



## Correspondent Government Overlay Matrix

This document provides a comprehensive summary of the Company’s guideline overlays to government loan requirements across Correspondent Channels. It serves as a reference tool alongside product summaries and agency guidelines, detailing specific overlays and restrictions that supplement standard eligibility criteria. The document excludes credit score, LTV/CLTV, and DTI overlays, which are detailed separately in product summaries.

[Link to FHA Handbook 4000.1](#)

Topic	Overlay	FHA	VA	USDA
<b>Adjustable-Rate Mortgage (ARM)</b>	3/1, 7/1 and 10/1 ARMs not permitted	X	X	
<b>Alternative Valuation</b>	VA Assisted Appraisal Processing Program (AAPP) not permitted		X	
<b>Amended Income Tax Returns Filed Prior to the Application Date</b>	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
<b>Amended Income Tax Returns Filed After the Application Date</b>	<p>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.</p> <p>The following documentation should be reviewed when income from the amended return is required:</p> <ul style="list-style-type: none"> <li>• A letter of explanation regarding the reason for the re-file;</li> <li>• Evidence of filing; and</li> <li>• Payment and the ability to pay the tax if the check has not cancelled.</li> </ul> <p>The underwriter must provide justification and commentary regarding its use.</p>	X	X	X

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<b>Assignment of Sales Contract</b>	Not permitted	X	X	X
<b>Buydown Account and Funds</b>	A split buydown is not permitted when the borrower pays for any portion of the funds	X	X	X
<b>Dual Capacity</b>	The Loan Officer may not act as the Realtor in a single transaction	X	X	X
<b>Certificate of Eligibility</b>	The Certificate of Eligibility (COE) must be dated within six (6) months of the application		X	
<b>CLTV Maximum</b>	USDA: Maximum CLTV 100%			X
<b>Credit Inquiries</b>	Any material inquiry within the last 90 days requires a letter of explanation unless AUS identifies as not required		X	
<b>Credit Scores, LTV/CLTV &amp; DTI</b>	Refer to product summaries	X	X	X
<b>Employment/ Ownership</b>	Employment or Ownership in a Cannabis Business is not permitted	X	X	X
<b>Employed by a Family Member</b>	If the paystub is not computer generated, the accountant must provide a signed payroll ledger	X		
<b>Escrow Repairs</b>	Borrower not permitted to complete interior or exterior structural repairs for an existing dwelling.			X
<b>Escrow Waivers</b>	Not permitted		X	
	<b>Note:</b> If the Veteran is 100% exempt from real estate taxes, supported by file evidence, an escrow for real estate taxes is not required. Not permitted			X
<b>Housing Choice Voucher Program (Section 8)</b>	<ul style="list-style-type: none"> <li>Housing Choice Vouchers payments are only allowed if funds are sent directly to the borrower</li> <li>The Housing Authority may not pay the mortgage lender directly</li> </ul>	X	X	X
<b>Ineligible Assets</b>	Sweat equity	X	X	X
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>Borrowers without a valid Social Security Number. ITINs are not permitted.</li> <li>Principals/Owners of Correspondents are not eligible</li> </ul>	X	X	X

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<b>Ineligible Programs</b>	<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>• HFA Programs</li> <li>• HUD REO \$100 Down Program</li> <li>• Indian Reservations (Section 184 for Streamline Refinances and 248)</li> <li>• Section 247 Hawaiian Homelands</li> <li>• <b>Home Equity Conversion Mortgage (HECM)</b></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>• High-Cost Loans</li> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• Specially Adapted Housing</li> <li>• Supplemental Loans</li> </ul>		X	
	<ul style="list-style-type: none"> <li>• Graduated Payment Mortgage GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• Repair and Rehabilitation Loan</li> <li>• Rural Energy Plus</li> <li>• <b>Single-Close Construction to Permanent</b></li> </ul>			X
<b>Ineligible Properties</b>	<ul style="list-style-type: none"> <li>• Co-ops</li> </ul>	X	X	X
	<ul style="list-style-type: none"> <li>• 3D printed homes</li> <li>• Barndominiums</li> <li>• Community Land Trust</li> <li>• Container homes</li> <li>• Native American/Tribal Lands</li> <li>• Shouses</li> <li>• Tiny homes</li> </ul>	X	X	X
	<ul style="list-style-type: none"> <li>• Properties with Individual Purification Water Systems</li> </ul>	X		

