



Conforming Home Possible Product Summary: Correspondent

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ELIGIBILITY MATRIX						
Excludes Manufactured Housing and Co-ops						
Units	Transaction Type	Occupancy	Credit Score ¹	Fixed Rate	ARM	DTI
				LTV/CLTV ²	LTV/CLTV	
1	Purchase Rate & Term Refi	Primary Residence	580	97%	95%	Per LPA
2				95%	95%	
3-4				95%	75%	
¹ LPMI products require a minimum 620 credit score						
² Max 105% CLTV with Affordable Second						
• Non-occupant co-borrower ○ Max 95% LTV/CLTV ○ 105% CLTV with Affordable Second • Super Conforming not permitted						

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MANUFACTURED HOUSING ELIGIBILITY MATRIX						
Units	Transaction Type	Occupancy	Credit Score ¹	Fixed Rate	ARM	DTI
				LTV/CLTV	LTV/CLTV	
1	Purchase Rate & Term Refi	Primary Residence	580	97% ²	95%	Per LPA
				95%		

¹LPMI products require a minimum 620 credit score

- CHOICEHome
 - Fixed Rate only
 - Multi-wide only
- Not permitted
 - Super Conforming
 - 5/6 ARM for all MH

²95.01%-97% LTV

- Freddie Mac Conforming Fixed Rate
- Must be CHOICEHome
- Credit Score: 620
- Maximum 105% CLTV with Affordable Second
- Rate & Term Refinance
 - Current mortgage being refinanced must be owned by Freddie Mac
 - Freddie Mac Loan Lookup tool
- The following are not permitted with LTV > 95%
 - Manufactured homes that are not CHOICEHome
 - Non-occupant co-borrower

CO-OP ELIGIBILITY MATRIX

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Units	Transaction Type	Occupancy	Credit Score ²	Fixed Rate	ARM	DTI
				LTV/CLTV ¹	LTVCLTV ¹	
1	Purchase Rate & Term Refi	Primary Residence	580	97% ³	95%	Per LPA

¹Freddie Mac: Subordinate financing permitted on primary residence only

²LPMI products require a minimum 620 credit score

³Non-occupant co-borrowers not permitted with an LTV>95%

Note: LPA findings of Ineligible in Purchase Eligibility field solely due to the transaction being a Cooperative Share Mortgage is eligible for sale to Newrez.

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TOPIC

- | | |
|--------------------------------------|--|
| 1. Loan Terms | 24. Non-Occupant Co-Borrower |
| 2. Product Codes | 25. Housing Payment History |
| 3. ARM Information | 26. Borrower Contributions |
| 4. Temporary Buydown | 27. Cash on Hand |
| 5. HPML | 28. Down Payment Assistance |
| 6. Net Tangible Benefit (NTB) | 29. Seller Contributions |
| 7. Loan Limits | 30. Reserves |
| 8. Eligible AUS Decision | 31. Sweat Equity |
| 9. Ineligible AUS Decisions | 32. Income Requirements and Limits |
| 10. Non-Traditional Credit | 33. Rental Income from Boarder |
| 11. Manual Underwrite | 34. Home Ownership Education/ Counseling |
| 12. Qualifying Rate | 35. Landlord Education |
| 13. Types of Financing | 36. IRS Form 4506-C |
| 14. Incidental Cash Back | 37. Number of Financed Properties |
| 15. Texas Owner-Occupied Properties | 38. Appraisals |
| 16. Properties Listed for Sale | 39. Escrow Waivers |
| 17. Eligible Subordinate Financing | 40. Power of Attorney |
| 18. Ineligible Subordinate Financing | 41. Principal Curtailment |
| 19. Occupancy | 42. MI Eligible Providers |
| 20. Eligible Property Types | 43. MI Eligible Programs |
| 21. Ineligible Property Types | 44. MI Ineligible Programs |
| 22. State Requirement | 45. MI Coverage |
| 23. Eligible Borrowers | 46. Revision History |

