

Texas Section 50(a)(6) Tool

If the following conditions exist:						Then the new loan is considered:		
Current Lien(s)	Is Current First a 50(a)(6)?	Is Current 2 nd a 50(a)(6)?	Is Second to be Paid Off?	Is Second to be Subordinated?	Any Cash to Borrower	Rate & Term Refinance	Cash Out Refinance	Subject to 50(a)(6)?
First Mortgage Only ¹	No	Not Applicable			No	X		No
	No				Yes		X	Yes
	Yes				No	X		Yes
	Yes				Yes		X	Yes
First Mortgage and Second Mortgage equal Purchase Money (Except HELOC)	No	No	No	Yes	No	X		No
	No	No	No	Yes	Yes		X	Yes
	No	No	Yes	Not Applicable	No	X		No
	No	No	Yes		Yes		X	Yes
	Yes	No	No	Yes	No	X		Yes
	Yes	No	No	Yes	Yes		X	Yes
	Yes	No	Yes	Not Applicable	No	X		Yes
	Yes	No	Yes		Yes		X	Yes
First Mortgage and 2 nd Mortgage equal Qualified Home Improvement Loan (Except HELOC)	No	No	No	Yes	No	X		No
	No	No	No	Yes	Yes		X	Yes
	No	No	Yes	Not Applicable	No			No
	No	No	Yes		Yes		X	Yes
	Yes	No	No	Yes	No	X		Yes
	Yes	No	No	Yes	Yes		X	Yes
	Yes	No	Yes	Not Applicable	No			Yes
	Yes	No	Yes		Yes		X	Yes

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First Mortgage and Second Mortgage equal HELOC ²	No	Yes	No	Yes ²	Not Permitted	X	Not Applicable	Not Permitted ²
	No	Yes	Yes ²	Not Applicable	No	2 nd used entirely for purchase money: Eligible	2 nd not used entirely for purchase money: Eligible	Yes ²
						2 nd NOT used entirely for purchase money: Ineligible		
No	Yes	Yes ²	Yes		Not Applicable	X	Yes ²	
First Mortgage and Second Mortgage equal Not a HELOC; Not Purchase Money or Home Improvement	No	Yes	No	Yes	Not Permitted	X	Not Applicable	Not Permitted ²
	No	Yes	Yes	Not Applicable	No	Not Applicable	X	Yes
	No	Yes	Yes		Yes	Not Applicable	X	Yes

Footnotes

1 - Also applies to buy out of spouse pursuant to divorce settlement.

2 - Second mortgage that is subject to Section 50(a)(6) may not be re-subordinated if the new first mortgage will be subject to Section 50(a)(6); it must be closed.