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	<b>Ineligible Financing of Properties located in US Territories</b> <b>FHA</b> <ul style="list-style-type: none"> <li>• Puerto Rico</li> <li>• Guam</li> <li>• US Virgin Islands</li> <li>• Commonwealth of Northern Mariana Islands</li> <li>• American Samoa</li> </ul>	X		
	<b>VA</b> <ul style="list-style-type: none"> <li>• Puerto Rico</li> <li>• Guam</li> <li>• US Virgin Islands</li> <li>• Commonwealth of Northern Mariana Islands</li> <li>• American Samoa</li> </ul>		X	
	<b>USDA</b> <ul style="list-style-type: none"> <li>• Puerto Rico</li> <li>• Guam</li> <li>• US Virgin Islands</li> <li>• Commonwealth of Northern Mariana Islands</li> <li>• American Samoa</li> <li>• Federated States of Micronesia</li> <li>• Republic of Marshall Islands</li> </ul>			X
<b>Ineligible Resale Restrictions</b> <ul style="list-style-type: none"> <li>• Resale restrictions that survive foreclosure</li> <li>• Resale Restrictions with shared appreciation</li> </ul> <p><b>Note:</b> Shared Appreciation is a program that creates affordability by providing down payment and/or closing cost assistance to the borrower in exchange for repayment of a loan and a share in any future appreciation of the property.</p>	X	X	X	
<b>Loan Amount</b>	<b>FHFA Conforming Limits</b>			X
	Maximum \$2,500,000 loan amount		X	
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>• A manufactured home is ineligible with deed restrictions</li> <li>• A manufactured home CONDO is ineligible</li> </ul>	X		
	Not permitted <ul style="list-style-type: none"> <li>• Leasehold estate</li> </ul>			X

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<b>Maximum Newrez Company Exposure</b>	Each borrower may not have more than 10 loans or an aggregate unpaid principal balance of \$5,000,000 (including the loan amount on the subject property) financed with Newrez.  Inclusive of Newrez Family of Companies i.e., Newrez, New Residential, Shellpoint Mortgage, Caliber.	X	X	X
<b>Mortgage Interest Differential (MID)</b>	Payment must be made to the borrower and not the servicer	X	X	X
<b>Mortgage Seasoning (Forbearance and Modified Loans)</b>	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; or</li> <li>The date on which six modified payments have been made on the mortgage being refinanced.</li> </ul>	X		
<b>Mortgage Seasoning (Forbearance and Modification Loans)</b>	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; or</li> <li>The date on which six modified payments have been made on the mortgage being refinanced.</li> </ul>		X	
<b>Loans (cont.)</b>	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
<b>New Construction</b>	Self-built homes and borrower acting as own contractor not permitted	X	X	
<b>Nontraditional Credit</b>	VA Loans-Follow FHA Nontraditional Guidelines		X	
<b>Owner of Record and Chain of Title</b>	<ul style="list-style-type: none"> <li>Transactions involving any sale or assignment of sales contract are not permitted</li> <li>Transactions involving double escrows are not permitted</li> </ul>	X	X	X
<b>Paystubs</b>	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		X	X

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	written verification of employment completed in its entirety			
	For loans underwritten by Newrez, 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		
<b>Power of Attorney</b>	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)		X	
<b>Principal Curtailment</b>	FHA Refinances: Maximum principal curtailment is \$500	X		
	IRRRL: Maximum principal curtailment is \$500			X
<b>Private Transfer Fees</b>	Properties encumbered with private transfer fees not permitted.	X	X	X
<b>Resale Restrictions</b>	Resale restrictions on the subject property purchase price are not acceptable			X
<b>Secondary Residence</b>	Not permitted on Credit Qualifying Rate & Term Refinances	X		
<b>Single Close Modification of Note</b>	Not permitted			X
<b>Temporary Buydown</b>	<ul style="list-style-type: none"> <li>Temporary Buydowns must have a loan term of 240 or greater</li> <li>ARMs not permitted</li> </ul>	X	X	
	<ul style="list-style-type: none"> <li>Split Buydowns not permitted</li> </ul>	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>VA IRRRL LTV/CLTV</b>	105%/125% Validation of the LTV/CLTV using one of the following: <ul style="list-style-type: none"> <li>Exterior only appraisal (Form 2055)</li> <li>Newrez approved AVM and FSD score             <ul style="list-style-type: none"> <li>Corelogic <math>\leq 0.13</math></li> <li>Collateral Analytics <math>\leq 0.10</math></li> <li>Clear Capital <math>\leq 0.13</math></li> <li>House Canary <math>\leq 0.10</math></li> </ul> </li> </ul>		X	

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	<ul style="list-style-type: none"> <li>○ Homegenius Real Estate ≤ 0.10</li> <li>○ VeroValue ≤ 0.10</li> </ul>			
<b>VA Refinance Transactions</b>	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	
<b>Verbal Verification of Employment</b>	<p>Self-employed borrowers require verbal confirmation of the existence of the business within 30 calendar days of the Note date.</p> <ul style="list-style-type: none"> <li>• Note required for Non-credit Qualifying Streamline Refinance</li> </ul>		X	
<b>HUD Section 184</b>				
<b>Credit Score</b>	620			
<b>Temporary Buydown</b>	Temporary Buydowns must have a loan term of 240 or greater			
<b>Ineligible Property Types</b>	Leasehold (Tribal lands)			
<b>Ineligible Programs</b>	Streamline Refinances			
<b>FHA 203(h)</b>				
<b>Credit Score</b>	Minimum 580 credit score			
<b>Product Type</b>	Fixed Rate Only			
<b>Subordinate Financing</b>	Subordinate financing not permitted			
<b>Transaction Type</b>	Purchase			
<b>Additional Overlays for Non-Delegated Correspondents</b>				

