



## Correspondent Overlay Matrix

This document is a summary of most of NewRez guideline overlays to Conventional, FHA, VA, and USDA requirements. This document should be used as a reference tool in conjunction with the NewRez Product Profiles, Seller Guide, and the appropriate underwriting guidelines.

Topic	Overlay	CONFORMING	FHA	VA	USDA
Assets Used for Qualifying Income	Freddie Mac Assets used for Qualifying Income not permitted	X			
Boarder Income	Boarder Income is not permitted on HomeReady or Home Possible purchase transactions	X			
Condo & PUD Units in Nevada	The following are required for condo & PUD units in Nevada: <ul style="list-style-type: none"> <li>HOA dues for the subject unit must be current prior to closing</li> <li>HOA may not be seller of the subject unit</li> </ul>	X			
Construction to Permanent (CTP)	Must be registered in Web LGY as a purchase transaction			X	
CLTV	FHA Purchase: Maximum 100% CLTV for Delegated Clients		X		
Credit Scores and DTI	Conforming <ul style="list-style-type: none"> <li>All Cash-out Refi: 640</li> <li>All Manufactured Housing: 640</li> <li>LPA: 620</li> </ul>	X			
	FHA <ul style="list-style-type: none"> <li>Purchase: 580</li> <li>Rate &amp; Term and Simple Refi: 580</li> <li>Cash-out Refi: 580</li> <li>Manual Underwrite <ul style="list-style-type: none"> <li>Purchase: 580</li> <li>Rate &amp; Term and Simple Refi: 620</li> <li>Cash-out Refi: 640</li> </ul> </li> <li>FHA Streamline Refinance <ul style="list-style-type: none"> <li>Credit Qualifying: 640 to 50% DTI</li> <li>Non-Credit Qualifying: 640</li> </ul> </li> <li>Manufactured Housing <ul style="list-style-type: none"> <li>Purchase: 640</li> <li>Rate &amp;Term Refi and Simple Refi: 640</li> <li>Cash-out Refi: 640</li> <li>Streamline Refi Credit Qualify: 640 to 50% DTI</li> <li>Streamline Refi Non-Credit Qualify: 640</li> </ul> </li> <li>Manual Underwrite Manufactured Housing <ul style="list-style-type: none"> <li>Purchase: 640</li> <li>Rate &amp;Term Refi and Simple Refi: 640</li> <li>Cash-out Refi: 640</li> </ul> </li> </ul>		X		

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	VA <ul style="list-style-type: none"> <li>• Purchase               <ul style="list-style-type: none"> <li>◦ 700 to \$1,500,000</li> <li>◦ 580 to \$1,000,000</li> </ul> </li> <li>• Cash-out Refi               <ul style="list-style-type: none"> <li>◦ 700 to \$1,500,000</li> <li>◦ 580 to \$1,000,000</li> </ul> </li> <li>• Manufactured Housing               <ul style="list-style-type: none"> <li>◦ 580 to \$1000,000</li> </ul> </li> <li>• Refer Eligible/Manual Underwrite               <ul style="list-style-type: none"> <li>◦ Purchase                   <ul style="list-style-type: none"> <li>▪ 700 to \$1,500,000</li> <li>▪ 580 to \$1,000,000</li> </ul> </li> <li>◦ Cash-out Refi                   <ul style="list-style-type: none"> <li>▪ 700 to \$1,500,000</li> <li>▪ 580 to \$1,000,000</li> </ul> </li> </ul> </li> </ul> IRRRL <ul style="list-style-type: none"> <li>• Primary Residence               <ul style="list-style-type: none"> <li>◦ 580</li> </ul> </li> <li>• Non-owner Occupied: 620</li> <li>• Manufactured Housing               <ul style="list-style-type: none"> <li>◦ 620 to \$1,000,000</li> <li>◦ Non-owner Occupied not permitted</li> </ul> </li> </ul> USDA <ul style="list-style-type: none"> <li>• Purchase and Standard Rate &amp; Term (Non-Streamlined) Refinances: 640</li> <li>• Streamlined Refinance: 640</li> <li>• Streamlined Assist Refinance: 640</li> </ul>			X	
<b>Employment After the Note Date</b>	The employment start date must be within 90 days of the Note date.	X	X	X	X
	Fannie Mae Option 1 and 2 not permitted Freddie Mac Option 2 not permitted	X			
<b>Extenuating Circumstances</b>	Extenuating circumstances for derogatory credit are not permitted for LPA loans	X			
	Extenuating circumstances for derogatory credit are not permitted		X	X	X
<b>Forbearance</b>	Borrowers cannot remain in active mortgage forbearance for loans secured by their other real estate owned. Evidence of forbearance termination is required prior to the Note date.		X		
<b>Ineligible Appraisal</b>	Hybrid Appraisal	X			
<b>Ineligible Assets</b>	<ul style="list-style-type: none"> <li>• Cash on hand</li> <li>• Pooled funds</li> <li>• Sweat equity</li> </ul>		X	X	X
	HomeReady & Home Possible <ul style="list-style-type: none"> <li>• Sweat equity</li> </ul>	X			

