



## Conforming Product Profile: Correspondent

NewRez overlays are identified with yellow highlighting

FANNIE MAE (DU) STANDARD and HIGH-BALANCE ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Transaction Type	Occupancy	Credit Score <sup>1</sup>	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase Rate & Term Refi	Primary Residence	620	97% <sup>2</sup>	95%	Follow DU <sup>4</sup>
1				95% <sup>3</sup>		
2				85% <sup>3</sup>	85%	
3-4				75% <sup>3</sup>	75%	
1	Cash-out Refi		620	80%	80%	
2-4				75%	75%	
1	Purchase Rate & Term Refi	Second Home	620	90%	90%	
1	Cash-out Refi			75%	75%	
1	Purchase	Investment Property	620	85%	85%	
2-4				75%	75%	
1-4	Rate & Term Refi			75%	75%	
1	Cash-out Refi			620	75%	75%
2-4		70%	70%			

<sup>1</sup> When there are two or more borrowers, the minimum credit score is 580 with a DU Approve/Eligible

- LPMI products require a minimum 620 credit score

<sup>2</sup> 95.01%-97% LTV/CLTV

- Fannie Mae Conforming Fixed Rate
- Maximum 105% CLTV with Community Second
- Purchase
  - At least one borrower must be a first-time homebuyer
- Rate & Term Refinance
  - Current mortgage being refinanced must be owned by Fannie Mae
  - [Fannie Mae Loan Lookup](#) tool
- The following are not permitted with an LTV > 95%
  - High-Balance
  - Non-occupant co-borrowers

<sup>3</sup> Fannie Mae Community Seconds

- Fannie Mae Conforming Fixed Rate
- Maximum 95% LTV or program maximum
- Maximum 105% CLTV
- 1-4 units
- High-Balance not permitted

<sup>4</sup> West Virginia: Max 50% DTI

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FREDDIE MAC (LPA) STANDARD and SUPER CONFORMING ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Transaction Type	Occupancy	Credit Score	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase Rate & Term Refi	Primary Residence	620	97% <sup>1</sup>	95%	Follow LPA <sup>2</sup>
1				95%		
2				85%	85%	
3-4				80%	80%	
1	Cash-out Refi		620	80%	80%	
2-4				75%	75%	
1	Purchase Rate & Term Refi	Second Home	620	90%	90%	
1	Cash-out Refi		620	75%	75%	
1	Purchase Rate & Term Refi	Investment Property	620	85%	85%	
2-4				75%	75%	
1	Cash-out Refi		620	75%	75%	
2-4				70%	70%	

<sup>1</sup> 95.01%-97% LTV/CLTV (HomeOne Mortgage)

- Freddie Mac Conforming Fixed Rate
- Purchase
  - At least one borrower must be a first-time homebuyer
- Refinance
  - Current mortgage being refinanced must be owned by Freddie Mac
  - [Freddie Mac Loan Lookup tool](#)
- Super Conforming not permitted
- Non-occupant co-borrower not permitted

<sup>2</sup> West Virginia: Max 50% DTI

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MANUFACTURED HOUSING ELIGIBILITY MATRIX						
FANNIE MAE DU						
Units	Transaction Type	Occupancy	Credit Score <sup>1</sup>	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase Rate & Term Refi	Primary Residence	620	95%	95%	Follow DU <sup>3</sup>
	Cash-out Ref <sup>2</sup>			65%	NA	
	Purchase Rate & Term Refi	Second Home		90%	90%	
<sup>1</sup> When there are two or more borrowers, the minimum credit score is 580 with a DU Approve/Eligible <ul style="list-style-type: none"> <li>LPMI products require a minimum 620 credit score</li> </ul> <sup>2</sup> Cash-out-Refi <ul style="list-style-type: none"> <li>Maximum Fixed Rate 20-year term</li> <li>Not permitted               <ul style="list-style-type: none"> <li>5/6 ARM</li> </ul> </li> </ul> <sup>3</sup> West Virginia: Max 50% DTI						

