

Newrez Announcements



Announcement 2025-069 **Federal Government Shutdown** **October 2, 2025**

Updates for October 31, 2025

Effective with new applications on or after November 3, 2025, loans utilizing income from government employment, for Agency loans only, must have the greater of:

- two months of documented reserves, or
- the minimum reserves required by applicable AUS

Newrez will require standard age of documentation requirements be met.

Overview

Newrez Financial LLC "Newrez" Approved Correspondent Clients please note on October 1, 2025, the US Government partially shut down due to the government failing to reach a Debt Ceiling Agreement. As a result, some government agencies and services are closed or suspended. Newrez provides the following guidance, and temporary changes to existing guidelines, regarding underwriting and purchase requirements for loans impacted and closed during the shutdown. This guidance applies to all loan types, including Agency, Non-Agency, FHA, VA and USDA.

We will continue to monitor the situation and keep you informed of any changes. Please note that this guidance is subject to revision.

Potential Impacts due to government shutdown:

- 4506-C Processing
 - Social Security Number (SSN) Validation
 - Flood Insurance through FEMA
 - FHA and USDA Conditional Commitments
 - Government Employee Verification of Employment (VOE)
 - Rate Lock Extensions
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Effective Date

- Immediately
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4506-C Processing

- As a reminder, the 4506-C is required to be signed at application and at closing for each borrower whose income is documented with tax returns and used for qualification
 - The IRS is planning to remain “fully operational” during the government shut down with respect to processing of tax transcripts. If Newrez determines the ability to obtain Transcripts is impacted, an updated communication will be sent, with any applicable allowances.
 - If the loan program requires tax transcripts and IRS is not able to process the request, the loan is not eligible for purchase until tax transcripts are provided.
 - Loan programs that may require tax transcripts include USDA, JUMBO AUS, Smart Edge, Smart Self and loans where underwriter conditions for tax transcripts.
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Social Security Number Validation

- If the Social Security Administration's (SSA) Consent Based Social Security Number Verification (CBSV) Service is offline and the Social Security Number (SSN) cannot be successfully validated, the loan is not eligible for purchase. All SSN discrepancies, alerts, etc., must be resolved prior to loan closing and prior to purchase of loan by Newrez.
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Flood Insurance through FEMA

- NFIP will not issue new policies during the government shutdown.
 - Newrez's requirements flood insurance policies remain in effect and must be followed.
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FHA and USDA Conditional Commitments

- FHA will be able to endorse single family loans, with the exception of Home Equity Conversion Mortgages (HECM) and Title I loans, during the shutdown. A limited number of FHA staff will be available to endorse new loans. Due to limited staff, the time to endorse the cases may be extended.
 - FHA will support manual endorsement actions including case number cancellations, reinstatements, transfers and resolution of holds tracking.
 - FHA staff will not be available to underwrite and approve loans in test case status.
 - HRAP condominium requests cannot be processed during the shutdown.
 - USDA requires a Conditional Commitment Form 3555-18 issued prior to loan closing. USDA loans without the Conditional Commitment dated prior to loan closing will not be purchased.
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Government Employee Verification of Employment (VOE)

Conforming:

- Borrowers impacted by the government shutdown are eligible based on the following:
 - An attempt to obtain the VVOE is required. If the VVOE cannot be obtained, the VVOE requirements may be waived if Newrez has a written statement from the client outlining the steps they took to obtain the VVOE, and the requirement could not be met as a direct result of the shutdown.
 - The client must rep and warrant that the borrower is employed at the time the loan is delivered to and purchased by Newrez. In addition, the client has no knowledge the borrower will not return to work after the shutdown ends.
 - Fannie Mae programs: Validation of employment by DU's validation service remains eligible for representation and warranty relief, provided the note date is on or before the "close by" date stated in the DU.
 - Freddie Mac programs: Validation of employment by LPA's AIM remains eligible for representation and warranty relief for employment provided the note date is on or before the "close by" date on the last feedback certificate.
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Government: FHA/USDA/VA

- Newrez's guidelines and policies remain in effect and must be followed.
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Rate Lock Extensions

- As a result of the impacts identified in this announcement, if a rate lock expires during the shutdown due to any of the above reasons, the client would be charged for the extension.
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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](#).