



## 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 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			
Assignment of Sales Contract	Not permitted for purchase transactions	X	X	X	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			
Loan Amount, Credit Scores, LTV/CLTV and DTI	Conforming <ul style="list-style-type: none"> <li>Loans with no credit score are not permitted regardless of AUS decision</li> <li>All Manufactured Housing: 640</li> </ul>	X			
	FHA <ul style="list-style-type: none"> <li>Purchase: <ul style="list-style-type: none"> <li>Credit score: 580</li> <li>CLTV: 105%</li> </ul> </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 <ul style="list-style-type: none"> <li>Credit score: 580</li> <li>CLTV: 105%</li> </ul> </li> <li>Rate &amp; Term and Simple Refi: 600</li> <li>Cash-out Refi: 600</li> </ul> </li> <li>FHA Streamline Refinance <ul style="list-style-type: none"> <li>Credit Qualifying:-580 to 50% DTI</li> <li>Non-Credit Qualifying: 580</li> <li>105%/125% LTV/CLTV</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</li> </ul>		X		

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	<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> <p>VA</p> <ul style="list-style-type: none"> <li>● Purchase               <ul style="list-style-type: none"> <li>○ 720 to \$2,500,000 to 95% LTV/CLTV to 45% DTI</li> <li>○ 720 to \$2,000,000 to 100% LTV/CLTV to 55% DTI</li> <li>○ 700 to \$2,000,000 to 100% LTV/CLTV to 45%DTI</li> <li>○ 720 to \$1,500,000 to 100% LTV/CLTV and DTI per AUS</li> <li>○ 680 to \$1,500,000 to 100% LTV/CLTV to 55%DTI</li> <li>○ 680 to \$1,000,000 to 100% LTV/CLTV and DTI per AUS</li> <li>○ 580 to \$1,000,000 to 100% LTV/CLTV to 55%DTI</li> <li>○ 580 to \$650,000 to 100% LTV/CLTV and DTI to per AUS</li> <li>○ Manufactured Homes                   <ul style="list-style-type: none"> <li>▪ 580 to \$1,000,000 to 100% LTV/CLTV to 55% DTI</li> <li>▪ 580 to \$650,000 to 100% LTV/CLTV and DTI per AUS</li> </ul> </li> </ul> </li> <li>● Purchase Refer Eligible/Manual Underwrite               <ul style="list-style-type: none"> <li>○ 700 to \$1,500,000 to 100% LTV/CLTV to 55% DTI</li> <li>○ 580 to \$1,000,000 to 100% LTV/CLTV to 55% DTI</li> <li>○ Manufactured Homes                   <ul style="list-style-type: none"> <li>▪ 580 to \$1,000,000 to 100% LTV/CLTV to 55% DTI</li> </ul> </li> </ul> </li> <li>● Cash-out Refi               <ul style="list-style-type: none"> <li>○ 720 to \$2,500,000 to 95% LTV/CLTV to 45% DTI</li> <li>○ 720 to \$2,000,000 to 100% LTV/CLTV to 55% DTI</li> <li>○ 700 to \$2,000,000 to 100% LTV/CLTV to 45% DTI</li> <li>○ 720 to \$1,500,000 to 100% LTV/CLTV and DTI per AUS</li> <li>○ 680 to \$1,500,000 to 100% LTV/CLTV to 55% DTI</li> <li>○ 680 to \$1,000,000 to 100% LTV/CLTV and DTI per AUS</li> <li>○ 580 to \$1,000,000 to 100%LTV/CLTV to 55% DTI</li> <li>○ 580 to \$650,000 to 100% LTV/CLTV and DTI per AUS                   <ul style="list-style-type: none"> <li>▪ LTV &gt; 90% is available for only 360-month term</li> </ul> </li> <li>○ Manufactured Homes                   <ul style="list-style-type: none"> <li>▪ 580 to \$1,000,000 to 90% LTV/CLTV to 55% DTI</li> <li>▪ 580 to \$650,000 to 90% LTV/CLTV and DTI per AUS</li> </ul> </li> </ul> </li> <li>● Cash-out Refer Eligible/Manual Underwrite               <ul style="list-style-type: none"> <li>○ 700 to \$1,500,000 to 100% LTV/CLTV to 55% DTI</li> <li>○ 580 to \$1,000,000 to 90% LTV/CLTV to 55% DTI</li> </ul> </li> </ul>			X	

