



Wholesale 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 NewRez Product Profiles, Underwriting Guide, and the appropriate underwriting guidelines.

Topic	Overlay	CONFORMING	FHA	VA	USDA
Age of Documentation	All income and asset documents can be no more than 60 days old as of the Note date	X	X	X	X
Bankruptcy-Chapter 13	Chapter 13 bankruptcy is not permitted until the bankruptcy has been discharged		X		
Boarder Income	Boarder Income is not permitted on HomeReady or Home Possible purchase transactions	X			
Business Funds	Business Assets are allowed for down payment and closing costs if the following are met: <ul style="list-style-type: none"> the borrower must be the majority owner of the business; business assets may not be used for reserves; the use of these funds must be documented as having no negative impact on the business's livelihood. 		X	X	X
Construction to Permanent (CTP)	Must be registered in Web LGY as a purchase transaction			X	
Condominiums	Must have an unexpired FHA Approval. DELRAP approval area not eligible		X		
Credit Scores DTI Loan Amount LTV/CLTV	<ul style="list-style-type: none"> Loans with no credit score are not permitted regardless of AUS Purchase and Rate & Term Refi: 640 Cash-out Refi: 660 Investment Property: 660 Manufactured Housing <ul style="list-style-type: none"> 660 Borrower must have 5% own funds 	X			
	<ul style="list-style-type: none"> Purchase <ul style="list-style-type: none"> 620 600 to 50% DTI 580 to 43% DTI Rate & Term Refi and Simple Refi <ul style="list-style-type: none"> 620 600 to 50% DTI 580 to 43% DTI Cash-out Refi 		X		

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	V/A	USDA
	<ul style="list-style-type: none"> ○ 620 ○ 600 to 50% DTI • FHA Streamline Refinance <ul style="list-style-type: none"> ○ Non-Portfolio Primary Residence <ul style="list-style-type: none"> • Non-Credit Qualifying Streamline Refi: 580 • Credit Qualifying Refi: 580 to 50% DTI Manufactured Housing <ul style="list-style-type: none"> • Purchase, Rate & Term and Simple Refi <ul style="list-style-type: none"> ○ 640 • Cash-Out Refi <ul style="list-style-type: none"> ○ 640 to 50% DTI • FHA Streamline Refinance Portfolio <ul style="list-style-type: none"> ○ Credit Qualifying: 640 to 50% DTI 				
	<ul style="list-style-type: none"> • Purchase <ul style="list-style-type: none"> ○ 700 to \$1,500,000 ○ 620 to \$1,000,000 ○ 580 to \$548,250 to 50% DTI • Cash-out Refi <ul style="list-style-type: none"> ○ 700 to \$1,500,000 ○ 620 to \$1,000,000 • IRRRL <ul style="list-style-type: none"> ○ Portfolio Credit Qualifying <ul style="list-style-type: none"> ▪ Primary Residence: 580 to 55% DTI ▪ Non-owner Occupied: 620 to 100% LTV to 55% DTI ○ Non-Portfolio Credit Qualifying <ul style="list-style-type: none"> ▪ Primary Residence: 600 to 50% DTI ▪ Non-owner Occupied: 640 to 100% to 50% DTI ○ Tri-merged credit report is required ○ LTV based on total loan amount and original loan balance Manufactured Housing <ul style="list-style-type: none"> • Purchase and Cash-out Refi: 640 to \$1000,000 to 50% DTI • IRRRL 			X	

