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 Summaries, Seller Guide, and the appropriate underwriting guidelines.

Topic	Overlay	CONFORMING	FHA	VA	USDA
Amended Income Tax Returns Filed Prior to the Application Date	Amended tax returns filed prior to application are acceptable for underwriting purposes. Both the original filed return and the amended return are required. If the tax return was amended 60 days or less prior to the application, evidence of payment must also be provided.	X	X	X	X
Amended Income Tax Returns Filed After the Application Date	When amended tax returns are filed after the application date, due diligence must be exercised to determine the validity of the amended tax return. Examine the original tax return and the amended tax return for consistency with the previous filings to determine whether the use of the amended return is warranted. The following documentation should be reviewed when income from the amended return is required: • A letter of explanation regarding the reason for the re-file; • Evidence of filing; and • Payment and the ability to pay the tax if the check has not cancelled. The underwriter must provide justification and commentary regarding its use.	X	X	X	X
Appraisal Transfers	Transferred Hybrid or PDR (Property Data Report) appraisals are not permitted	X			
Assets Used for Qualifying Income	Freddie Mac Assets Used for Qualifying Income not permitted	X			
Assignment of Sales Contract	Not permitted	X	X	X	X
Attorney Opinion Letters	Attorney Opinion Letters in lieu of title insurance are not permitted	X			

Borrower's Social Security Number	Redaction or deletion of the borrower's SSN from all documents is not permitted	X			
Buydown Account and Funds	A split buydown is not permitted when the borrower pays for any portion of the funds	X	X	X	X
Community Seconds & Affordable Seconds	Provider's Share in Appreciation in Value (Equity Sharing) is not permitted	X			
	Reporting requirements for the servicing of the loan are not permitted	X			
Completion Reports	DU Only: Ineligible completion reports: • Alternative methods, such as virtual inspections, digital photos, site videos, or other technological solutions. • All completion documentation must include one or more visually verifiable exhibits. A link to the digital exhibits from within the form is acceptable by the agencies for the life of the loan. These exhibits must be unaltered and able to be authenticated using metadata and the geocode for the subject property.	X			
Condominiums	Condominiums with a CPM status of Unavailable or with a CPA status of Not Eligible are not eligible for purchase unless issues are resolved.	X			
Cooperative (Co-op)-Eligible Locations	• 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 All other states are ineligible	X			
Dual Capacity	The Loan Officer may not act as the Realtor in a single transaction	X	X	X	X
Certificate of Eligibility	The Certificate of Eligibility (COE) must be dated within six (6) months of the application			X	
Credit Inquiries	Any material inquiry within the last 90 days requires a letter of explanation unless AUS identifies as not required			X	
Credit Scores	Borrowers with no credit score are not permitted unless DU Approve/Eligible and LPA Accept Eligible	X			
	Minimum Credit Score 580 with DU approve eligible or LPA accept eligible	X			
Credit Scores, LTV/CLTV & DTI	AUS • Purchase Manual Underwrite • Purchase		X		

<table>
<tr><td></td><td>○ Credit score: 580
○ CLTV: 105%
• Rate & Term and Simple Refi
○ Credit score: 580
• Cash-out Refi
○ Credit score: 580</td><td>○ Credit score: 580
○ CLTV: 105%
• Rate & Term and Simple Refi
○ Credit score: 600
• Cash-out Refi
○ Credit score: 600
Streamline Refinance
• Credit Qualifying
○ Credit Score: 580
• Non-Credit Qualifying
○ Credit Score: 580
○ Max 105/125 LTV/CLTV</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="2">• Purchase AUS
○ 720 to $2,500,000 to 95% LTV/CLTV to 45% DTI
○ 720 to $2,000,000 to 100% LTV/CLTV to 55% DTI
○ 700 to $2,000,000 to 100% LTV/CLTV to 45%DTI
○ 720 to $1,500,000 to 100% LTV/CLTV
○ 680 to $1,500,000 to 100% LTV/CLTV to 55%DTI
○ 680 to $1,000,000 to 100% LTV/CLTV
○ 580 to $1,000,000 to 100% LTV/CLTV to 55% DTI
○ 580 to $650,000 to 100% LTV/CLTV
○ Manufactured Homes
▪ 580 to $1,000,000 to 100% LTV/CLTV to 55% DTI
▪ 580 to $650,000 to 100% LTV/CLTV
• Purchase Manual Underwrite
○ 700 to $1,500,000 to 100% LTV/CLTV to 55% DTI
○ 580 to $1,000,000 to 100% LTV/CLTV to 55% DTI
○ Manufactured Homes
▪ 580 to $1,000,000 to 100% LTV/CLTV to 55% DTI

