

Newrez Announcements



Announcement 2025-075

Underwriting Guideline Updates – Conforming Loans

October 30, 2025

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 October 30, 2025.
- 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.
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Please use this announcement as guidance until all applicable underwriting guides are published.

Agency Announcements

Unless otherwise noted, underwriting guidelines below are effective immediately and the Newrez Underwriting Guide reflects these changes with the October 30, 2025 release.

Freddie Mac Bulletin [2025-13](#)

Newrez is currently evaluating these updates and additional guidance will follow in a future amount.

Fannie Mae SEL [2025-08](#)

Allowable Cash Back

Amount of cash back provided directly to the borrower (or other recipient) may not exceed the greater of 1% of the UPB of the new loan or \$2,000. The following sections were updated:

- Rate and Term refinances > Use of Funds (removed LPA only)
- Buyout of an Owner's Interest > DU transactions
- Texas Equity Refinance > Rate and Term Refinance

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1B Transaction Types in the following sections:

1B.4, Student Loan Cash Out Refinance (Fannie Mae DU)

1B.5, Buyout of an Owner's Interest (Fannie Mae DU)

1B.9(a) Rate and Term Refinance (Texas)

Rental Income

ADU Rental Income and Rental Income Reported on Partnership or S Corporation Federal Business Returns

Newrez is currently evaluating these updates and additional guidance will follow in a future announcement.

Newrez Underwriting Guide Updates

Chapter 1I Conforming Employment and Income

- Added Base Pay income grid for salary and hourly income to identify the calculation method to determine borrower's base income based on frequency of payroll.
- Updates completed for documentation required for VA benefits used for loan qualification:

Document the borrower's receipt of VA benefits:

- DU Loans: A letter or distribution form from the VA.
- LPA Loans:
 - Document **all** of the following: Income type, income source, payment frequency, predetermined payment amount and current receipt.
 - Acceptable documentation includes **one or more** of the following:
 - Award letter, Pay statement,
 - Form 1099 for the most recent calendar year, W-2 form(s),
 - Bank statement(s),
 - Benefit verification letter, or other equivalent documentation.

Verify the income can be expected to continue for a minimum of 3 years from the mortgage application (verification is not required for VA retirement or long-term disability benefits.)

VA education benefits are not an eligible source of income, because they are offset by education expenses.

Complete guidelines can be found in the Conventional Underwriting Guide, Chapter 1I, Conforming Employment and Income, in the following sections:

- 1I.3(b)(i) Base Pay (Salary or Hourly)
- 1I.13(mm) VA Benefits

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 Profiles Releases**

- Freddie Conforming Refi Possible Co-op Eligibility Matrix
 - Updated LTV to 97% and added subordinate financing permitted
 - Added non-occupant coborrower, max 95% LTV/CLTV
- Fannie Mae RefiNow Co-op Eligibility Matrix
 - Updated LTV to 97%
 - Added subordinate financing permitted with LTV/CLTV/HCLTV ratios $\leq$ 90%
- Added non-occupant coborrower, max 95% LTV/CLTV

- **Overlay Matrix Update**

- Added Correspondent's Agency Variance/Term of Business not permitted.
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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](#).