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	V/A	USDA
	<ul style="list-style-type: none"> ○ Portfolio Primary Residence: 620 to \$1000,000 to 55% DTI ○ Non-Portfolio Primary Residence: 640 to \$1000,000 to 50% DTI • Bankruptcy <ul style="list-style-type: none"> ○ Chapter 7 must be discharged 24 months preceding application date ○ Chapter 13 must be paid out and discharged prior to closing • Short Sale <ul style="list-style-type: none"> ○ Short Sales with or without mortgage lates that were completed over one year but < 2 years will require a letter of explanation and supporting documentation to establish an extenuating circumstance and to confirm short sale was not due to credit negligence or taking advantage of a declining market. 				
	<ul style="list-style-type: none"> • Purchase and Standard Rate & Term (Non-Streamline) Refinances: 640 • Streamlined Refinance: 620 • Streamlined Assist Refi: 620 				X
Down Payment Assistance	Not permitted		X		X
Employment After the Note Date	The employment start date must be within 90 days of the Note date	X		X	X
Employment by a Family-Owned Business	<ul style="list-style-type: none"> • Most recent two years' signed and completed individual income tax returns • Most recent YTD paystub documenting at least 30 days of income • Most recent two years' W-2s 		X	X	
Extenuating Circumstances	Extenuating circumstances for derogatory credit are not permitted for LPA loans	X			
	Extenuating circumstances for derogatory credit are not permitted		X	X	X
Forbearance	Borrowers cannot remain in active mortgage forbearance for loans secured by their other real estate owned. Evidence of forbearance termination is required prior to the Note date		X		
Forbearance Mortgage Payment	NewRez requires that one payment must have been made in the month due after the date of forbearance completion and prior to loan application.			X	
Ineligible Appraisal	Hybrid Appraisal	X			
Ineligible Assets	<ul style="list-style-type: none"> • 1031 Reverse Exchanges • Cash on hand (HomeReady & Home Possible) • Pooled Funds • Sweat Equity 	X	X	X	X
Ineligible Borrowers	Borrowers living in the U.S. under Deferred Action for Childhood Arrivals (DACA) (USDA do not permit DACA recipients therefore it is not marked as an overlay)	X			
	<ul style="list-style-type: none"> • Borrowers without a valid Social Security Number. ITINs are not permitted. • Principals/Owners of NewRez Third Party Originators 	X	X	X	X

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	V/A	USDA
	<ul style="list-style-type: none"> Transactions where the loan originator is acting in another real estate related role except for loan officers who are appropriately licensed in the state of CA or FL who are acting as the buyer's agent. Appropriate disclosures are required. 				
Ineligible Programs	<ul style="list-style-type: none"> HFA Programs 	X	X	X	X
	<ul style="list-style-type: none"> Graduated Payment Mortgage (GPM) Growing Equity Mortgages (GEM) Housing Choice Voucher Homeownership Program (Section 8) 		X	X	X
	<ul style="list-style-type: none"> Fannie Mae High LTV Refinance Fannie Mae Homestyle Renovation Fannie Mae MH Advantage Fannie Mae Rural High-Needs Waiver Freddie Mac CHOICEHome Freddie Mac Enhanced Relief Refinance Freddie Mac Green CHOICE Freddie Mac Home Possible Super Conforming loan amounts 	X			
	<ul style="list-style-type: none"> 203(K) Rehabilitation Mortgage Building on Own Land Construction to Permanent (CTP) financing where the original Note is modified Energy Efficient Mortgages (EEM) Good Neighbor Next Door Hope for Homeowners HUD approved secondary residences Indian Reservations (Section 184 mortgage) Section 247 Hawaiian Home Lands 		X		
	<ul style="list-style-type: none"> Construction to Permanent (CTP) financing where the original Note is modified Energy Efficient Mortgages (EEM) Farm Residence Loans HPML Loans High Cost Loans Native American Direct loan Specially Adapted Housing Supplemental Loans 			X	
	<ul style="list-style-type: none"> Energy Efficient Mortgage (EEM) Pilot Refinances Repair and Rehabilitation Loan Rural Energy Plus 				X
	Ineligible Properties	<ul style="list-style-type: none"> Indian/Tribal Land Land trust 	X	X	X

