



Conforming Texas 50 (A)(6) Product Summary: Correspondent

Newrez overlays are identified with yellow highlighting

This document is a product summary; the Newrez Underwriting Guide must be referenced for complete underwriting guideline requirements

TEXAS 50(A)(6) ELIGIBILITY MATRIX						
FANNIE MAE DU AND FREDDIE MAC LPA						
Units	Transaction Type	Occupancy	Credit Score		LTV/CLTV	DTI
			DU	LPA		
1	Cash-out Refi	Primary residence	580	580	80%	Follow AUS
	Rate & Term Refi					

TEXAS 50(A)(6) ELIGIBILITY MATRIX MANUFACTURED HOUSING						
FANNIE MAE DU AND FREDDIE MAC LPA						
Units	Transaction Type	Occupancy	Credit Score		LTV/CLTV	DTI
			DU	LPA		
1	Cash-out Refi ¹	Primary residence	580 ²	580 ³	65%	Follow AUS
	Rate & Term Refi					

¹Cash-out-Refi:

- Must be multi-width

²MH Advantage

- Fannie Mae Conforming Fixed Rate
- Multi-wide and single-wide permitted
- Rate & Term Refinance Only
- Current mortgage being refinanced must be owned by Fannie Mae and verified via the Fannie Mae Lookup tool
 - [Fannie Mae Loan Lookup tool](#)

³CHOICEHome

- Freddie Mac Conforming Fixed Rate
- Multi-wide and single-wide permitted

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- Rate &Term Refinance Only
- Current mortgage being refinanced must be owned by Freddie Mac and verified via the Freddie Mac Lookup tool
 - Freddie Mac Loan Lookup tool

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| 2. Product Codes | 19. Occupancy |
| 3. Special Feature Codes (SFC)/Investor Feature Identifier (IFI) | 20. Eligible Property Types |
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	FANNIE MAE (DU)		FREDDIE MAC (LPA)	
1. Loan Terms	- Fixed Rate: 10- to 30-year terms in annual increments - Manufactured Housing - DU-Maximum 30-year term for cash-out refi - LPA-maximum 20-year term for cash-out refi			
2. Product Codes	X35	10 Yr Fannie/Freddie Fixed Texas Home Equity	FF4	10 Yr Freddie Mac Eligible Fixed Texas Home Equity
	471	15 Yr Fannie/Freddie Fixed Texas Home Equity	FF5	15 Yr Freddie Mac Eligible Fixed Texas Home Equity
	X45	20 Yr Fannie/Freddie Fixed Texas Home Equity	FF6	20 Yr Freddie Mac Eligible Fixed Texas Home Equity
	472	30 Yr Fannie/Freddie Fixed Texas Home Equity	FF7	30 Yr Freddie Mac Eligible Fixed Texas Home Equity
	2567	MH Advantage TX Home Equity 15 Year	2570	CHOICEHome TX Home Equity 15 Year
	2568	MH Advantage TX Home Equity 20 Year	2571	CHOICEHome TX Home Equity 20 Year
	2569	MH Advantage TX Home Equity 30 Year	2572	CHOICEHome TX Home Equity 30 Year
3. Special Feature Codes (SFC)/Investor Feature Identifier (IFI)	N/A			
4. Temporary Buydown	Not permitted			

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
5. QM Rebuttable Presumption/ HPML	HPML loans not permitted	
6. Net Tangible Benefit	Not required	
7. Loan Limits	https://www.fanniemae.com/singlefamily/loan-limits https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx	
8. Eligible AUS Decisions	DU Approve/Eligible per Fannie Mae guidelines	LPA Accept per Freddie Mac guidelines
9. Ineligible AUS Decisions	• DU Approve/Ineligible • DU Refer with Caution • LPA Caution	
10. Manual Underwrite	Not permitted	
11. Qualifying Rate	Note Rate	
12. Ratios	Follow DU Approve/Eligible	Follow LPA Accept
13. Types of Financing	• Rate & Term Refinance (Limited Cash-out Refinance) • Cash-out Refinance	• Rate & Term Refinance (No Cash-out Refinance) • Cash-out Refinance
14. Texas Home Equity Restrictions	• Non-Delegated Clients -A copy of the current mortgage or note is required to determine whether the terms are subject to Texas Section 50(a)(6) (aka Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust) • Payoff of an existing Texas Section 50(a)(6) loan (first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(a)(4) loan if there is no cash out from the first mortgage transaction and the LTV/CLTV does not exceed 80%. • Refer to the <u>Texas Home Equity Refinance Eligibility Matrix</u> to determine product eligibility	

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
	• There can only be one outstanding Texas Section 50(a)(6) loan on a property at any given time ○ If the borrower has an existing Texas Section 50(a)(6) second lien and is getting cash out from the first mortgage, that lien must be paid off • 12-month seasoning for any Texas Section 50(a)(6) loan (first or second mortgage) • Premium pricing is permitted if disclosed to the borrower at time of initial application • 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	
15. Fee Caps	• Total fees paid by the borrower (excluding prepaids) cannot exceed 2% of the loan amount. • The 2% cap includes fees paid to the lender, broker or any third party, excluding appraisal, property survey, title insurance premiums, and title examination. • If closing costs are greater than 2%, reduce fees prior to closing. Refunds to the borrower are permitted	
	Subject to the 2% Cap	Not subject to the 2% Cap