MANUFACTURED HOUSING ELIGIBILITY MATRIX						
FREDDIE MAC LPA						
Units	Transaction Type	Occupancy	Credit Score	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase Rate & Term Refi	Primary Residence	620	95%	95%	Follow LPA <sup>2</sup>
	Cash-out Ref <sup>1</sup>			65%	NA	
	Purchase Rate & Term Refi	Second Home		85%	85%	
<sup>1</sup> Cash-out-Refi <ul style="list-style-type: none"> <li>Maximum Fixed Rate 20-year term</li> <li>Not permitted               <ul style="list-style-type: none"> <li>5/6 ARM</li> <li>LPA Super Conforming</li> </ul> </li> </ul> <sup>2</sup> West Virginia: Max 50% DTI						

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<b>1. Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>ARMs: 30-year term</li> <li>Manufactured Housing: Fixed Rate maximum 20-year term for cash-out refi</li> <li>DU Approve second home and investment properties must be locked in Fannie/Freddie Fixed or FNMA ARM product code referenced below</li> <li>LPA Accept second home or investment properties must be locked in a Freddie Mac Eligible or FHLMC product code referenced below</li> </ul>				
<b>2. Product Codes</b>	W90	10 Yr Fannie/Freddie Fixed	W91	10 Yr Freddie Mac Eligible Fixed	
	345	15 Yr Fannie/Freddie Fixed	347	15 Yr Freddie Mac Eligible Fixed	
	W78	20 Yr Fannie/Freddie Fixed	W79	20 Yr Freddie Mac Eligible Fixed	
	346	30 Yr Fannie/Freddie Fixed	348	30 Yr Freddie Mac Eligible Fixed	
	AA9	30 Yr Fannie Fixed with Community Second	X39	10 Yr Super Conforming Freddie Mac Eligible Fixed	
	X38	10 Yr Fannie/Freddie High-Balance Fixed	W08	15 Yr Super Conforming Freddie Mac Eligible Fixed	
	V40	15 Yr Fannie/Freddie High-Balance Fixed	X49	20 Yr Super Conforming Freddie Mac Eligible Fixed	
	X48	20 Yr Fannie/Freddie High-Balance Fixed	W09	30 Yr Super Conforming Freddie Mac Eligible Fixed	
	V41	30 Yr Fannie/Freddie High-Balance Fixed	FF2	15 Yr Freddie Mac Eligible Fixed LPMI	
	Y59	15 Yr Fannie/Freddie Fixed LPMI	FF3	30 Yr Freddie Mac Eligible Fixed LPMI	
	Y50	30 Yr Fannie/Freddie Fixed LPMI	Y64	15 Yr Super Conforming LPMI Freddie Mac Eligible Fixed	
	Y60	15 Yr Fannie Fixed High-Balance LPMI	Y57	30 Yr Super Conforming LPMI Freddie Mac Eligible Fixed	
	Y32	30 Yr Fannie Fixed High-Balance LPMI	2288	FHLMC 5/6 SOFR ARM 2-1-5	
	2285	FNMA 5/6 SOFR ARM 2-1-5	2287	FHLMC 7/6 SOFR ARM 5-1-5	
	2284	FNMA 7/6 SOFR ARM 5-1-5	2286	FHLMC 10/6 SOFR ARM 5-1-5	
	2283	FNMA 10/6 SOFR ARM 5-1-5	2294	FHLMC SC 5/6 SOFR ARM 2-1-5	
	2291	FNMA HB 5/6 SOFR ARM 2-1-5	2293	FHLMC SC 7/6 SOFR ARM 5-1-5	
	2290	FNMA HB 7/6 SOFR ARM 5-1-5	2292	FHLMC SC 10/6 SOFR ARM 5-1-5	
	2289	FNMA HB 10/6 SOFR ARM 5-1-5			
	<b>3. ARM Information</b>	Index	The 30-day average of the overnight Secured Overnight Financing Rate (SOFR) as published by the Federal Reserve Bank of New York		
Margin		3.00% and 2.75%			
Life Floor		The floor is the margin			
Interest Rate Caps and Adjustments		<b>Product</b>	<b>First</b>	<b>Subsequent</b>	<b>Lifetime</b>
		5/6	2%	1%	5%
		7/6	5%	1%	5%
		10/6	5%	1%	5%
Change Date	5/6	The first Change Date is the 61 <sup>st</sup> payment due date. Subsequent Change Dates are every six months thereafter.			