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	VA	USDA
	<ul style="list-style-type: none"> Unique property types (geodesic domes, berms, earth homes, barndominiums, shouses) 				
	<ul style="list-style-type: none"> New and newly converted projects in Florida that are not PERS approved Properties appraised with C5 condition rating Texas rural properties with more than 25 acres 	X			
	<ul style="list-style-type: none"> Properties with Individual Purification Water Systems 		X		
	<ul style="list-style-type: none"> Live-work units Properties with manufactured home on site being used as storage 		X	X	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			
	<p>The 4506-C form must be processed, and transcripts obtained, prior to closing, in the following circumstances. (Refer to the Income section of the applicable product profile for full details.)</p> <ul style="list-style-type: none"> Wage Earners <ul style="list-style-type: none"> Handwritten paystubs are used as verification of income (W-2 transcripts acceptable unless other sources of income utilized) There is a relationship between the parties (W-2 transcripts acceptable unless other sources of income utilized) Self-Employed <ul style="list-style-type: none"> Individual tax transcripts are required. Business tax transcripts must be obtained if income from the business does not flow through to the borrower's personal tax returns or business income appearing on personal transcripts is not consistent with the income on the business tax returns <p>The following are excluded:</p> <ul style="list-style-type: none"> FHA Non-credit Qualify Streamline VA IRRRL <p>IRS Form 4506-C for Business Tax Returns</p> <ul style="list-style-type: none"> IRS Form 4506-C for the business must be signed prior to closing, for FHA, VA, and USDA transactions 	X	X	X	
Joint Loans	Not permitted			X	
Liabilities	<ul style="list-style-type: none"> Revolving debt cannot be paid down to qualify. Revolving debt may be paid off to qualify without the requirement of the account(s) to be closed if the following circumstances are met: Credit Score 680 or greater Credit score less than 680 and DTI less than or equal to 50% 			X	

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	VA	USDA
	<ul style="list-style-type: none"> ○ If either of the above are not met the accounts are to be closed upon payoff. ○ Proof of the debt being paid and closed prior to CTC must be provided except in the case of a cash-out refinance where the debt must be closed prior to loan closing, but may be paid-off at closing with loan proceeds as detailed on the Closing Disclosure ○ Regardless of AUS score revolving debt paid off requires documentation for source of funds 				
Living Trust (Inter Vivos Revocable Trust)	All trusts must be approved by NewRez Legal prior to loan approval	X	X	X	X
Loan Amount	Max \$548,250 loan amount in Continental US				X
LTV	<ul style="list-style-type: none"> • VA Cash-out Refi: 90% maximum LTV (includes financed VA Funding Fee) • VA IRRRL <ul style="list-style-type: none"> ○ LTV will be based on original loan balance or a current 2055 appraisal report ○ Investment (Non-owner Occupied) Properties: 100% LTV/CLTV 			X	
Manufactured Housing	<ul style="list-style-type: none"> • Borrower must have 5% own funds into transaction • Borrower must have owned the manufactured home unit and land for at least 12 months preceding the date of application • The following are not permitted <ul style="list-style-type: none"> ○ A manufactured home as an ADU ○ Leasehold estate ○ Newly constructed units ○ Singlewide units ○ Unit less than 600 square feet ○ Units located in Hawaii ○ Units located in a mobile home park ○ Units on a property with a hobby farm ○ Units with an accessory dwelling unit ○ Units with mixed-use 	X			
	<ul style="list-style-type: none"> • Fixed Rate only • 0x30x12 housing payment history • Borrower must have 3.5% own funds into transaction • The following are not permitted <ul style="list-style-type: none"> • Cash-out Refi (FHA Refi and Non-Portfolio Streamline Refi) • Non-Portfolio Streamline Refi • Condo unit • Leasehold estate • Newly constructed units • Singlewide units 		X	X	