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<b>Business Assets</b>	Business assets may be used if all the following is provided: <ul style="list-style-type: none"> <li>• A letter from the accountant on letterhead confirming the borrower’s authority to remove funds from the business for personal use</li> <li>• Any impact the withdrawal will have on the business cash flow and financial position</li> <li>• Copy of business check and deposit into borrower’s personal account; and</li> <li>• Business tax returns must be in the loan file.</li> </ul>		X	
<b>Condo Approval</b>	The condo project must have an unexpired FHA approval. Newrez will not issue a DELRAP approval	X		
<b>Deed/Resale Restrictions</b>	Must be approved by Newrez prior to loan approval	X	X	X
<b>Employment by Family Member</b>	<ul style="list-style-type: none"> <li>• Most recent year-to-date paystub</li> <li>• Most recent two years’ W-2s</li> <li>• Most recent two years’ individual income tax returns</li> </ul>	X	X	
<b>Energy Efficient Mortgages (EEM)</b>	Not permitted	X	X	X
<b>Employment After the Note Date</b>	The employment start date must be within 90 days of the Note date		X	
<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	X	X	X
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>• Units located in a condo project not permitted</li> <li>• Newly constructed units not permitted</li> </ul>			X
<b>Paystubs</b>	For loans underwritten by Newrez, 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		
<b>Project Review</b>	Project Review Department (PRD) will review condo projects for eligibility	X		X
<b>Review by Legal</b>	Living Trust (Inter Vivos Revocable Trust) must be approved by legal	X	X	X

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<b>Single Modification of Note</b>	Not permitted	X	X	X
<b>Solar and Wind Technologies</b>	Not permitted	X		
<b>Tax Transcripts</b>	Newrez requires tax transcripts prior to loan closing			X
<b>TBD/ Conditional Approval</b>	Not permitted	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		
<b>Weatherization</b>	Not permitted	X		

<b>Revision History</b>		
<b>Section</b>	<b>Update</b>	<b>Date</b>
<b>FHA Credit Scores</b>	Manual UW – Rate & Term, Simple Refi, Cash-Out Refi-Credit Score update from 600 to 580	01.02.2026 V26.1

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<b>FHA 203(h)</b>	Approve Eligible-Removed 50%DTI Refer and Manual UW- Removed DTI >45%: gifts not permitted	
<b>Credit Scores</b>	Borrowers with no credit score are not permitted unless DU Approve/Eligible or LPA Accept Eligible	1.22.2026 V26.2
<b>USDA Loan Amount</b>	Updated USDA Loan Amount with 2026 minimum loan amounts	02.26.2026 V26.3
<b>Temporary Buydown</b>	ARMS not permitted for Conforming products	
<b>Additional Overlays for Delegated Clients Only</b>	<p><b>Ineligible Borrowers</b></p> <ul style="list-style-type: none"> <li>Borrowers living in the U.S. under Deferred Action for Childhood Arrivals (DACA) ineligible for Delegated Clients Only</li> </ul> <p><b>Employer Assistance Benefits-Freddie Mac (LPA) -Not permitted for Delegated Clients Only</b></p>	
<b>Assets Used for Qualifying Income</b>	Freddie Mac (LPA) <ul style="list-style-type: none"> <li>Ineligible for Delegated Clients Only</li> </ul>	03.26.2026 V26.4
<b>VA IRRRL LTV/CLTV</b>	Added below Overlays LTV/CLTV will be based off of one of the following: <ul style="list-style-type: none"> <li>Exterior only appraisal (Form 2055)</li> <li>Newrez approved AVM and FSD <ul style="list-style-type: none"> <li>Corelogic <math>\leq 0.13</math></li> <li>Collateral Analytics- <math>\leq 0.10</math></li> </ul> </li> </ul>	

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	<ul style="list-style-type: none"> <li>○ Clear Capital ≤ 0.13</li> <li>○ House Canary ≤ 0.10</li> <li>○ Homegenius Real Estate ≤ 0.10</li> <li>○ VeroValue ≤ 0.10</li> </ul>	
<b>Community Seconds</b>	Conforming Transactions- Affordable LTV Calculation on a subsidized sales price where resale restrictions terminate upon foreclosure are not permitted	04.23.2026 V26.5
<b>Ineligible Programs</b>	Removed Freddie Mac Home Possible Super Conforming	
<b>Paystubs</b>	<p>Added “For loans underwritten by Newrez” for FHA transactions. For loans underwritten by Newrez, 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</p> <p>Also added this information in Non-Delegated Correspondent Section</p>	
<b>Employed by a Family Member</b>	FHA- If the paystub is not computer generated, the accountant must provide a signed payroll ledger	5/28/2026 V26.6
<b>GreenCHOICE Mortgages</b>	<p>Ineligible Program</p> <ul style="list-style-type: none"> <li>● Freddie Mac Super Conforming</li> <li>● Freddie Mac CHOICE Home</li> </ul>	06/01/2026 V26.7
<b>Overlays</b>	New Overlay added in red to align with Product Guidelines Government and Conforming Overlays on Separate Documents	06/25/2026 V26.8

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