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	7/6	The first Change Date is the 85 <sup>th</sup> payment due date. Subsequent Change Dates are every six months thereafter.
	10/6	The first Change Date is the 121 <sup>st</sup> payment due date. Subsequent Change Dates are every six months thereafter.
	Conversion Option	Not available
4. <b>Special Feature Codes (SFC)/ Investor Feature Codes (IFI)</b>	Student Loan Cash-out Refi 841: An exception is required for delivery purposes	N/A
5. <b>Temporary Buydown</b>	Not permitted	
6. <b>QM Rebuttable Presumption/ HPML</b>	<ul style="list-style-type: none"> <li>HPML: Primary residence transactions must maintain an escrow account for a minimum of 5 years</li> <li>Primary residence nonprime (HPML) refinances in CT with loan amounts ≤ \$417,000               <ul style="list-style-type: none"> <li>If the loan being refinanced is an FHA, VA, USDA loan (Special Mortgage), or a bond loan provided by a Housing Finance Agency, homeownership counseling is required</li> </ul> </li> </ul>	
7. <b>Net Tangible Benefit</b>	<ul style="list-style-type: none"> <li>Delegated Clients are responsible for determining when Net Tangible Benefit must be met</li> <li>Non-Delegated Clients               <ul style="list-style-type: none"> <li>AR, CT, IL MN, NC, NM, OH, and WA: All channels must complete the Generic NTB Test</li> <li>CO, MA, MD, ME, RI, SC, VA, and WV: Complete the state specific forms as required by the state                   <ul style="list-style-type: none"> <li>CO requires NTB state specific forms to be completed for purchase and refinance transactions</li> </ul> </li> <li>For all other states, no NTB test is required</li> </ul> </li> <li>Refer to <a href="#">Net Tangible Benefit (NTB) Worksheets</a></li> </ul>	
8. <b>Loan Limits</b>	<a href="https://www.fanniemae.com/singlefamily/loan-limits">https://www.fanniemae.com/singlefamily/loan-limits</a> <a href="https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx">https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx</a>	
9. <b>Eligible AUS Decision</b>	DU Approve/Eligible per Fannie Mae guidelines	LPA Accept per Freddie Mac guidelines
10. <b>Ineligible AUS Decisions</b>	<ul style="list-style-type: none"> <li>DU Approve/Ineligible</li> <li>Refer with Caution</li> <li>LPA Caution</li> </ul>	
11. <b>Manual Underwrite</b>	Not permitted	
12. <b>Qualifying Rate</b>	<ul style="list-style-type: none"> <li>Fixed Rate: Note rate</li> <li>ARM: 5/6 ARM: Greater of the Fully Indexed Rate or the Note Rate + 2%</li> <li>7/6 and 10/6 ARM: Greater of the Fully Indexed Rate or the Note Rate</li> </ul>	
13. <b>Types of Financing</b>	<ul style="list-style-type: none"> <li>Purchase Mortgage</li> <li>Rate &amp; Term Refinance (Limited Cash-out Refi)</li> <li>Cash-out Refi</li> <li>Single Close Modification of the Note (Delegated Clients only)               <ul style="list-style-type: none"> <li>Conforming and High-Balance Fixed Rate only</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Purchase Mortgage</li> <li>Rate &amp; Term Refinance (No Cash-out Refi)</li> <li>Cash-out Refi</li> </ul>