• Cash-out Refi AUS
○ 720 to $2,500,000 to 95% LTV/CLTV to 45% DTI
○ 720 to $2,000,000 to 100% LTV/CLTV to 55% DTI
○ 700 to $2,000,000 to 100% LTV/CLTV to 45% DTI
○ 720 to $1,5000,000 to 100% LTV/CLTV</td><td></td><td></td><td>X</td><td></td></tr>
</table>

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	○ 680 to \$1,500,000 to 100% LTV/CLTV to 55%DTI ○ 680 to \$1,000,000 to 100% LTV/CLTV ○ 580 to \$1,000,000 to 100%LTV/CLTV to 55% DTI ○ 580 to \$650,000 to 100% LTV/CLTV ▪ Fixed Rate: LTV > 90% available for only 360-month term ▪ ARM: Maximum LTV ≤ 90% ○ Manufactured Homes ▪ Primary Residence • 580 to \$1,000,000 to 90% LTV/CLTV to 55% DTI • 580 to \$650,000 to 90% LTV/CLTV • Cash-out Refi Manual Underwrite ○ 700 to \$1,500,000 to 100% LTV/CLTV to 55% DTI ○ 580 to \$1,000,000 to 90% LTV/CLTV to 55% DTI ▪ Fixed Rate: LTV > 90% available for 360-month term ▪ ARM: LTV ≤ 90% ○ Manufactured Homes ▪ Primary Residence ▪ 580 to \$1,000,000 to 90% LTV/CLTV to 55% DTI IRRRL • Non-Credit Qualify ○ 720 to \$2,500,000 to 105/125 LTV/CLTV ○ 700 to \$2,000,000 to 105/125 LTV/CLTV ○ 680 to \$1,500,000 to 105/125 LTV/CLTV ○ 580 to \$1,000,000 to 105/125 LTV/CLTV ○ Manufactured Home ▪ Primary Residence ▪ 580 to \$1,000,000 to 105/125 LTV/CLTV • Credit Qualify ○ 720 to \$2,500,000 to 105/125 LTV/CLTV to 45% DTI ○ 720 to \$2,000,000 to 105/125 LTV/CLTV to 55% DTI ○ 700 to \$2,000,000 to 105/125 LTV/CLTV to 45% DTI ○ 680 to \$1,500,000 to 105/125 LTV/CLTV to 45% DTI ○ 580 to \$1,000,000 to 105/125 LTV/CLTV to 55% DTI ○ Manufactured Homes				