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<b>Ineligible Borrowers</b>	Borrowers living in the U.S. under Deferred Action for Childhood Arrivals (DACA) (USDA does not permit DACA recipients therefore it is not marked as an overlay)	X			
	Borrowers without a valid Social Security Number. ITINs are not permitted.	X	X	X	X
	Principals/Owners of NewRez Correspondents are not eligible	X	X	X	X
<b>Ineligible Programs</b>	<ul style="list-style-type: none"> <li>• HFA Programs</li> <li>• Rehabilitation loans</li> <li>• Temporary Buydowns</li> <li>• Housing Choice Voucher Homeownership Program (Section 8)</li> </ul>	X	X	X	X
	<ul style="list-style-type: none"> <li>• Fannie Mae High LTV Refinance</li> <li>• Fannie Mae Homestyle Renovation</li> <li>• Fannie Mae MH Advantage</li> <li>• Fannie Mae Rural High-Needs Waiver</li> <li>• Freddie Mac CHOICEHome</li> <li>• Freddie Mac Enhanced Relief Refinance</li> <li>• Freddie Mac Green CHOICE</li> <li>• Freddie Mac Home Possible Super Conforming loan amounts</li> </ul>	X			
	<ul style="list-style-type: none"> <li>• 203(K) Rehabilitation Mortgage</li> <li>• Energy Efficient Mortgages (EEM) (Non-Delegated Correspondents)</li> <li>• Good Neighbor Next Door</li> <li>• Graduated Payment Mortgage (GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• Hope for Homeowners</li> <li>• HUD REO Program</li> <li>• Indian Reservations (Section 184 mortgage)</li> <li>• Section 247 Hawaiian Home Lands</li> </ul>		X		
	<ul style="list-style-type: none"> <li>• Energy Efficient Mortgages (EEM) (Non-Delegated Correspondents)</li> <li>• Farm Residence Loans</li> <li>• Graduated Payment Mortgage GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• HPLM Loans</li> <li>• High Cost Loans</li> <li>• Specially Adapted Housing</li> <li>• Supplemental Loans</li> </ul>			X	
	<ul style="list-style-type: none"> <li>• Energy Efficient Mortgage</li> <li>• Graduated Payment Mortgage GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• Repair and Rehabilitation Loan</li> <li>• Rural Energy Plus</li> <li>• Streamlined Refinance (Does not include Streamline Assist)</li> </ul>				X

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<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>Co-ops</li> <li>Land trust</li> <li>Leasehold estate condo projects</li> <li>Indian/Tribal Lands</li> <li>Unique property types (geodesic domes, berms, earth homes, barndominiums, shouses)</li> </ul>	X	X	X	X
	<ul style="list-style-type: none"> <li>Properties appraised with C5 condition rating</li> <li>Texas rural properties with more than 25 acres</li> </ul>	X			
	<ul style="list-style-type: none"> <li>Properties with Individual Purification Water Systems</li> </ul>		X		
	<ul style="list-style-type: none"> <li>Live-work units</li> <li>Properties with manufactured home on site being used as storage</li> </ul>		X	X	X
	<ul style="list-style-type: none"> <li>Manufactured Homes for USDA Purchase Transactions</li> </ul>				X
<b>IRS Form 4506-C</b>	Borrowers whose income has been validated through the DU validation service or LPA AIM must sign IRS Form 4506-C at closing even if DU or LPA waives the requirement.	X			
	<ul style="list-style-type: none"> <li>IRS Form 4506-C must be signed at closing for each borrower whose income is used to qualify.</li> <li>IRS Form 4506-C must be signed at closing for the business tax return transcript(s) when business returns are used to qualify.</li> </ul> <p>Note: Not required for FHA Non-Credit Qualifying Refinance and VA IRRRL</p>	X	X	X	
<b>Loan Amount</b>	Maximum \$548,250 loan amount for Continental US				X
	Maximum \$1,500,000 loan amount			X	
<b>LTV/CLTV</b>	<p>VA Cash-out Refi: 90% maximum LTV/CLTV (includes financed VA Funding Fee)</p> <ul style="list-style-type: none"> <li>VA IRRRL (Owner Occupied and Non-owner Occupied)</li> <li>LTV/CLTV can be based off one of the following valuation methods: <ul style="list-style-type: none"> <li>the original loan amount of prior VA mortgage, or</li> <li>current 2055 appraisal report, or</li> <li>NewRez approved AVM (Corelogic GEO (FSD&lt;=15), Collateral Analytics-Black Knight (FSD&lt;=15), Freddie HVE (confidence level of High))</li> </ul> </li> <li>Investment (Non-owner Occupied) Properties: 100% LTV/CLTV</li> </ul>			X	
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>The following are not permitted <ul style="list-style-type: none"> <li>Leasehold estate</li> <li>Newly constructed units</li> <li>Units located in Hawaii</li> <li>Units located in a mobile home park</li> <li>Units on a property with a hobby farm</li> <li>Units with mixed-use</li> </ul> </li> </ul>	X	X	X	X
<b>Mortgage Insurance</b>	Standard coverage is required. Minimum or custom mortgage insurance coverage (with LLPAs) is not permitted.	X			

