrower is not relieved of his or her obligation to make the mortgage payments required by the terms of the mortgage note if, for any reason, the buydown funds are not available. • A copy of the buydown agreement must be included in the file and must clearly show the calculations of the total cost of the temporary subsidy buydown, any interested party contribution and the annual percentage increase in the borrower's monthly principal and interest payment.

the funds have been applied. • A copy of the buydown agreement must be included in the file and must clearly show the calculations of the total cost of the temporary subsidy buydown, any interested party contribution and the annual percentage increase in the borrower's monthly principal and interest payment.	

Questions

If you have any questions regarding any information in this announcement, please feel free to contact your regional sales manager or client manager.

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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.