	▪ Primary Residence ▪ 580 to $1,000,000 to 105/125 LTV/CLTV to 55%				
	USDA Manual Underwrite • Purchase and Standard Rate & Term (Non-Streamlined) Refinance: 600 • Streamlined Refinance: 600				X
DU Validation Service Report	DU only: 12-month asset verification report required in file	X			
LPA Rent Payment History Enhancement	LPA only: Rent Payment History Enhancement (Borrower Provided Documentation) is not permitted	X			
Ineligible Income	Employment or Ownership in a Cannabis Business is not permitted	X	X	X	X
Employment After the Note Date	The employment start date must be within 90 days of the Note date.			X	
	Fannie Mae Option 2- paystub not obtained before loan delivery not permitted	X			
Escrow Repairs	Borrower not permitted to complete interior or exterior structural repairs for an existing dwelling.				X
Escrow Waivers	Not permitted **Note:** If the Veteran is 100% exempt from real estate taxes, supported by file evidence, an escrow for real estate taxes is not required.			X	
	Not permitted				X
Housing Choice Voucher Program (Section 8)	• Housing Choice Vouchers payments are only allowed if funds are sent directly to the borrower • The Housing Authority may not pay the mortgage lender directly	X	X	X	X
Ineligible Assets	Sweat equity	X		X	X
	HomeReady & Home Possible • Sweat equity	X			
Ineligible Borrowers	Borrowers living in the U.S. under Deferred Action for Childhood Arrivals (DACA) Refer to the Underwriting Guide for Non-Permanent Resident Alien overlays	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
Ineligible Programs	• Fannie Mae HomeReady First • Fannie Mae HFA Program • Fannie Mae High LTV Refinance • Fannie Mae HomePath loans which exercise flexibilities for IPCs and/or LLPAs are not eligible • Fannie Mae HomeStyle Renovation • Fannie Mae HomeStyle Energy • Fannie Mae Rural High-Needs Waiver • Freddie Mac Enhanced Relief Refinance • Freddie Mac GreenCHOICE • Freddie Mac Home Possible Super Conforming • Heritage One Mortgages • HFA Preferred Advantage Program • HPML not permitted for 7/6 and 10/6 ARMs due to the requirement to be manually underwritten	X			
	• 203(k) Rehabilitation Mortgage • Good Neighbor Next Door • Graduated Payment Mortgage (GPM) • Growing Equity Mortgages (GEM) • Hope for Homeowners • HFA Programs • HUD REO $100 Down Program • Indian Reservations (Section 184 for Streamline Refinances and 248) • Section 247 Hawaiian Homelands		X		
	• Farm Residence Loans • Graduated Payment Mortgage GPM) • Growing Equity Mortgages (GEM) • High-Cost Loans • Higher-Priced Mortgage Loans (HPML) • Specially Adapted Housing • Supplemental Loans			X	

	• Graduated Payment Mortgage GPM) • Growing Equity Mortgages (GEM) • Repair and Rehabilitation Loan • Rural Energy Plus				X
Ineligible Properties	• Co-ops		X	X	X
	• 3D printed homes • Barndominiums • Community Land Trust • Container homes • Native American/Tribal Lands • Shouses • Tiny homes	X	X	X	X
	• Properties appraised with C5 condition rating	X			
	• Properties with Individual Purification Water Systems		X		
Ineligible Financing of Properties located in US Territories	Fannie Mae and Freddie Mac • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands	X			
	FHA • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands • American Samoa		X		
	VA • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands • American Samoa			X	
	USDA • Puerto Rico • Guam • US Virgin Islands				X

	• Commonwealth of Northern Mariana Islands • American Samoa • Federated States of Micronesia • Republic of Marshall Islands				
Ineligible Resale Restrictions	Newrez will not purchase loans with any of the following resale restrictions • Resale restrictions that survive foreclosure or deed-in-lieu of foreclosure, including down payment assistance programs if they contain a resale restriction that survives foreclosure; • Resale restrictions with shared equity	X			
IRS Form 4506 C	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			
Lender Funded Grant	Newrez will not provide a lender-funded grant	X			
Loan Amount	• Maximum $806,500 loan amount for Continental U.S. • Maximum $1,209,750 loan amount for Hawaii				X
	Maximum $2,500,000 loan amount			X	
Manufactured Housing	Manufactured home condominiums require Fannie Mae PERS approval	X			
	• A manufactured home is ineligible with deed restrictions or leasehold unless PERS approved CONDO or PUD Project (DU) • A manufactured home is ineligible with Leasehold (LPA)	X			
	• A manufactured home is ineligible with deed restrictions		X		
	• A manufactured home CONDO is ineligible		X		
	Not permitted • Leasehold estate				X
Military Owner Occupancy	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			
Mortgage Credit Certificates	Payment must be made to the borrower and not the servicer	X	X	X	X
Mortgage Insurance	• Standard coverage is required • Minimum or custom mortgage insurance coverage (with LLPAs) is not permitted	X			
Mortgage Interest Differential (MID)	Payment must be made to the borrower and not the servicer	X	X	X	X

