

LLC Vesting Update

FAQs

This FAQ answers common questions about closing loans in the name of a Limited Liability Company (LLC) for Newrez Wholesale Smart Series products. It is designed to help brokers and loan officers understand what changed, what's required, and how to submit an LLC-vested loan successfully.

What is the LLC vesting update?

Newrez Wholesale now supports closing Smart Series loans in the name of an LLC with entity information and guarantors being set up properly in Blueprint. The LLC is the vested entity, while individual members act as guarantors and are underwritten.

Why should I care about LLC lending?

LLC lending addresses a high-demand need among real estate investors and allows you to:

- Capture more investment property volume
- Compete more effectively with investor-focused lenders
- Provide borrowers with flexibility in how they structure ownership

This expansion opens the door to new business opportunities and stronger long-term relationships with investor clients.

Which loan products support LLC vesting?

LLC vesting is currently available for Smart Series Non-QM loans. Brokers should confirm product eligibility upfront and reference Smart Series guidelines for scenario-specific requirements. Availability may expand over time, so check with your Account Executive for the latest updates.

Which entity types are supported?

Only LLCs are currently supported. Other entity types are not eligible at this time.

- ✓ Limited Liability Companies (LLCs)
- ✗ Corporations
- ✗ Partnerships

Can I convert a loan in process to LLC vesting?

Yes, both new and in process are eligible to have vesting in an LLC.

Who is underwritten on an LLC loan?

The individual guarantors are underwritten, not the LLC itself.

- Each guarantor must have credit pulled
- Ownership percentages must total 51% or greater
- Guarantors must match the LLC's operating documents



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How many LLC members/guarantors are allowed?

There is a maximum of four (4) members/guarantors. Ownership percentages must add up to 51% or greater.

Can a Power of Attorney (POA) be used?

No. Powers of Attorney are not permitted when closing a loan in the name of an LLC.

What documentation is required for LLC loans?

The following **must** be included in the loan file:

- Business Formation Documents (e.g., Articles of Incorporation)
 - All documents must be certified and filed with the appropriate state.
- Operating Agreement **or** CPA letter documenting ownership percentages
- Certificate of Good Standing
- Tax Identification Number (EIN)
- Guaranty documents at closing

How do I set up an LLC loan in Blueprint?

High-level steps:

1. Select LLC as the Vesting Type on the Title Info screen
2. Complete the Edit Entity Info section using LLC documents
3. Enter entity name, state of formation, EIN, and entity address
4. Add all guarantors with:

• Signing status

• Title

• Ownership percentage

1. Confirm guarantor credit has been ordered

Accuracy is critical. Blueprint must exactly match the LLC documentation.

Who receives disclosures?

Disclosures are sent based on guarantor signing status:

- **Authorized Signers/Entity Contact** receive LE, CD, and closing documents
- **Non-signing guarantors** receive credit authorization documents only

Disclosures are delivered via eSign or USPS.

Will the Business Purpose Occupancy Disclosure be sent out?

Yes, if the loan is closing in an LLC, the disclosure will be sent out.

Last updated 6/23/2026.



Does the appraisal need to reflect the LLC name?

No. The appraisal does not need to be ordered in the name of the LLC, it can be the individual guarantors.

Are LLC purchase transactions allowed?

Yes, but additional checks apply:

- Purchase contract must be included
- Any non-arm's-length transactions must be reviewed and documented per Smart Series guidelines

What should I double-check before submitting the loan?

Before submission, confirm:

- Entity name and details exactly match LLC documents
- All guarantors listed are authorized per the Operating Agreement
- Ownership totals equal 51% or greater
- Credit reports are present for all guarantors

Why is this LLC vesting update important?

This enhancement allows brokers to:

- Support real estate investors using LLC structures
- Maintain clean vesting and title integrity
- Reduce closing delays through a standardized process

Where can I get help or additional guidance?

- Work with your Account Executive for scenario review
- Ensure early coordination before disclosure