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	<ul style="list-style-type: none"> <li>▪ LTV &gt; 90% is available for only 360-month term</li> <li>○ Manufactured Homes               <ul style="list-style-type: none"> <li>▪ 580 to \$1,000,000 to 90% LTV/CLTV to 55% DTI</li> </ul> </li> </ul> <p>IRRRL</p> <p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> <li>• 720 to \$2,500,000 to 105/125 LTV/CLTV</li> <li>• 700 to \$2,000,000 to 105/125 LTV/CLTV</li> <li>• 680 to \$1,500,000 to 105/125 LTV/CLTV</li> <li>• 580 to \$1,000,000 to 105/125 LTV/CLTV               <ul style="list-style-type: none"> <li>○ Manufactured Home                   <ul style="list-style-type: none"> <li>▪ 580 to \$1,000,000 to 105/125 LTV/CLTV</li> </ul> </li> </ul> </li> </ul> <p>Credit Qualifying</p> <ul style="list-style-type: none"> <li>• 720 to \$2,500,000 to 105/125 LTV/CLTV to 45% DTI</li> <li>• 720 to \$2,000,000 to 105/125 LTV/CLTV to 55% DTI</li> <li>• 700 to \$2,000,000 to 105/125 LTV/CLTV to 45% DTI</li> <li>• 680 to \$1,500,000 to 105/125 LTV/CLTV to 45% DTI</li> <li>• 580 to \$1,000,000 to 105/125 LTV/CLTV to 55% DTI               <ul style="list-style-type: none"> <li>○ Manufactured Home                   <ul style="list-style-type: none"> <li>▪ 580 to \$1,000,000 to 105/125 LTV/CLTV to 55%</li> </ul> </li> </ul> </li> </ul>				
	<p>USDA</p> <ul style="list-style-type: none"> <li>• Purchase and Standard Rate &amp; Term (Non-Streamlined) Refinances: 640</li> <li>• Streamlined Refinance: 620</li> <li>• Streamlined Assist Refinance: 600</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			
<b>Ineligible Appraisal</b>	Hybrid Appraisal	X			
<b>Ineligible Assets</b>	Sweat equity	X		X	X
	HomeReady & Home Possible <ul style="list-style-type: none"> <li>• Sweat equity</li> </ul>	X			
<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 Correspondents are not eligible	X	X	X	X
<b>Ineligible Programs</b>	<ul style="list-style-type: none"> <li>• Fannie Mae High LTV Refinance</li> </ul>	X			

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Topic	Overlay	CONFORMING	FHA	VA	USDA
	<ul style="list-style-type: none"> <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>				
	<ul style="list-style-type: none"> <li>203(K) Rehabilitation Mortgage</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>Farm Residence Loans</li> <li>Graduated Payment Mortgage GPM)</li> <li>Growing Equity Mortgages (GEM)</li> <li>HPML 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
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>3D printed homes</li> <li>Container homes</li> <li>Co-ops</li> <li>Land trust</li> <li>Leasehold estate condo projects</li> <li>Indian/Tribal Lands</li> </ul>	X	X	X	X
	<ul style="list-style-type: none"> <li>Properties appraised with C5 condition rating</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>Manufactured Homes for USDA Purchase Transactions</li> </ul>				X

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Topic	Overlay	CONFORMING	FHA	VA	USDA
<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>	X	X	X	
	Note: Not required for FHA Non-Credit Qualifying Refinance and VA-IRRRL				
<b>Loan Amount</b>	Maximum \$647,200 loan amount for Continental US Maximum \$970,800 loan amount for Hawaii				X
	Maximum \$2,500,000 loan amount			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>Military Owner Occupancy</b>	A borrower currently on active duty must occupy the subject primary residence within 60 days of Note. A borrower currently on active duty and absent from their primary residence is not permitted.	X			
<b>Mortgage Credit Certificates</b>	Payment must be made to the borrower and not the servicer	X	X	X	X
<b>Mortgage Insurance</b>	Standard coverage is required. Minimum or custom mortgage insurance coverage (with LLPAs) is not permitted.	X			
<b>Mortgage Interest Differential (MID)</b>	Payment must be made to the borrower and not the servicer	X	X	X	X
<b>Mortgage Seasoning (Forbearance and Modified Loans)</b>	<ul style="list-style-type: none"> <li>For existing mortgages that have been modified, the first payment due date of new mortgage must be on or after the later of:               <ul style="list-style-type: none"> <li>The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and</li> <li>The date on which six modified payments have been made on the mortgage being refinanced</li> </ul> </li> </ul>		X		
	<ul style="list-style-type: none"> <li>For refinance of modified mortgages, the Note date of the new loan must be on or after the later of:               <ul style="list-style-type: none"> <li>The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and</li> <li>The date on which six modified payments have been made on the mortgage being refinanced</li> </ul> </li> </ul>			X	
	A borrower who has deferred mortgage payments as result of recent forbearance plan				X

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	must have resumed making payments for a period of at least six months and not have any defaults in the previous 12-month period, excluding the time the loan was in forbearance.				
<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>Additional Overlays for Non-Delegated Correspondents</b>					
<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. will not issue a DELRAP approval		X		
<b>Deed/Resale Restrictions</b>	Must be approved by prior to approval	X	X	X	X
<b>Down Payment Assistance</b>	Down payment assistance programs not permitted				X
<b>Employment by Family Member</b>	<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	
<b>Energy Efficient Mortgages</b>	Energy Efficient Mortgages		X	X	
<b>Ineligible Properties</b>	Texas rural properties with more than 25 acres	X			

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<b>IRS Form 4506-C</b>	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
<b>Manufactured Housing</b>	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			
	Single Wide Manufactured Homes	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>Prequalification</b>	Not permitted	X	X	X	X
<b>Project Review</b>	Project Review Department (PRD) will review condo projects for eligibility	X	X	X	X
<b>Refreshed Credit Report</b>	Obtain a single repository refreshed credit report as close to closing as possible but within 10 days of closing.	X			
<b>Review by Legal</b>	Living Trust (Inter Vivos Revocable Trust) must be approved by legal	X	X	X	X
<b>Single Modification of Note</b>	Not permitted	X	X	X	X
<b>Verification of Existence of Business</b>	Verification of existence of the borrower's business through a third-party source within 30 calendar days for self-employed income is required		X		