

Newrez Announcements



Announcement 2025-081

Smart Series Product Summary and Underwriting Guide Updates

November 24, 2025

Newrez LLC "Newrez" Approved Correspondent Clients; the following updates are effective with pipeline loans with the exception of the Short Term Rental Documentation update which is effective with new applications on and after November 24, 2025.

Current Policy	New Policy
Product Summaries – SmartEdge, Self, Vest	Product Summaries – SmartEdge, Self, Vest
Silent	Ineligible Property Type: Added Leasehold estate co-op project
Product Summaries – SmartVest	Product Summaries – SmartVest
Short Term Rental Income Documentation: Purchase and Delayed Financing: Purchased as a short-term rental unit, defined as being rented for less than month to month, (i.e., Airbnb or VRBO.). - Obtain the AirDNA Property Earning Potential report for the subject property. - Verify that the Market/Submarket Score is ≥ 60 - If the AirDNA Market/Submarket Score requirements are met, take the Projected Revenue and divide by 12 months to determine the monthly rent.	Short Term Rental Income Documentation: Modified the below section of the guides in Red for Clarification of the Policy and to Update the Requirement for Form 1007/1000 regardless of the Market Score. Purchase and Delayed Financing: Purchased as a short-term rental unit, defined as being rented for less than month to month, (i.e., Airbnb or VRBO.). - Obtain the AirDNA Property Earning Potential report for the subject property. - If the AirDNA Market/Submarket Score is ≥ 60, take the Projected Revenue and divide by 12 months to determine the monthly rent.

○ If the AirDNA Market/Submarket Score does not meet the requirements, the DSCR requirement is 1.00; and ▪ Obtain the Single-Family Comparable Rent Schedule (Form 1007/1000). ○ If the 1007/1000 is being used as qualifying short-term income, the appraiser must provide commentary on how the market rent was calculated, inclusive of daily/weekly rate and the appropriate occupancy rate for the subject property market; and The DSCR requirement is 1.00 when using Form 1007 Notes: • If the transaction is a payoff of a construction to permanent loan, the subject transaction can apply the purchase guidelines if the Certificate of Occupancy was issued within ninety (90) calendar days of the application date and the appraisal supports the subject property as new construction. • If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.) Refinance • Obtain the AirDNA Property Earning Potential report for the subject property. ○ Verify that the Market/Submarket Score is ≥ 60 ▪ If the AirDNA Market/Submarket Score does not meet the requirement, the DSCR requirement is 1.00 ▪ If the AirDNA Market/Submarket Score requirements are met, take the Projected Revenue and divide by 12 months to determine the monthly rent; and	○ If the AirDNA Market/Submarket Score is < 60, the DSCR requirement is 1.00; and • Obtain the Single-Family Comparable Rent Schedule (Form 1007/1000). ○ If the 1007/1000 is being used as qualifying short-term income, the appraiser must provide commentary on how the market rent was calculated, inclusive of daily/weekly rate and the appropriate occupancy rate for the subject property market; and ○ The DSCR requirement is 1.00 when using Form 1007. Notes: • If the transaction is a payoff of a construction to permanent loan, the subject transaction can apply the purchase guidelines if the Certificate of Occupancy was issued within ninety (90) calendar days of the application date and the appraisal supports the subject property as new construction. • If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.) Refinance • Obtain the AirDNA Property Earning Potential report for the subject property. ○ If the AirDNA Market/Submarket Score < 60, the DSCR requirement is 1.00 ○ If the AirDNA Market/Submarket Score is ≥ 60, take the Projected Revenue and divide by 12 months to determine the monthly rent; and
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• Provide a 12-month yearly income statement of the property being in service from a third party, (i.e., Airbnb or VRBO), including a month-to-month rental history; and • Take the 12-month yearly income and divide by 12 months to determine the monthly rent; and • Obtain the Single-Family Comparable Rent Schedule (Form 1007/1000). ○ If the 1007/1000 is being used as qualifying short-term income, the appraiser must provide commentary on how the market rent was calculated, inclusive of daily/weekly rate and the appropriate occupancy rate for the subject property market; and ▪ The DSCR requirement is 1.00 when using Form 1007. • Take the lessor of the 12-month average from the AirDNA or the 12-month average from the yearly Income Statement to determine the qualifying monthly rent; or • Take the lessor of the monthly short-term rental from Form 1007/1000, if utilizing the 1007 for qualifying short-term rental income, or the 12-month average from the yearly Income Statement to determine qualifying monthly rent. Notes: If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.)	• Provide a 12-month yearly income statement of the property being in service from a third party, (i.e., Airbnb or VRBO), including a month-to-month rental history; and • Take the 12-month yearly income and divide by 12 months to determine the monthly rent; and • Obtain the Single-Family Comparable Rent Schedule (Form 1007/1000). ○ If the 1007/1000 is being used as qualifying short-term income, the appraiser must provide commentary on how the market rent was calculated, inclusive of daily/weekly rate and the appropriate occupancy rate for the subject property market; and ▪ The DSCR requirement is 1.00 when using Form 1007. • Take the lessor of the 12-month average from the AirDNA or the 12-month average from the yearly Income Statement to determine the qualifying monthly rent; or • Take the lessor of the monthly short-term rental from Form 1007/1000, if utilizing the 1007 for qualifying short-term rental income, or the 12-month average from the yearly Income Statement to determine qualifying monthly rent. Notes: If the subject property is a condo, provide evidence that the property is eligible for short term rentals (condo association letter, etc.)
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SmartEdge, SmartSelf and SmartVest Guidelines	SmartEdge, SmartSelf and SmartVest Guidelines
4A.1e Non-warrantable condo project • Minimum 500 square feet with at least one (1) separate bedroom and fully functioning kitchen (including sink, refrigerator, range/cooktop, and oven);	4A.1e Non-warrantable condo project • 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;

6A.4(h) Gift Funds – Transfer of Gift Funds	6A.4(h) Gift Funds – Transfer of Gift Funds
Verification and documentation that sufficient funds to cover the gift are in the donor's account or have been transferred to the borrower's account is required. Transfer of funds from the donor's account to the borrower's account: • Copy of the donor's check and borrower's bank statement; • Copy of donor's withdrawal slip and borrower's deposit slip; or • Copy of donor's check to the closing agent When the funds are not transferred prior to closing, provide the following to the closing agent: ○ Copy of cashier's check; ○ Copy of certified check; ○ Wire confirmation; or Closing Disclosure showing receipt from donor's	Verification and documentation that sufficient funds to cover the gift are in the donor's account or have been transferred to the borrower's account is required. Transfer of funds from the donor's account to the borrower's account: • Copy of the donor's check and borrower's bank statement; • Copy of donor's withdrawal slip and borrower's deposit slip; or • Copy of donor's check to the closing agent When the funds are not transferred prior to closing, provide the following to the closing agent: • Final Closing Disclosure must reflect the gift funds as funds paid on the borrower's behalf, and • Proof of receipt of the donor's gift funds by the closing agent with one of the following: ○ Copy of the donor's certified check, or ○ Wire confirmation verifying transfer of the funds from the donor to the closing agent.

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

Newrez Operations 877-700-4622

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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](#).