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TOPIC	GUIDELINES				
1. Loan Terms	- Fixed Rate: 10- to 30-year terms in annual increments - ARMs: 30-year term - Not permitted for manufactured housing				
2. Product Codes	HP10	Home Possible 10-year Fixed		JJ7	Home Possible 30-year Fixed LPMI
	HP15	Home Possible 15-year Fixed		2277	FHLMC Home Possible 5/6 SOFR ARM 2-1-5
	HP20	Home Possible 20-year Fixed		2278	FHLMC Home Possible 7/6 SOFR ARM 5-1-5
	II8	Home Possible 30-year Fixed		2279	FHLMC Home Possible 10/6 SOFR ARM 5-1-5
	JJ6	Home Possible 30-year Fixed with Affordable Second			
	2544	CHOICEHome Home Possible 15 Yr Fixed			
	2545	CHOICEHome Home Possible 20 Yr Fixed			
	2546	CHOICEHome Home Possible 30 Yr Fixed			
	2547	CHOICEHome Home Possible 30 Yr Fixed with Affordable Second			
	2565	Home Possible Plus 30-Year Fixed Rate			
	2566	Home Possible Plus 30- Year Fixed with Affordable Second			
3. ARM Information	ARM Plan IDs	5/6- #4927			
		7/6- #4928			
		10/6-#4929			
	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	Product	First	Subsequent	Lifetime
	Caps and	5/6	2%	1%	5%
	Adjustments	7/6	5%	1%	5%

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		10/6	5%	1%	5%
	Change Date	5/6	The first Change Date is the 61 st payment due date. Subsequent Change Dates are every six months thereafter		
		7/6	The first Change Date is the 85 th payment due date. Subsequent Change Dates are every six months thereafter		
		10/6	The first Change Date is the 121 st payment due date. Subsequent Change Dates are every six months thereafter		
	Conversion Option	Not available			
4. Temporary Buydown	Permitted for the following • Fixed Rate • 1-unit • Purchase transactions • Manufactured housing Not permitted with the following • 2–4-units • ARMs • Refinance transactions Eligible Buydown Plans • 1-0: payment will be calculated at 1.00% below the Note rate for payments 1-12 • 1-1: payment will be calculated at 1.00% below the Note rate for the first two years • 2-1: payment will be calculated at 2.00% below the Note rate for payments 1-12 and 1.00% below the Note rate for months 13-24 • 3-2-1: payment will be calculated at 3.00% below the Note rate for payments 1-12 and 2.00% below the Note rate for months 13-24 and 1.00% below the note rate for months 25 through 36				
5. HPML	• Permitted				

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	Primary residence transactions must maintain an escrow account for a minimum of five years
6. Net Tangible Benefit (NTB)	NTB is required for all refinance transactions - Delegated Clients are responsible for determining when Net Tangible Benefit must be met - Non-Delegated Client - AR, CT, IL MN, NC, NM, OH, and WA: All channels must complete the Generic NTB Test - CO, MA, MD, ME, RI, SC, VA, and WV: Complete the state specific forms as required by the state - CO requires NTB state specific forms to be completed for purchase transactions as well as refinance transactions - For all other states, no NTB test is required - Refer Newrez Net Tangible Benefit (NTB) Worksheets
7. Loan Limits	https://www.fanniemae.com/singlefamily/loan-limits https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limit.aspx
8. Eligible AUS Decision	LPA Accept per Freddie Mac guidelines - Enter loans into LPA using the “Offering Identifier” field found in the Mortgage Type and Loan Terms section. Must reflect Home Possible to obtain an LPA decision indicating eligibility for Home Possible Mortgage program - LPA certificate must state that the loan casefile is eligible for delivery as a Home Possible Mortgage loan - CHOICEHome: Must identify the property type as CHOICEHome in LPA
9. Ineligible AUS Decisions	LPA Caution
10. Non-Traditional Credit	See Section 1F.5 Nontraditional Credit in the Credit Section of the Underwriting Guide
11. Manual Underwrite	Not permitted
12. Qualifying Rate	- Fixed Rate: Note rate, including temporary buydown - ARM: 5/6 ARM: Greater of the Fully Indexed Rate or the Note Rate + 2% 7/6 and 10/6 ARM: Qualify at Note Rate for loans that are not HPML

