Newrez Announcements

Announcement 2025-073

Smart Series Product Summary and Underwriting Guide Updates

October 27, 2025

Newrez LLC "Newrez" Approved Correspondent Clients; the following updates are effective with loans currently in pipeline.

Current Policy	New Policy
Product Summaries – SmartEdge, SmartSelf and SmartVest	**Product Summaries – SmartEdge, SmartSelf and SmartVest**
Tradeline Requirements – currently in guides	Tradeline Requirements – moved from guide to summaries All borrowers must meet the following tradeline requirements: • Three (3) tradelines from traditional credit sources that reported for a minimum of 12 months prior to the date of the application (may be opened or closed) with one (1) tradeline reporting for a minimum of twenty-four (24) months, OR • Two (2) tradelines are acceptable if the borrower has a satisfactory mortgage rating for at least twelve (12) months (opened or closed)

	within the most recent twenty-four (24) months, and
	• One (1) additional open tradeline for no less than 12 months, OR
	• Two (2) open tradelines are acceptable if both tradelines are:
	  ○ Open for the most recent twenty-four (24) months prior to the application date, and
	  ○ Both tradelines have activity in the past twelve (12) months from the application date.
	Notes:
	• Joint accounts count as one (1) tradeline for each borrower.
	• Each borrower contributing income for qualifying must meet the minimum tradeline requirements; however, borrowers not contributing income for qualifying purposes are not subject to minimum tradeline requirements.

Non-Traditional Credit – silent in guides	Non-Traditional Credit – moved from guide to summaries Edge & Self – Permitted – see guides for details Vest – Not Permitted

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<tr><th>Product Summaries – SmartEdge and SmartSelf</th><th>Product Summaries- SmartEdge and SmartSelf</th></tr>
<tr><td>One Year Self Employment Documentation:

Maximum LTV/CLTV is 75% for Primary Occupancy
Maximum LTV/CLTV is 70% for Second Home
Purchase and Rate and Term Refinance
Minimum FICO 700
Maximum Loan Amount $2,000,000
Must Own > 50% of the business
The borrower’s most recent signed personal and business federal income tax returns reflecting a full year (12 months) of self-employment from the current business
The loan file must also contain documentation to support the history of prior employment for five (5) years

In a field that provides the same products or services as the current business; or
In an occupation in which they had similar responsibilities to those undertaken in connection with the current business.

Qualifying income is calculated using the requirements in section
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<td>One Year Self Employment Documentation

Maximum LTV/CLTV is 75% for Primary Occupancy
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In an occupation in which they had similar responsibilities to those undertaken in connection with the current business.
Prior self-employment may not be considered in the five

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8A.5(a) SmartEdge Underwriting Guide, along with YTD P&L requirements • All other SmartEdge requirements apply	(5) year employment history requirement. • Qualifying income is calculated using the requirements in section 8A.5(a) SmartEdge Underwriting Guide, along with YTD P&L requirements • All other SmartEdge requirements apply
38. Tax Transcripts: IRS Record of Account Tax Return Transcripts (1040) are required: • When Individual Income Tax Returns (Form 1040) are being used to document income for loan qualification; • When the borrower is employed by a family member or interested party to the transaction. • If the most recent years' (or prior year) 1040 transcripts are not available or are reported as "No Record Found," all of the following are required: ○ IRS stamped tax returns or proof of e-filling for the most recent year ○ Proof of payment of any tax due or receipt of refund for the most recent year W-2 Income: ○ One of the following is required to validate income:	38. Tax Transcripts: Removed IRS stamped tax returns as an option when the most recent years' transcripts are not available or are reported as No Record Found. ▪ Proof of e-filling for the most recent year ▪ Proof of payment of any tax due or receipt of refund for the most recent year