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<b>14. Incidental Cash Back</b>	<ul style="list-style-type: none"> <li>Maximum incidental cash back to the borrower is lesser of 2% of the loan amount or \$2,000</li> <li>Texas homestead properties subject to 50(a)(6) may not receive any (\$0) cash back at closing. Refer to Texas 50(a)(6) Product Profile</li> </ul>	<ul style="list-style-type: none"> <li>Maximum incidental cash back to the borrower is the greater of 1% of the loan amount or \$2,000</li> <li>Texas homestead properties subject to 50(a)(6) may not receive any (\$0) cash back at closing. Refer to Texas 50(a)(6) Product Profile</li> </ul>		
<b>15. Texas Owner-Occupied Properties</b>	<ul style="list-style-type: none"> <li>Owner occupied properties with a first mortgage or second lien subject to Texas Section 50(a)(6) not permitted in this product. Refer to the Texas 50(a)(6) Product Profile.</li> <li>A copy of the current mortgage or note is required to determine if the terms are subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust) (Non-Delegated Clients only)</li> <li>An existing Texas Section 50(a)(6) loan (either first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(f)(2) loan secured by a lien against the homestead subject to the following:               <ul style="list-style-type: none"> <li>Max 80% LTV/CLTV</li> <li>12-month seasoning for any Texas Section 50(a)(6) loan (first or second)</li> <li>Cash back not permitted</li> <li>No additional funds may be included in the loan amount (except closing costs and prepaids)</li> <li>No new subordinate financing</li> <li>An Interior and Exterior Appraisal Report is required</li> <li>Lender must provide the <i>Notice of Refinance of a Texas Home Equity Loan Pursuant to Subsection (f)(2)</i> no later than the third business day after the loan application date and at least 12 days prior to closing</li> </ul> </li> </ul>			
	<b>Texas 50 (f)(2) Determination</b>			
	<b>New loan amount pays off existing lien and...</b>	<b>Existing lien is non-50(a)(6), the new lien is...</b>	<b>Existing lien is 50(a)(6), the new lien is...</b>	
	Provides even \$1 cash to borrower	Texas 50 (a)(6)	Texas 50 (a)(6)	
	Pays off/down existing 50(a)(6) lien with no cash to borrower	Texas 50 (a)(6)	Texas 50(f)(2)	
	Pays off/down existing 50(a)(6) lien with cash to borrower	Texas 50 (a)(6)	Texas 50 (a)(6)	
	New lien is < existing UPB (no new funds)	Non-Texas 50 (a)(6)	Texas 50(f)(2)	
	Funds, prepaids and/or closing costs	Non-Texas 50 (a)(6)	Texas 50(f)(2)	
	Pays off/down purchase money second	Non-Texas 50 (a)(6)	Texas 50(f)(2)	
	Pays off/down existing Secured Home Improvement loan (mechanic's lien)	Non-Texas 50 (a)(6)	Texas 50(f)(2)	
Provides funds to satisfy a court-ordered divorce equity buyout (owelty lien)	Non-Texas 50 (a)(6)	Texas 50 (a)(6)		
<ul style="list-style-type: none"> <li>Borrower may elect to have loan remain a Texas 50(a)(6). Refer to Texas 50(a)(6) product profile</li> <li>Once the borrower has completed a Texas 50(f)(2), any subsequent refinances of the homestead property may follow standard rate term refinance guidelines unless opting for a cash-out refinance transaction</li> </ul>				

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<b>16. Properties Listed for Sale</b>	<ul style="list-style-type: none"> <li>Property must be taken off the market before the disbursement date</li> <li>Borrower provides written confirmation of intent to occupy if primary residence</li> </ul>	NA
<b>17. Eligible Subordinate Financing</b>	<ul style="list-style-type: none"> <li>New subordinate financing</li> <li>Existing subordinate financing</li> <li>Community Second               <ul style="list-style-type: none"> <li>Loans underwritten by NewRez must be approved by NewRez prior to application</li> <li>Product AA9 30 Yr Fannie Fixed with Community Second only (High-Balance not permitted)</li> <li>Primary residence</li> <li>1-4-units</li> <li>Purchase and Rate &amp; Term Refinance</li> <li>Maximum 105% CLTV</li> <li>Apply the more restrictive down payment requirement between the product and second mortgage</li> <li>Income limits imposed by the Community Seconds provider apply</li> <li>Manufactured homes eligible to 95% LTV/CLTV</li> <li>Community Second with reporting requirements are not permitted</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>New subordinate financing</li> <li>Existing subordinate financing</li> </ul>
<b>18. Ineligible Subordinate Financing</b>	NA	Affordable Seconds
<b>19. Occupancy</b>	<ul style="list-style-type: none"> <li>Primary residence</li> <li>Second home</li> <li>Investment properties</li> </ul>	
<b>20. Eligible Property Types</b>	<ul style="list-style-type: none"> <li>1-4 units</li> <li>Condos: Must be reviewed by PRD (Non-Delegated Clients)</li> <li>Leasehold estates</li> <li>Manufactured housing</li> <li>Modular homes</li> <li>PUDs</li> <li>Nevada               <ul style="list-style-type: none"> <li>The following is required for condo &amp; PUD units in Nevada for Delegated Clients:                   <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> </li> </ul> </li> </ul>	