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<b>Mortgage Interest Differential (MID)</b>	Mortgage Interest Differential payment income is not permitted.	X	X	X	X
<b>Non-Arm's Length Transactions</b>	Follow agency guidelines with the following exception: <ul style="list-style-type: none"> <li>Transactions where the loan originator is acting in another real estate related role with the following exceptions loan officers who are appropriately licensed in the state of CA or FL who are acting as the buyer's agent. A copy of the FL Disclosure of Conflict of Interest or CA Dual Capacity Disclosure is required to be provided by the correspondent.</li> </ul>	X			
<b>Non-Traditional Credit</b>	Not permitted	X	X	X	X
<b>Power of Attorney</b>	The use of a Power of Attorney is not permitted on a cash-out refinance.	X			
<b>Principal Curtailment</b>	A principal curtailment is permitted up to the lesser of 2% of the loan amount or \$2,500	X			
	FHA Refinances : Maximum principal curtailment is \$500		X		
	IRRL: Maximum principal curtailment is \$500			X	
<b>Private Transfer Fees</b>	Properties encumbered with private transfer fees not permitted.	X	X	X	X
<b>Rebuttable Presumption</b>	Not permitted			X	
<b>Single Close Modification of Note</b>	Permitted for Delegated Clients: Credit and appraisal documents may not be dated more than 120 days from the date of the conversion to permanent financing Fannie Mae only	X			
	Not permitted		X	X	X
<b>Texas Home Equity Refinance</b>	A refinance transaction that is subject to Texas Home Equity Section 50(a)(6) is not permitted.		X	X	X
<b>Underwriting</b>	Manual Underwrite not permitted	X			
	Manual Underwrite is not permitted except for Streamline Assist Refinances				X
<b>VA Forbearance Mortgage Payment</b>	One payment must have been made in the month due after the date of forbearance completion and prior to loan application.			X	
<b>Additional Overlays for Non-Delegated Correspondents</b>					
<b>Age of Documentation</b>	All income and asset documents can be no more than 60 days old as of the Note date	X	X	X	X
<b>Business Assets</b>	Business assets are allowed for down payment and closing costs if <ul style="list-style-type: none"> <li>The borrower is the majority owner of the business</li> <li>Business assets are not used for reserves</li> <li>The use of these funds is documented as having no negative impact on the business's livelihood</li> </ul>		X	X	X
<b>Condo Approval</b>	The condo project must have an unexpired FHA approval. NewRez will not issue a DELRAP approval		X		

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Deed/Resale Restrictions	Must be approved by NewRez prior to approval	X	X	X	X
Down Payment Assistance	Down payment assistance programs not permitted		X		X
Employment by Family Member	<ul style="list-style-type: none"> <li>Borrower's complete personal federal income tax returns for the most recent two-year period,</li> <li>YTD paystub documenting at least 30 days of income, and</li> <li>W-2s for the most recent two years.</li> </ul>		X	X	
IRS Form 4506-C	IRS Form 4506-C must be signed prior to underwriting for borrowers whose income is documented with tax returns. Authorization must coincide with the years of tax returns obtained for qualification	X	X	X	X
Manufactured Housing	Borrower must have owned the manufactured home unit and land for at least 12 months preceding the date of application		X		
	Units located in a condo project not permitted	X	X	X	X
	Not permitted as Accessory Dwelling Unit	X			
Prequalification	Not permitted	X	X	X	X
Prior Mortgage Credit Reject (MCR)	Not permitted		X		
Project Review	Project Review Department (PRD) will review condo projects for eligibility	X	X	X	X
Refreshed Credit Report	Obtain a single repository refreshed credit report as close to closing as possible but within 10 days of closing.	X			
Review by NewRez Legal	Living Trust (Inter Vivos Revocable Trust) must be approved by NewRez legal	X	X	X	X
Single Modification of Note	Not permitted	X	X	X	X
Subordinate Financing	New subordinate financing is not permitted		X		
Verification of Existence of Business	Verification of existence of the borrower's business through a third-party source within 30 calendar days for self-employed income is required		X		

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