▪ Validation of income through a third-party company (e.g., The Work Number (TWN); or W-2 or 1040 transcripts: If the most recent years' transcripts are not available or are reported as "No Record Found" provide the prior two years' W-2 transcripts.	
Product Summaries – SmartSelf	**Product Summaries – SmartSelf**
Non-Occupant Co-Borrower Non-occupant co-borrowers may be eligible subject to the following: • 1-unit • 5% reduction in maximum LTV • Occupying borrower must contribute to qualifying income • Must be an immediate relative Cash out refinance not permitted	Non-Occupant Co-Borrower Non-occupant co-borrowers may be eligible subject to the following: • 1-unit • 5% reduction in maximum LTV • Occupying borrower must contribute to qualifying income • Must be an immediate relative
SmartEdge, SmartSelf and SmartVest Guidelines	**SmartEdge, SmartSelf and SmartVest Guidelines**
3A.7 Principal Curtailment A principal curtailment is the application of funds that are used to reduce the unpaid principal balance of the loan. On transactions where the loan originator is paid by the lender, a principal curtailment may be permitted. The maximum amount of the curtailment cannot exceed the lesser of $2500 or 2% of the original loan amount from the subject loan. If the program permits, the borrower may also receive cash back within program	Removed from Guide – duplicate of 11A.2

guidelines in addition to the amount of the curtailment. If the curtailment is applied at closing, the amount must be documented on the Closing Disclosure. If the curtailment is applied after closing, but prior to delivery, the loan file (or servicing file) must be documented with the amount of the curtailment and the reason or source of the curtailment.	
4A.1e Condotel • Minimum 500 square feet with at least one (1) separate bedroom and fully functioning kitchen (including sink, refrigerator, range/cooktop, and oven);	4A.1e Condotel • Minimum 500 square feet with at least one (1) separate bedroom and fully functioning kitchen (including sink, refrigerator, range/cooktop, and oven); ○ If there is no separate bedroom, the appraisal must have at least one comparable with similar features and no marketability issues
5A.5b Traditional Tradeline Requirements	Moved to Product Summary
6A.3a Financing Concessions Financing concessions that are paid on the borrower's behalf are subject to limitations outlined in our Smart Series Product Summaries. Financing contributions include but are not limited to the following: • Contribution toward financing fees normally paid by the borrower • Discount points	6A.3a Financing Concessions – Update to Mirror Fannie Mae Guidelines Financing concessions are financial contributions towards the loan transaction from interested parties. Financing concessions are acceptable when they are contributed towards: • Borrower closing costs, including prepaids; or • Borrower homeowners' association (HOA) assessments covering any

• Commitment fees • Appraisal fees • Origination fees • Builder commitment fees that are attributable to a specific mortgage transaction • Contribution toward other costs related to the transaction that are normally paid by the borrower being paid by another individual • Transfer taxes • Stamps • Attorney's fees • Surveys • Title insurance • Interest charges (limited to not more than 30 days interest) • Hazard insurance (limited to no more than 14 months) • Real estate taxes covering any period after settlement date • Real estate tax service fees • Homeowner association dues covering any period after the settlement date (limited to no more than 12 months) • Initial and/or renewal mortgage insurance premiums • Escrow accruals required for renewal of borrower-purchased mortgage insurance coverage The financing concessions cannot exceed actual costs.	period after the settlement date (limited to no more than 12 months). Financing concessions that are paid on the borrower's behalf are subject to limitations outlined in the Smart Series Product Summaries. Financing concessions that exceed the allowable limit published in the applicable Product Summary are considered sales concessions and must be deducted from the property's sales price. As a result, the maximum LTV/CLTV ratios must be recalculated using the reduced sales price or appraised value. Additionally, financing concessions must be equal to or less than the sum of the borrower's closing costs.

Dollar-for-dollar reductions to the property sales price, by the amount of the financing concessions exceeding the limitations, must reflect the amount of the lesser of the adjusted sales price or appraised value. Typical fees and/or closing costs paid by a seller in accordance with local custom, known as common and customary fees or costs, are not subject to interested party contribution limits. Payoff of a PACE loan by a seller is not subject to IPC limits because it is not a financing concession.	
6A.4c Business Assets **Notes:** • Smart Edge and Smart Self: 100% of business assets may be used from a business that is not being used for qualifying income for the borrower(s). Follow the above additional requirements when the borrower does not own 100% of the business. • Smart Vest: 100% of business assets may be used on the Smart Vest Product. Follow the above additional requirements when the borrower does not own 100% of	6A.4c Business Assets **Notes:** • Smart Edge and Smart Self: 100% of business assets may be used from a business that is not being used for qualifying income for the borrower(s). Follow the above additional requirements when the borrower does not own 100% of the business. • Smart Vest: 100% of business assets may be used on the Smart Vest Product. • Borrower must be 25% owner of the business

the business.	• If ownership is less than 100%, must obtain written approval from all other business owners

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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.

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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.