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	Higher Priced Mortgage Loans (HPML) are not permitted due to the requirement to be manually underwritten.
13. Types of Financing	- Purchase Mortgage - Rate & Term Refinance (No Cash-out Refinance)
14. Incidental Cash Back	- Maximum incidental cash back to the borrower is the greater of 1% of the loan amount or \$2,000 - Texas homestead properties subject to 50(a)(6) may not receive any (\$0) cash back at closing. Refer to Texas 50(a)(6) Product Summary
15. Texas Owner-Occupied Properties	- 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 Summary - 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) - An existing Texas Section 50(a)(6) loan (either first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(a)(4) loan secured by a lien against the homestead subject to the following: - Max 80% LTV/CLTV 12-month seasoning for any Texas Section 50(a)(6) loan (first or second) - Cash back not permitted - No additional funds may be included in the loan amount (except closing costs and prepaids) - No new subordinate financing - If an appraisal waiver is offered, one of the following must be obtained (appraisal waiver not permitted on Texas 50(a)(4) - Newrez approved AVM (CoreLogic, Freddie Mac HVE, Black Knight Collateral Analytics) - Exterior-only Appraisal Report - Interior and Exterior Appraisal Report - 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

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	Texas 50(a)(4) Determination		
	New loan amount pays off existing lien and...	Existing lien is non-50(a)(6), the new lien is...	Existing lien is 50(a)(6), the new lien is...
	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(a)(4)
	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(a)(4)
	Funds, prepaids and/or closing costs	Non-Texas 50(a)(6)	Texas 50(a)(4)
	Pays off/down purchase money second	Non-Texas 50(a)(6)	Texas 50(a)(4)
	Pays off/down existing Secured Home Improvement loan (mechanic's lien)	Non-Texas 50(a)(6)	Texas 50(a)(4)
	Provides funds to satisfy a court-ordered divorce equity buyout (owelty lien)	Non-Texas 50(a)(6)	Texas 50(a)(6)
	- Borrower may elect to have loan remain a Texas 50(a)(6). Refer to Texas 50(a)(6) Product Summary - Once the borrower has completed a Texas 50(a)(4), any subsequent refinances of the homestead property may follow standard rate term refinance guidelines unless a cash-out refinance transaction		
16. Properties Listed for Sale	No restrictions		
17. Eligible Subordinate Financing	- Existing subordinate financing - New subordinate financing - Affordable Second		

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	- Loans underwritten by Newrez must be approved by Newrez prior to application - Product JJ6 Home Possible 30 year Fixed with Affordable Second only - Product 2566 Home Possible Plus 30 year Fixed with Affordable Second - Maximum 105% CLTV - May be used to fund all or part of the down payment or closing costs - Apply the more restrictive down payment requirement between the product and second mortgage - Income limits imposed by the Affordable Seconds provider apply - Manufactured homes eligible to 95% CLTV, unless CHOICEHome (97% LTV and 105% CLTV permitted)
18. Ineligible Subordinate Financing	- Seller seconds - Variable interest rate
19. Occupancy	Primary residence
20. Eligible Property Types	1-4 units - Condos - Must be reviewed by PRD (Non-Delegated Clients) - Co-ops - NYC: Five Boroughs (Bronx, Brooklyn, Manhattan, Queens, and Staten Island) and Nassau, Rockland, Suffolk, and Westchester counties - NJ: Bergen, Essex, and Hudson counties - IL: Cook county - Philadelphia County-Client must be approved - Must be reviewed by PRD and include a Project Submission Form and all required documents - Leasehold estates - Manufactured housing - Modular home - PUDs
21. Ineligible Property Types	- Condo hotels - Non-warrantable condos

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	• Properties with a C5 and C6 condition rating				
22. State Requirement	Minimum Loan Amount \$10,000 in the state of Michigan				
23. Eligible Borrowers	• U.S. citizens • Permanent resident alien • Non-permanent resident alien • Inter vivos revocable trust: Trusts must be reviewed by Newrez legal (Non-Delegated Clients) Newrez will not purchase loans from Principal/Owners of Newrez Correspondents.				
24. Non-Occupant Co-Borrower	• 1-unit only • Max LTV/CLTV/HCLTV ≤ 95% • 105% CLTV with Affordable Second • The non-occupant co-borrower may not be an interested party to the sales transaction (e.g., property seller, builder, real estate broker)				
25. Housing Payment History	• Inclusive of all liens regardless of position • Applies to all mortgages on all financed properties • Follow LPA Accept				
26. Borrower Contributions		1 Unit		2-4 Units	
		≤ 80% LTV	>80% LTV	≤ 80% LTV	>80% LTV
	Borrower Investment From Own Funds	None	None	None	3%
	Gifts permitted After Borrower Investment Met	Yes			
	LTV includes LTV/CLTV/HCLTV				
27. Cash on Hand	• The following requirements must be met:				