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<b>21. Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>Condo hotels</li> <li>Co-ops</li> <li>Non-warrantable condos</li> <li>Properties with a <b>C5</b> and C6 condition rating</li> </ul>					
<b>22. Ineligible States</b>	Ineligible for NewRez Underwriting <ul style="list-style-type: none"> <li>Alaska</li> <li>New York</li> </ul>					
<b>23. Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>U.S. citizens</li> <li>Permanent resident alien</li> <li>Non-permanent resident alien</li> <li>Inter vivos revocable trust               <ul style="list-style-type: none"> <li>Must be approved by NewRez legal for Non-Delegated Clients)</li> </ul> </li> </ul> <p>NewRez will not purchase loans from Principal/Owners of NewRez Correspondents.</p>					
<b>24. Non-Occupant Co-Borrower</b>	When non-occupant co-borrower, co-signer, or guarantor income will be used to qualify: <ul style="list-style-type: none"> <li>DU Approve/Eligible: LTV/CLTV/HCLTV <math>\leq</math>95%</li> <li>See Eligibility Matrix for CLTV &gt;95%</li> </ul>	When non-occupant co-borrower, co-signer, or guarantor income will be used to qualify: <ul style="list-style-type: none"> <li>LPA Accept: LTV/CLTV/HCLTV <math>\leq</math>95%</li> </ul>				
<b>25. Housing Payment History</b>	<ul style="list-style-type: none"> <li>Inclusive of all liens regardless of position</li> <li>Applies to all mortgages on all financed properties</li> <li>Follow DU Approve/Eligible</li> </ul>		<ul style="list-style-type: none"> <li>Inclusive of all liens regardless of position</li> <li>Applies to all mortgages on all financed properties</li> <li>Follow LPA Accept               <ul style="list-style-type: none"> <li>If there are mortgage late payments not on the credit report, the loan must be resubmitted to LPA to recognize the late payment or the loan is not eligible</li> </ul> </li> </ul>			
<b>26. Borrower Contribution</b>		<b>Primary Residence</b>		<b>Second Home</b>		<b>Investment Property</b>
		$\leq$ 80% LTV	>80% LTV	$\leq$ 80% LTV	>80% LTV	All LTVs
	Borrower Investment	None	DU 1-unit: None DU 2-4 unit: 5% LPA none	None	5%	Full down payment
	Gifts	Yes	Yes	Yes	Yes	No
	LTV includes LTV/CLTV/HCLTV					
<b>27. Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>Permitted</li> <li>NewRez must approve the DPA for Non-Delegated Clients</li> </ul>					
<b>28. Seller Contributions</b>	<ul style="list-style-type: none"> <li>Primary Residence and Second Homes               <ul style="list-style-type: none"> <li>3% for LTV/CLTV &gt; 90%</li> <li>6% for LTV/CLTV &gt; 75% &amp; <math>\leq</math> 90%</li> <li>9% for LTV/CLTV <math>\leq</math>75%</li> </ul> </li> <li>Investment Properties               <ul style="list-style-type: none"> <li>2%</li> </ul> </li> </ul>					