Mortgage Seasoning (Forbearance and Modified Loans)	For existing mortgages that have been modified, the first payment due date of new mortgage must be on or after the later of: • The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced; or • The date on which six modified payments have been made on the mortgage being refinanced.		X		
	For refinance of modified mortgages, the Note date of the new loan must be on or after the later of: • The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced; or • The date on which six modified payments have been made on the mortgage being refinanced.			X	
	A borrower who has deferred mortgage payments as result of recent forbearance plan 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				X
New Construction	Self-built homes and borrower acting as own contractor	X	X	X	
Non-Arm's Length Transactions	See Underwriting Guide section 1B.1(b) for Overlays	X			
Nontraditional Credit	• Conforming Loans not permitted unless DU Approve/Eligible and LPA Accept	X			
	• VA Loans-Follow FHA Nontraditional Guidelines			X	
Owner of Record and Chain of Title	• Transactions involving any sale or assignment of sales contract are not permitted • Transactions involving double escrows are not permitted	X	X	X	X
Paystubs	If the employer does not provide a computer-generated or typed paystub, the most recent years' income tax returns or tax transcripts are required with a written verification of employment completed in its entirety	X	X	X	X
Power of Attorney	The use of a Power of Attorney is not permitted on an FHA cash-out refinance		X		
	• Ineligible Agents-Any real estate agent with a financial interest in the transaction (or any person affiliate with such real estate agent) (Freddie Mac) ○ Fannie Mae does not allow the real estate agent as a POA so it is not an overlay	X		X	

Principal Curtailment	A principal curtailment is permitted up to the lesser of 2% of the loan amount or $2,500 (rate and term refinances)	X			
	FHA Refinances: Maximum principal curtailment is $500		X		
	IRRRL: Maximum principal curtailment is $500			X	
Private Transfer Fees	Properties encumbered with private transfer fees not permitted.	X	X	X	X
Purchase Loan Restrictions	Loans originated with an agency variance or term of business are ineligible for purchase	X			
Shared Appreciation/Shared Equity	Not permitted	X			
Single Close Construction to Permanent Transaction	LPA not permitted	X			
Single Close Modification of Note	Not permitted				X
Tax Deferred Exchange	A complete copy of the fully executed exchange agreement is required	X			
Temporary Buydown	Temporary Buydowns must have a loan term of 240 or greater		X	X	
Texas Home Equity Refinance	A refinance transaction that is subject to Texas Home Equity Section 50(a)(6) is not permitted		X	X	X
Underwriting	Manual Underwrite not permitted	X			
VA IRRRL LTV/CLTV	105%/125%			X	
VA Refinance Transactions	All VA refinance transactions must include a copy of the original Note and most recent mortgage statement of the loan being refinanced. If the original Note is not available, reasonable alternatives can be considered to validate the loan being paid off was not subject to a recent modification			X	
Verbal Verification of Employment (VVOE)	Verbal Verification of Employment (VVOE) Alternatives: Paystubs and/or bank statements dated within 15 days of the Note are not permitted	X			
HUD Section 184					

Credit Score	620				
Temporary Buydown	Temporary Buydowns must have a loan term of 240 or greater				
Ineligible Property Types	Leasehold (Tribal lands)				
Ineligible Programs	Streamline Refinances				
FHA 203(h)					
AUS	Approve/Eligible FICO 580-639: Maximum DTI 50%				
Credit Score	Minimum 580 credit score				
Product Type	Fixed Rate Only				
Refer and Manual UW DTI	DTI >45%: gifts not permitted				
Subordinate Financing	Subordinate financing not permitted				
Transaction Type	Purchase				
Additional Overlays for Non-Delegated Correspondents					
Business Assets	Business assets may be used if all the following is provided: • A letter from the accountant on letterhead confirming the borrower's authority to remove funds from the business for personal use • Any impact the withdrawal will have on the business cash flow and financial position • Copy of business check and deposit into borrower's personal account; and • Business tax returns must be in the loan file.			X	
Condo Approval	The condo project must have an unexpired FHA approval. Newrez will not issue a DELRAP approval		X		
Deed/Resale Restrictions	Must be approved by Newrez prior to loan approval	X	X	X	X
Employment by Family Member	• Most recent year-to-date paystub • Most recent two years' W-2s • Most recent two years' individual income tax returns		X	X	
Energy Efficient Mortgages (EEM)	Not permitted		X	X	X
Employment After the Note Date	The employment start date must be within 90 days of the Note date			X	