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	○ The borrower is a cash basis individual and that the cash on hand is not borrowed and could be saved by the borrower ○ The below documents are needed ▪ A completed Freddie Mac Exhibit 23 Monthly Budget and Residual Analysis Form or another document containing the same information, confirming that the total monthly residual income available for savings is a positive number ▪ Copies of six months cash receipts or acceptable alternative documentation to verify the recurring obligations, including the payment of revolving and installment debt, are customarily paid in cash ▪ The credit report must not show more than three trade lines ▪ Copies of three months statements for any open revolving account that reveal cash advances are not the source of borrower funds. Any cash advances must be explained and documented ▪ An updated credit report must be obtained one week prior to closing that does not show any new accounts or a substantial increase to an existing account that exceeds the amount of cash on hand provided by the borrower ▪ There must be no indication that the borrower typically uses checking, savings, or similar accounts ▪ Evidence that funds for the down payment, closing costs, prepaids and reserves are deposited in a financial institution or are held in an escrow account prior to closing
28. Down Payment Assistance	• Permitted • Newrez must approve the DPA for Non-Delegated Clients
29. Seller Contributions	• Primary Residence ○ 3% for LTV/CLTV > 90% ○ 6% for LTV/CLTV > 75% & ≤ 90% ○ 9% for LTV/CLTV ≤ 75%
30. Reserves	• Follow LPA reserve requirements • Gift funds may be used to meet reserve requirements • Rate & Term Refi: The cash out may not be used to meet reserve requirements
31. Sweat Equity	Not permitted

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32. Income Requirements and Limits	- Only the income used to qualify the borrowers must be included in the income limits - LPA will determine income eligibility (or see Income Eligibility by Census Tract Lookup tool): - Home Possible Low -Income Purchase: must not exceed 80% AMI for the subject property location - Home Possible Plus: Very Low-Income Purchase (VLIP) Loan Product Codes 2565 or 2566 - Purchase Only transactions; - One occupying borrower must be a First Time Homebuyer - Borrowers whose qualifying income is less than or equal to 50% of county area median income can qualify for a \$2,500 grant - The full amount of the-grant must be provided directly to the borrower and applied to down payment or closing costs, including escrows and mortgage insurance premiums - The \$2,500 grant may be used to offset the 3% contribution due from borrowers personal funds
33. Rental Income from Boarder	- Income from a boarder (related or non-related) can be included in the calculation of the borrower's stable monthly income if the following are met: 1-unit - The boarder is not obligated on the mortgage and does not have ownership interest in the property - The boarder is not the borrower's spouse or domestic partner - The boarder must have resided with, and paid rent to, the borrower for the last 12 months - The boarder will continue to reside with the borrower - Provide appropriate documentation to evidence residency with the borrower (e.g., copy of driver's license, monthly bills, bank statement that shows the boarder's address as being the same as the borrower's address) - Provide evidence of payment of rental payments (such as cancelled checks) to borrower for the last nine of the past 12 months. The income must be averaged over 12 months when fewer than 12 months of payments are documented

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	○ The amount of rental income may not exceed 30% of the total qualifying income for the mortgage ○ The borrower must provide a written statement affirming ▪ The source of rental income ▪ The fact that the person providing the rental income has resided with the borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future
34. Home Ownership Education/ Counseling	● Purchase transactions ○ Must be completed by at least one borrower when all occupying borrowers are first time homebuyers ○ Must be completed prior to the Note date ○ Must not be provided by an interested party to the transaction, the Client or Newrez ● The following types of homeownership education are acceptable ○ Programs provided by HUD approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) ○ Freddie Mac's free financial literacy curriculum, CreditSmart Homebuyer U- With Certificate ○ Borrower completes online CreditSmart Homebuyer U- With Certificate that includes modules 1 through 6 ○ Homeownership education programs provided by mortgage insurance companies or other providers programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling Completion of Form 1103 Form 1103 is the Supplemental Consumer Information Form (SCIF) (Form 1103) that must be included in the Mortgage file for new conventional Mortgages sold to Freddie Mac. The "Homeownership Education and Housing Counseling" section of the SCIF should be completed if required by the Mortgage program or product for which the Borrower has applied. The SCIF should be presented to at least one Borrower on the Mortgage to provide an opportunity for the Borrower to indicate the preferred language for completing the transaction; however, the Borrower is not obligated to complete it.