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)	
29. Reserves	<ul style="list-style-type: none"> <li>Follow DU reserve requirements, including borrowers with multiple financed properties. See Rental Income for additional reserve requirements</li> <li>Cash out from Cash-out Refinance may not be used to meet the reserve requirements</li> </ul>	<ul style="list-style-type: none"> <li>Follow LPA reserve requirements, including borrowers with multiple financed properties. See Rental Income for additional reserve requirements</li> <li>Cash out from Rate &amp; Term Refinance and Cash-out Refinance may not be used to meet the reserve requirements</li> </ul>	
30. IRS Form 4506-C	<ul style="list-style-type: none"> <li>Prior to Underwriting (NewRez underwritten loans)               <ul style="list-style-type: none"> <li>Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.)</li> </ul> </li> <li>At Closing (all loans)               <ul style="list-style-type: none"> <li>4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing <b>even if DU Validation Service or LPA AIM waives the requirement</b></li> <li>4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification <b>even if DU Validation Service or LPA AIM waives the requirement</b></li> </ul> </li> </ul>		
31. Number of Financed Properties	<ul style="list-style-type: none"> <li>Primary Residence: No limitation</li> <li>Second Home &amp; Investment Properties               <ul style="list-style-type: none"> <li>Ten financed properties</li> <li>Min 720 credit score if borrower owns 7-10 financed properties</li> </ul> </li> <li>New multiple loans must be underwritten simultaneously</li> </ul>		
32. Appraisals	<ul style="list-style-type: none"> <li>Follow DU Approve/Eligible</li> <li>Appraisal Waiver               <ul style="list-style-type: none"> <li>Must be dated within four months from the DU offer date to the note date</li> <li>Not permitted if appraisal has already been obtained</li> </ul> </li> <li>Kansas Primary Residence               <ul style="list-style-type: none"> <li>A valuation is required for primary residences. One of the following may be used to determine value:                   <ul style="list-style-type: none"> <li>Most recent tax assessment value by county</li> <li>2055 Drive-by Appraisal Report</li> <li>NewRez approved AVM (CoreLogic, Freddie Mac HVE, Black Knight Collateral Analytics)</li> </ul> </li> <li>If the LTV exceeds 100%, a Kansas High Loan-to-Value Notice must be provided to the borrower not less than three days prior to closing and a copy of the valuation provided to the borrower</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Follow LPA Accept</li> <li>Automated Collateral Evaluation (ACE)               <ul style="list-style-type: none"> <li><b>LPA ACE+ PDR is not permitted</b></li> <li>Must be dated within 120 days from the LPA offer date to the note date</li> <li>Not permitted if an appraisal has already been obtained</li> </ul> </li> </ul>	
33. Escrow Waivers	<b>Escrow Waiver Eligibility</b>		
	<b>Primary Residence</b>	<b>Second Home</b>	<b>Investment Property</b>
	Max LTV ≤ 80% <ul style="list-style-type: none"> <li>CA: LTV &lt; 90%</li> <li>NM: LTV &lt; 80%</li> </ul>	Max LTV ≤ 80% <ul style="list-style-type: none"> <li>CA: LTV &lt; 90%</li> </ul>	All states LTV ≤ 80%
	<ul style="list-style-type: none"> <li>Escrows may not be waived for first-time homebuyer (FTHB) or borrowers who exhibit recent delinquencies</li> </ul>		

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	<ul style="list-style-type: none"> <li>FTHBs may be considered on a case-by-case basis with a demonstrated ability to save (reserves) and strong residual income</li> </ul>	
34. Power of Attorney	Not permitted on cash-out refi unless required by state law	Not permitted on cash-out refi unless required by state law
35. Principal Curtailment	A principal curtailment is permitted up to the lesser of 2% of the loan amount or \$2,500	
36. Home Ownership Education	<p><b>&gt;95% LTV/CLTV/HCLTV</b></p> <ul style="list-style-type: none"> <li>Purchase only</li> <li>Must be completed prior to the Note date</li> <li>At least one borrower must complete homebuyer education when all borrowers are first time homebuyers</li> <li>Document certificate of course completion</li> <li>The following types of homeownership education are acceptable:               <ul style="list-style-type: none"> <li>Third Party provider content aligned with the <a href="#">National Industry Standards (NIS) for Homeownership Education and Counseling</a></li> <li>Fannie Mae's free, online homeownership education course, HomeView, Modules 1 through 7</li> <li>Programs provided by HUD approved counseling agencies, Housing Finance Agencies or Community Development Financial Institutions</li> <li>Community Seconds program or other down payment assistance (DPA) requirement for completion of homeownership education or counseling provided by a <a href="#">HUD-approved counseling agency</a>. Housing counseling must have been completed prior to closing</li> </ul> </li> </ul>	<p><b>&gt;95% LTV/CLTV/HCLTV</b></p> <ul style="list-style-type: none"> <li>Purchase only</li> <li>Must be completed prior to the Note date</li> <li>Must not be provided by an interested party to the transaction, the Client or NewRez</li> <li>Document certificate of course completion</li> <li>The following types of homeownership education are acceptable:               <ul style="list-style-type: none"> <li>Freddie Mac's free financial literacy curriculum, CreditSmart Homebuyer U- with Certificate, provided:                   <ul style="list-style-type: none"> <li>Borrower completes on-line <a href="#">CreditSmart Homebuyer U- With Certificate</a> that includes modules 1 through 6</li> <li>CreditSmart is not provided by an interested party to the transaction, the Client or NewRez</li> <li>CreditSmart is not provided by an interested party to the transaction, the Client or NewRez</li> <li>Programs provided by HUD approved counseling agencies, Housing Finance Agencies or Community Development Financial Institutions</li> <li>Programs provided by mortgage insurance companies or other providers programs that meet the standards of the <a href="#">National Industry Standards for Homeownership Education and Counseling</a></li> </ul> </li> </ul> </li> </ul>
37. MI Eligible Providers	MI company must be acceptable to Fannie Mae and Freddie Mac	
38. Eligible Mortgage Insurance	<p>Borrower Paid Mortgage Insurance</p> <ul style="list-style-type: none"> <li>Monthly plans</li> <li>Annual plans</li> <li>Single-premium plan</li> <li>Financed MI</li> </ul>	

