

Newrez Announcements



Announcement 2025-077 **USDA Underwriting Guideline Updates**

October 30, 2025

Newrez LLC “Newrez” Approved Correspondent Clients; this announcement contains the following information:

- Most recent USDA Announcement with implementation date of November 4, 2025

Please use this announcement as guidance until all applicable underwriting guides are published.

USDA Announcement

USDA Bulletin [PITI Ratio Guidelines Update](#) has been released announcing the PITI Ratio is being adjusted to 29% with an effective date of **November 4, 2025**. A higher ratio may be permissible under the following circumstances:

- The application submission receives an “accept” or “Accept Full Documentation” underwriting recommendation from GUS; **or**
- The application meets the requirements for a debt waiver, for GUS Refer, Refer with Caution and Manually underwritten loans without GUS assistance, including:
 - A maximum PITI ratio of 32%;
 - The validated credit score of all applicants is 680 or greater; and
 - The applicants demonstrate at least one of the acceptable compensating factors and supporting documentation is provided to the agency and maintained in the permanent loan file. Acceptable compensating factors are shown below:
 - Accumulated savings and cash reserves available post-closing are equal to or greater than three (3) months of PITI payments.
 - The applicant(s) (all employed applicants) have been continuously employed with their current primary employer for a minimum of two years.
 - Applicants that have received Social Security Benefits or Retirement Income. Note – This is not application for self-employed borrowers.
 - Proposed PITI does not exceed the borrower’s current verified housing expense by more than \$100 or 5%, whichever, is less, for the 12-month period preceding loan application.
 - Subject property is an Energy Efficient Home based on International Energy Conservation Code (IECC) standards

Note: The Underwriting Guide identifies the required supporting documentation which must be in permanent loan file to support the compensating factors shown above.

For applications that received a Conditional Commitment prior to the effective date of this change but are released and/or resubmitted in GUS on or after November 4, 2025 will adhere to the 29% guideline.

Complete guidelines can be found in the USDA Underwriting Guide, Chapter 4H, Liabilities and Debt Ratios, in the following sections:

- 4H.3, Debt Ratio Waivers – Purchase Transactions
 - 4H.3(a) GUS Accept Loans
 - 4H.3(b) GUS Refer, Refer with Caution, and manually underwritten loans without GUS assistance
 - 4H.4 Debt Ratio Waivers – Refinance Transactions
 - 4H.4(a) GUS Accept Loans
 - 4H.4(b) GUS Refer, Refer with Caution, and manually underwritten loans without GUS assistance
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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

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