Ineligible Properties	Texas rural properties with more than 25 acres	X			
IRS Form 4506-C	IRS Form 4506-C must be signed prior to underwriting for borrowers whose income is documented with tax returns	X	X	X	X
Manufactured Housing	• Units located in a condo project not permitted • Newly constructed units not permitted				X
Project Review	Project Review Department (PRD) will review condo projects for eligibility	X	X		X
Refreshed Credit Report	Obtain a single repository refreshed credit report as close to closing as possible but within ten days of closing	X			
Review by Legal	Living Trust (Inter Vivos Revocable Trust) must be approved by legal	X	X	X	X
Single Modification of Note	Not permitted	X	X	X	X
Solar and Wind Technologies	Not permitted		X		
Tax Transcripts	Newrez requires tax transcripts prior to loan closing				X
TBD/Conditional Approval	Not permitted		X	X	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		
Weatherization	Not permitted		X		

Revision History		
Section	**Update**	**Date**
Loan Amount	Updated USDA Loan Limits	01.06.2025 V25.1
First Time Homebuyer **Escrow Waivers**	Removed from Overlay Matrix	01.15.2025 V25.2
Escrow Waivers	USDA not permitted	01.30.2025 V25.3

Non-Delegated Correspondents	USDA Tax Transcripts- Newrez requires tax transcripts prior to loan closing	
Owner of Record and Chain of Title	• Transactions involving any sale or assignment of sales contract are not permitted • Transactions involving double escrows are not permitted	02.27.2025 V25.4
Ineligible Income	Employment or Ownership in a Cannabis Business is not permitted	
LPA Rent Payment History Enhancement	LPA only: Rent Payment History Enhancement (Borrower Provided Documentation) is not permitted	03.03.2025 V25.5
Ineligible Programs	Added Fannie Mae HomeStyle Energy	03.27.2025 V25.6
Certificate of Eligibility	VA update: The Certificate of Eligibility (COE) must be dated within six (6) months	
Temporary Buydown	FHA, VA and HUD 184-Temporary Buydowns must have a loan term of 240 or greater	

HID Section 184	Added this section to Overlay Matrix with below Overlays • Credit Score:620 • Temporary Buydown must have a loan term of 240 or greater • Ineligible Property Types-Leasehold (Tribal lands) • Ineligible Programs-Streamline Refinances	
FHA 203(h)	Added to Overlay Matrix with below Overlays • AUS-Approve/Eligible FICO 580-639: Maximum DTI 50% • Credit Score- Minimum 580 credit score • Product Type-Fixed Rate Only • Refer and Manual UW DTI- DTI >45%: gifts not permitted • Subordinate Financing- Subordinate financing not permitted • Transaction Type- Purchase	04.29.2025 V25.7
Manufactured Housing	Updates to FHA • A manufactured home is ineligible with deed restrictions • A manufactured home CONDO is ineligible	5.20.2025 V25.8
Certificate of Eligibility	Added: The Certificate of Eligibility (COE) must be dated within six (6) months of the application	06.03.2025 V25.9

Ineligible Territories	Fannie Mae and Freddie Mac • Puerto Rico • Guam • US Virgin Islands FHA and USDA • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands • American Samoa VA • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands • American Samoa	07.24.2025 V25.10
Condominium	For Fannie Mae and Freddie Mac-Condominiums with a CPM status of Unavailable or with a CPA status of Not Eligible are not eligible for purchase unless issues are resolved.	
Ineligible Borrowers	Citizens of US Territories and Federated States	

Ineligible Borrowers	Removed Citizens of US Territories and Federated States	08.28.2025 V25.11
Ineligible Financing of Properties located in US Territories	Added Commonwealth of Northern Mariana Islands to below list Fannie Mae and Freddie Mac • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands Added Federated States of Micronesia and Republic of Marshall Islands to below list USDA • Puerto Rico • Guam • US Virgin Islands • Commonwealth of Northern Mariana Islands • American Samoa • Federated States of Micronesia • Republic of Marshall Islands	
Cooperative (Co-op)-Eligible Locations	• 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 All other states are ineligible	
Completion Reports	DU Only: Ineligible completion reports: • Alternative methods, such as virtual inspections, digital photos, site videos, or other technological solutions.	

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