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	<ul style="list-style-type: none"> <li>○ 1-unit</li> <li>○ Primary residence and second homes</li> <li>○ Purchase and Rate &amp; Term Refinance</li> <li>○ MI coverage is based on LTV excluding financed premium</li> <li>○ LTV including financed premium may not exceed LTV limitations for product</li> <li>• Lender Paid Mortgage Insurance (LPMI)               <ul style="list-style-type: none"> <li>○ Client ordered (Lender Paid Single Premium (LPSP))                   <ul style="list-style-type: none"> <li>▪ MI coverage must be activated, and the premium must be remitted to the MI company prior to purchase by Newrez</li> <li>▪ Do not use LPMI product codes</li> </ul> </li> <li>○ Newrez ordered LPMI                   <ul style="list-style-type: none"> <li>▪ Newrez will order Mortgage Insurance</li> <li>▪ Single wide manufactured homes not eligible</li> <li>▪ Use one of the following product codes:                       <ul style="list-style-type: none"> <li>○ Y59 15 Yr Fannie/Freddie Fixed LPMI</li> <li>○ Y50 30 Yr Fannie/Freddie Fixed LPMI</li> <li>○ Y60 15 Yr Fannie Fixed High-Balance LPMI</li> <li>○ Y32 30 Yr Fannie Fixed High-Balance LPMI</li> <li>○ FF2 15 Yr Freddie Mac Eligible Fixed LPMI</li> <li>○ FF3 30 Yr Freddie Mac Eligible Fixed LPMI</li> <li>○ Y57 30 Yr Super Conforming LPMI Freddie Mac Eligible Fixed</li> </ul> </li> </ul> </li> <li>○ Lender Paid Disclosure must be provided to the borrower by the Correspondent Client</li> </ul> </li> </ul>	
<b>39. MI Ineligible Programs</b>	<ul style="list-style-type: none"> <li>• Lender annual plans</li> <li>• Lender-paid monthly plans</li> <li>• Reduced or custom mortgage insurance</li> <li>• Split-premium</li> </ul>	
<b>40. MI Coverage</b>	<ul style="list-style-type: none"> <li>• Private Mortgage Insurance is required for all loans &gt;80% LTV</li> <li>• Consult individual MI company guidelines</li> <li>• NY State: Use the appraised value to determine if mortgage insurance is required. If Mortgage Insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage</li> </ul>	
	<b>LTV</b>	<b>Standard Coverage</b>
	<b>Manufactured Housing and ARMs</b>	
	<b>Fixed Rate: &gt;20-year Term</b>	
	95.01% to 97%	35%
	90.01% to 95%	30%
	85.01% to 90%	25%
	80.01% to 85%	12%
	<b>Fixed Rate: ≤ 20-year Term</b>	
	95.01% to 97%	35%
	90.01% to 95%	25%
	85.01% to 90%	12%
	80.01% to 85%	6%