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
	• Administrative fees • Appraisal – portion of appraisal fee paid to affiliate • Assignment fees • Attorney file review fees • Broker fees • Closing fees • Commitment fees • Courier fee/Express mail fees • Credit Life Insurance required by the lender • Doc prep fees (may be changed only by a Texas licensed attorney) • Escrow waiver fees • Flood certification • Mortgage insurance • Origination fees • Pest infection fees • Processing fees • Property tax certification fees • Property tax service fees • Recording fees • Title company escrow fees • Title examination or search • Valid discount points used to buy down the interest rate, (suggest written buy down request from the borrower)	• Appraisal – portion of appraisal fee paid to non-affiliate • Discount points (if legitimate and bona fide) • Fees based on the failure of the borrower to live up to contractual obligations (for example, force-placed insurance, returned check charges, debt collection costs, late fees, foreclosure costs) • Flood insurance • HOA maintenance fees • Interest • Optional charges paid by the owner of the property (or his/her spouse) at his/her sole discretion that are not required by the lender (Lenders should exercise caution when relying on this exception) • Property insurance • Property taxes • Survey preformed by state licensed or registered surveyor • Title endorsements

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
	- Underwriting fees - Warehouse fees	
16. Properties Listed for Sale	- Property must be taken off the market before the disbursement date - Borrower provides written confirmation of intent to occupy if primary residence	NA
17. Eligible Subordinate Financing	Existing subordinate liens not paid off with the new Texas 50(a)(6) loan are permitted provided that:	

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
	the subordinated second mortgage is not subject to Texas 50(a)(6) loan (verification is required- the title company must obtain a copy of the security instrument)	
18. Ineligible Subordinate Financing	- HELOC - New subordinate financing - Third liens	
19. Occupancy	Primary residence (borrower's Homestead property)	
20. Eligible Property Types	1-unit - Condos: Must be reviewed by PRD (Non-Delegated Clients) - Leasehold estates - Manufactured housing - Modular homes - PUDs	
21. Ineligible Property Types	2-4 units - Agricultural zoning - Condo hotels - Co-ops - Non-warrantable condos - Properties with a C5 and C6 condition rating	
22. Acreage Requirements	- Acreage requirements - If adjacent property is owned, the file must show that the subject property is a separate parcel and does not include the additional lot - Urban Property - Maximum 10 acres, and - The municipality provides police and fire protection (paid or volunteer) and 3 of the following services - Electric	

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
	• Natural gas • Sewer • Storm sewer • Water ○ <u>Rural Property</u> • Property is considered rural if the municipality does not provide police and fire protection or any of the above services • Maximum 100 acres (Delegated Clients only) • Maximum 25 acres (Non-Delegated Clients) • If the definition of a rural property cannot be met and there is an excess of 10 acres, all acreage exceeding 10 acres must be subdivided or the loan is ineligible	
23. Eligible Borrowers	• US citizens • Permanent resident alien • Non-permanent resident alien • Inter vivos revocable trust: Trust must be reviewed by Newrez legal for Non-Delegated Clients Newrez will not purchase loans from Principal/Owners of Newrez Correspondents.	
24. Non-Occupant Co-Borrower	Not permitted; all borrowers must occupy subject property	
25. Housing Payment History	• Inclusive of all liens regardless of position • Applies to all mortgages on all financed properties • Follow DU Approve/Eligible	• Inclusive of all liens regardless of position • Applies to all mortgages on all financed properties • Follow LPA Accept
26. Reserves	Follow DU Approve/Eligible • Cash-out Refinance: Cash out may not be used to meet the reserve requirements	Follow LPA Accept

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	FANNIE MAE (DU)	FREDDIE MAC (LPA)
		Rate & Term and Cash-out Refinance: Cash out may not be used to meet the reserve requirements
27. 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) signed at closing even if DU Validation Service or LPA AIM waives the requirement 4506-C for the business tax return transcript(s) signed at closing when the business returns are used for qualification even if DU Validation Service or LPA AIM waives the requirement	
28. Maximum Financed Properties	- Primary Residence: No limitation - New multiple loans must be underwritten simultaneously	
29. Appraisal	- Interior and Exterior Appraisal Report required - Re-use of an appraisal report not permitted	
30. Escrow Waivers	Permitted	
31. Principal Curtailment	A principal curtailment is permitted up to the lesser of 2% of the loan amount of \$2,500	
32. Power of Attorney	Not permitted	
33. Ineligible Programs	- Fannie Mae Homestyle - Fannie Mae Rural High-Needs Appraisal Waiver (appraisal waiver with home inspection) - Freddie Mac GreenCHOICE	

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34. Version History		
Section	Update	Date
Loan Terms	- Manufactured Housing: - DU-Maximum 30-year term for cash-out refi	02.28.2024 V24.1
Eligibility Matrix	Added Singlewide not permitted for Cashout Manufactured Homes	
Product Codes	Added product codes for MH Advantage and CHOICEHome	04.10.2024 V24.2
Manufactured Home Eligibility Grid	Added MH Advantage and CHOICEHome	
Ineligible Programs	Removed MH Advantage and CHOICEHome	
Manufactured home Eligibility Grid	Added Singlewide permitted to MH Advantage and CHOICEHome	09.25.2025 V25.1
Eligibility Matrices	Removed DU requires a minimum 620 credit score when there is one borrower on the loan	11.16.2025 V25.2

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