

Not Subject to Texas Constitution:

Rate / Term refinance of a purchase loan:

- Current loan is **not** subject to Texas Constitution Section 50.
- Provide the following:
 - Final Closing Disclosure and/or Final HUD1 from original purchase transaction.
 - Preliminary title report showing no other mortgages / liens placed on the subject property since original purchase date.
- **Follow** investor overlays and / or conventional guidelines
- Fannie Mae Property Inspection Waivers (PIWs) and Freddie Mac Automated Collateral Evaluation (ACE) - Allowed

Subject to Texas Constitution Section 50:

- Protection of Homestead from forced or unauthorized sale; Exceptions: Requirements for mortgage loans and other obligations secured by Homestead. See the following.

Cash Out 50 (a)(6) Information:

- 2-4 Units Not Allowed
- Properties greater than 10 acres – Not Allowed
- FHA and VA Home Equity Loans are NOT allowed under any circumstances.
- Max LTV is 80.00%.
- Max Fees on an A6 Loan are 2%, (this includes both APR and Non APR Fees), which will be calculated by the MAVENT Compliance Report.
- Title Insurance / Endorsements and Appraisal Fee are now excluded from the 2% Test.
- A6 Loans only apply to the borrower's Homestead, (refer to title and appraisal).
- A borrower cannot obtain an A6 Loan if another A6 Loan was taken out within the past 12 months, (even if that loan has been paid off), based off the prior Mortgage Closing Date and the new Mortgage Closing Date.
- Only one A6 Loan is allowed on the property at a time.
- The Notice Concerning Extension of Credit disclosure, (AKA 12 Day Notice) must be received by all borrower(s), vested owner(s), and non-borrowing/non-vested spouse(s) at least 2days prior to the signing date.
- Fair market value must be determined.
- **Appraisal waivers (PIW and ACE) are not allowed on a Texas 50 (a)(6)**

Rate/Term 50 (f)(2) Information:

The “once an A6, always an A6” restriction has been eliminated. A borrower may now complete a No Cash Out (F2 Conversion) Refinance. A new No Cash Out Refinance (F2 Conversion) is allowed to pay off an A6 Loan if the following conditions are met:

- Properties greater than 10 acres – Not Allowed
- Max LTV is 80.00%.
- 12 months has elapsed since the prior A6 Loan was obtained (even if that loan has been paid off), based off the prior Mortgage Closing Date the new Mortgage Closing date.
- The new F2 Disclosure was received within 3 days of Application Date and at least 12 days prior to signing.
- No incidental Cash Out is allowed on a No Cash Out/ Rate and Term loan. Max cash out is \$0.00
- *Fair market value must be determined.*
- **Appraisal waivers (PIW and ACE) are not allowed on a Texas 50 (f)(2)**

Rate/Term and/or Cash Out under section 50 (a)(3) – NOT ALLOWED:

- **50 (a)(3)** and / or loans paying off an Owelty lien as a Rate/Term Transaction.