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	V/A	USDA
	<ul style="list-style-type: none"> Unit less than 600 square feet Units located in Hawaii Units located in a mobile home park Units on a property with a hobby farm Units with mixed-use 				
Mortgage Credit Certificate (MCC)	Mortgage Credit Certificates are not permitted	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)	Mortgage Interest Differential payment income is not permitted	X	X	X	X
Mortgage Payment History	IRRRL <ul style="list-style-type: none"> Portfolio: 0x30x6 Non-Portfolio: 0x30x12 Manufactured housing: 0x30x12 			X	
No Cash-out Refinance Incidental Cash Back	Cash out amount not to exceed \$2,000 or 2% of the loan amount (Freddie Mac's allowance for 1% cash back not permitted).	X			
Non-Arm's Length Transactions	Not permitted <ul style="list-style-type: none"> Short sales Property Flips 	X		X	X
Non-Traditional Credit	Not permitted	X	X	X	X
Prior Mortgage Credit Reject	Not permitted		X		
Power of Attorney	The use of a Power of Attorney is not permitted on a cash-out refinance	X			
Principal Curtailment	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
Rebuttable Presumption	Not permitted			X	
Renegotiated Purchase Agreement	Renegotiated Purchase Agreements are not permitted		X		
Rental Income	<ul style="list-style-type: none"> Subject Investment Property Transaction <ul style="list-style-type: none"> For purchase transactions, when rental income from the subject investment property is used for loan qualification a vacancy factor of 50% must be applied to the rental income Refinance transactions require evidence of the most recent two months of receipt of rental income 	X			

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	VA	USDA
	<ul style="list-style-type: none"> ○ Three months reserves are required in addition to standard reserve requirements per the product ● Rental Income from Other Real Estate Owned <ul style="list-style-type: none"> ○ The use of rental income from other real estate owned requires evidence of the most recent two months receipt of rental income for each rental property owned ○ Three months reserves required for each rental property owned in addition to standard reserve requirements per product if rental income is used to qualify ● Conversion of a Primary Residence to a Second Home or Investment Property <ul style="list-style-type: none"> ○ For conversion to a second home, the PITIA of the property must be used in qualifying. ○ For conversion to an investment property, the PITIA of the property must be used in qualifying, unless rental income is being used to offset the payment. ○ The following is required when using rental income to qualify: <ul style="list-style-type: none"> ▪ Additional three months reserves (PITIA of the property being converted to a rental property) and ▪ Proof of receipt of security deposit and ▪ Proof of receipt of first month's rent if required by lease 				
	<p>Rental Income from Other Real Estate Owned</p> <ul style="list-style-type: none"> ● The use of rental income from other real estate owned requires evidence of the most recent two months' receipt of rental income for each rental property owned ● Three months' reserves required for each rental property owned in addition to standard reserve requirements per product if rental income is used to qualify 		X	X	X
Self-Employed Borrowers	<ul style="list-style-type: none"> ● In instances where DU/LPA allows for only one (1)-year tax returns on a self-employed borrower(s), the tax returns must be for the most recent tax year. ● 2020 year-to-date profit and loss statement 	X			
Subordinate Financing	New subordinate financing not permitted		X		
Temporary Buydown	Not permitted	X	X	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			
	Refer/Eligible, Manual Underwrite/Downgrade are not permitted, with the exception of Streamline Refinances		X		
	Manual underwriting not permitted, except for VA IRRRLs	Is a		X	

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.

Topic	Overlay	CONFORMING	FHA	VA	USDA
	Manual Underwrite is not permitted except for Streamline Assist Refinances				X
Verification of Deposit	Written Verifications of Deposit (VOD) are not acceptable as standalone documentation	X	X	X	X
Verification of Employment	A Written Verification of Employment (VOE) as standalone documentation is not permitted unless obtained through a 3rd party vendor (e.g., The Work Number)	X			

Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix and on our overlay matrix apply to agency loans submitted to DU/LPA. In addition to applying NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. **Guidelines subject to change without notice;** Printed copies may not be the most current version. For the most current version, always refer to the online version.