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41. Ineligible Programs	<ul style="list-style-type: none"> <li>• Fannie Mae HFA Preferred program</li> <li>• Fannie Mae Homestyle</li> <li>• Fannie Mae MH Advantage</li> <li>• Fannie Mae Rural High-Needs Appraisal Waiver (appraisal waiver with home inspection)</li> <li>• Freddie Mac CHOICEHome</li> <li>• Freddie Mac GreenCHOICE</li> </ul>	

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42. Version History		
Section	Update	Date
Ineligible States	Permit HI for all Clients	January 15, 2021
Ineligible Property Types	Manufactured housing not eligible in HI	
Incidental Cash Back	Added this information to product profile	February 1, 2021
Texas Owner Occupied Properties	Added Texas 50(f)(2) determination grid	March 15, 2021
Kansas High LTV	Added requirement for appraisal valuations in Kansas	March 15, 2021
Loan Terms	<ul style="list-style-type: none"> <li>• DU Approve second home and investment properties must be locked in Fannie/Freddie Fixed or FNMA ARM product code referenced below</li> <li>• LPA Accept second home or investment properties must be locked in a Freddie Mac Eligible or FHLMC product code referenced below</li> </ul>	March 15, 2021
Loan Terms	<ul style="list-style-type: none"> <li>• Fixed Rate: 10- to 30-year terms in annual increments</li> <li>• Removed Custom Loan Term information</li> </ul>	April 15, 2021
Eligibility Matrix	Cash-out Refi Credit Score-620	August 13, 2021
Ineligible Property Types	Remove Unique Properties as ineligible, Add Non-Warrantable Condos as ineligible	August 13, 2021
Ineligible States	New York is ineligible for NewRez Underwriting	November 12, 2021
Incidental Cash Back	Texas homestead properties subject to 50(a)(6) may not receive any (\$0) cash back at closing. Refer to Texas 50(a)(6) Product Profile	December 17, 2021
Texas Owner Occupied Properties	A copy of the current mortgage or note is required to determine if the terms are subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust) (Non-Delegated Clients only)	December 17, 2021
Texas Owner Occupied Properties	Added below in red <ul style="list-style-type: none"> <li>• An existing Texas Section 50(a)(6) loan (either first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(f)(2) loan secured by a lien against the homestead subject to the following:               <ul style="list-style-type: none"> <li>◦ Lender must provide the <i>Notice of Refinance of a Texas Home Equity Loan Pursuant to Subsection (f)(2)</i> no later than the third business day after the loan application date and at least 12 days prior to closing</li> </ul> </li> </ul>	December 17, 2021
Home Ownership Education	Added new Counseling information on or after January 1, 2022	December 17, 2021
Texas Owner Occupied Properties	Added Texas 50(f)(2) -An Interior and Exterior Appraisal Report is required	December 22, 2021
Eligibility Matrix	Add Credit Score Eligibility for DU	February 7, 2022
Eligibility Matrix	Update Fannie Mae Community Second information	April 21, 2022
	<ul style="list-style-type: none"> <li>• Update MH credit score to 620</li> <li>• When there are two or more borrowers, the minimum credit score is 580 with a DU Approve/Eligible               <ul style="list-style-type: none"> <li>◦ LPMI products require a minimum 620 credit score</li> </ul> </li> </ul>	April 21, 2022
Ineligible Property Types	Removed the below Ineligible Manufactured Home Property Types. These are now eligible <ul style="list-style-type: none"> <li>• Condo</li> </ul>	April 21, 2022

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	<ul style="list-style-type: none"> <li>• Leasehold</li> <li>• Hawaii</li> <li>• New Construction</li> <li>• Hobby Farm</li> <li>• Mixed Use</li> </ul> <p>Units located in a Mobile Home Park remain ineligible and have been moved to the Guide.</p>	
Homeownership Education	Added Fannie Mae's HomeView Modules 1 through 7.	April 21, 2022
Eligible Mortgage Insurance	Newrez ordered LPMI <ul style="list-style-type: none"> <li>• Single wide manufactured home not eligible</li> </ul>	April 21, 2022
ARM Information	Add 2.75 Margin	July 11, 2022
Appraisals	LPA ACE +PDR is not permitted	July 14,2022

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