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35. Landlord Education	• Must be completed prior to the Note date • At least one borrower must participate in a landlord education program for a purchase transaction • Must not be provided by an interested party to the transaction, the Client or NewRez • Landlord Education is not required for refinance transactions, but it is recommended for borrowers who have not previously attended a program • Evidence of completion of the landlord education requirement must be retained in the mortgage file (certificate or letter from the provider)
36. IRS Form 4506-C	• Prior to Underwriting (NewRez underwritten loans) ○ Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.) • At Closing (all loans) ○ 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing even if LPA AIM waives the requirement ○ 4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification even if LPA AIM waives the requirement
37. Number of Financed Properties	• New multiple loans must be underwritten simultaneously • Maximum two financed properties including the subject property • Properties owned by non-occupant co-borrower are not included
38. Appraisals	• Follow LPA Accept • See 1J.4(g) and 1J.4(h) of the Underwriting Guide Appraisal Section for additional requirements that may apply • Kansas Primary Residence ○ A valuation is required for primary residences. One of the following may be used to determine value: ▪ Most recent tax assessment value by county ▪ 2055 Drive-by Appraisal Report ▪ NewRez approved AVM (CoreLogic, Freddie Mac HVE, Black Knight Collateral Analytics)

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	○ 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 *The above Kansas requirements do not apply to Supervised Lenders such as Banks and Credit Unions
39. Escrow Waivers	Escrow Waiver Eligibility • Max LTV ≤ 80% ○ CA: LTV ≤ 90% ○ NM: LTV < 80%
40. Power of Attorney	See Client Guide
41. Principal Curtailment	A principal curtailment is permitted up to the lesser of 2% of the loan amount or \$2,500
42. MI Eligible Providers	MI company must be acceptable to Freddie Mac
43. MI Eligible Programs	Borrower Paid Mortgage Insurance • Monthly plans • Single-premium plan • Split-premium (Upfront Premium Financing not permitted) • Financed MI ○ 1-unit ○ MI coverage is based on LTV excluding financed premium ○ LTV including financed premium may not exceed LTV limitations for product • Lender-Paid Mortgage Insurance ○ Client ordered ▪ Must be activated and remitted to MI company prior to purchase by Newrez ▪ Do not use LPMI product codes ○ Newrez ordered ▪ Newrez will order Mortgage Insurance ▪ Single wide manufactured homes not eligible

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	▪ Use product code JJ7 Home Possible 30 Year Fixed Rate LPMI ▪ Lender Paid Disclosure must be provided to the borrower	
44. MI Ineligible Programs	• Annual plans • Lender-paid monthly plans • Custom mortgage insurance	
45. MI Coverage	• Private Mortgage Insurance is required for all loans >80% LTV • Consult individual MI company guidelines • Use the lesser of the sales price or appraised value to determine the appropriate coverage ○ NY State: Use the appraised value to determine if mortgage insurance is required	
	LTV	Standard Coverage
	All ARMs, all Standard Manufactured Homes, all CHOICEHome and Fixed Rate >20-year Term	
	90.01% to 97%	25%
	85.01% to 90%	25%
	80.01% to 85%	12%
	Fixed Rate ≤ 20-year Term (No ARMs and no Manufactured Homes)	
	90.01% to 97%	25%
	85.01% to 90%	12%
	80.01% to 85%	6%

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46. Revision History		
Section	Update	Date
Escrow Waivers	Remove First Time Homebuyer information	1-15-2025 V25.1
No Borrower Has a Credit Score	Information removed to Guide	02.27.2025 V25.2
Not All Borrowers Have a Credit Score	Information removed to Guide	
Non-Traditional Credit	See Section 1F.5 Nontraditional Credit in the Credit Section of the Underwriting Guide	
Temporary Buydown	Added Manufactured Home as eligible	07.24.2025 V25.3
Co-op Grid	Added below to Co-op eligibility grid Note: LPA findings of Ineligible in Purchase Eligibility field solely due to the transaction being a Cooperative Share Mortgage is eligible for sale to Newrez.	08.28.2025 V25.4
Eligible Property Types	Marked Co-op States as Overlay	

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