

Purchase & Rate / Term Refinance* Eligibility Matrices

Loan limits for loans originated on or after January 1, 2025.

Loans will not be allowed to close/fund without an AUS Approval.

Please refer to [FHFA 2025 Loan Limits](#) for specific high-cost area maximum loan amounts.

Conforming – Purchase & Rate Term* LTV Matrix

The following loan amounts apply to loans with funding or settlement dates on or after January 1, 2025

Occupancy		Contiguous States Max Loan	Alaska / Hawaii Max Loan ²	Max LTV/CLTV		Min FICO
				DU – Fixed / ARM	LPA – Fixed / ARM	
				LTV/CLTV	LTV/CLTV	
Primary	1 Unit	\$806,500	\$1,209,750	97% Fixed ¹ 95% ARM	95%	620
	2 Units	\$1,032,650	\$1,548,975	95%	85%	
	3 Units	\$1,248,150	\$1,872,225		80%	
	4 Units	\$1,551,250	\$2,326,875			
2nd Home ³	1 Unit	\$806,500	\$1,209,750	90%	90%	
Investment ³ Purchase	1 Unit	\$806,500	\$1,209,750	85%	85%	
	2 Units	\$1,032,650	\$1,548,975	75%	75%	
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High Balance / Super Conforming – Purchase & Rate Term* LTV Matrix

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1. Max LTV of 95% for loans with non-occupant
2. Alaska and Hawaii do not have high-cost areas
3. Second home and investment transactions must be a 30-year term and ≥\$150,000

* For Texas refinance transactions, please refer to [Texas Section 50\(a\)\(6\)](#) of Matrix



Cash-Out Refinance* Eligibility Matrices

Loan limits for loans originated on or after January 1, 2025.

Loans will not be allowed to close/fund without an AUS Approval. Follow AUS findings for Non-Owner Occupant(s)

Please refer to [FHFA 2025 Loan Limits](#) for specific high-cost area maximum loan amounts.

Conforming – Cash-Out Refinance* LTV Matrix

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Purchase & Rate / Term Refinance* Eligibility Matrices

Loan limits for loans originated on or before December 31, 2024.

Loans will not be allowed to close/fund without an AUS Approval.

Please refer to [FHFA 2024 Loan Limits](#) for specific high-cost area maximum loan amounts.

Conforming – Purchase & Rate Term* LTV Matrix

The following loan amounts apply to loans with funding or settlement dates on or before December 31, 2024

Occupancy		Contiguous States Max Loan	Alaska / Hawaii Max Loan ²	Max LTV/CLTV		Min FICO
				DU – Fixed / ARM LTV/CLTV	LPA – Fixed / ARM LTV/CLTV	
Primary	1 Unit	\$766,550	\$1,149,825	97% Fixed ¹ 95% ARM	95%	620
	2 Units	\$981,500	\$1,472,250	95%	85%	
	3 Units	\$1,186,350	\$1,779,525		80%	
	4 Units	\$1,474,400	\$2,211,600			
2nd Home ³	1 Unit	\$766,550	\$1,149,825	90%	90%	
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GENERAL REQUIREMENTS

ELIGIBILITY	<ul style="list-style-type: none"> All Fannie Mae or Freddie Mac guidelines apply. <ul style="list-style-type: none"> LTV Eligibility Matrices <ul style="list-style-type: none"> Fannie Mae Freddie Mac 2025 Agency Loan Limits 2024 Agency Loan Limits Manual Underwriting is not allowed.
BORROWERS	<ul style="list-style-type: none"> Unexpired government issued ID's and social security number are required for each Borrower. Land Home Financial Services Inc. will process a third-party social security number validation required for all Borrowers. Maximum number of 4 borrowers, including accommodation mortgagors. <u>Ineligible Borrowers</u> <ul style="list-style-type: none"> Borrowers that are not legal residents including, but not limited to the following borrowers: <ul style="list-style-type: none"> Diplomatic Immunity/Embassy Personnel, Foreign Nationals, Borrowers with Temporary Protected Status (TPS), and Borrowers with deferred action status, which includes DACA (FHLMC only) <ul style="list-style-type: none"> Please note: DACA is eligible under Fannie Mae 1-6 financed properties only, provided the following: <ul style="list-style-type: none"> Current, unexpired DACA status, has an Individual Tax Identification Number is a salaried borrower with acceptable employment history has nontraditional credit acceptable per the Fannie Mae Selling Guide (B3-5.4) must be manually underwritten meets all other Selling Guide requirements
CREDIT	<p>620 FICO Requirement:</p> <ul style="list-style-type: none"> Exception for No Credit Score (Fannie Mae Only): When borrowers have joint credit and one has a credit score and the other does not, and an Approve / Eligible is received, the loan is acceptable. <p>VOM/VOR as a standalone document is not permitted.</p> <ul style="list-style-type: none"> Evidence must be supported by 12 months cancelled checks or auto payment with a copy of the lease/note to confirm the terms required. <p>Current year IRS taxes due:</p> <ul style="list-style-type: none"> If borrower has not paid current year taxes due and is on extension, taxes must be paid current or taxes must be filed and have an approved IRS installment plan established. <p>Investment Properties using rental income to qualify:</p> <ul style="list-style-type: none"> Borrowers must be qualified with primary housing expense. <ul style="list-style-type: none"> Exceptions: Non-Borrowing spouse solely obligated to present housing mortgage. <p>Land Home Financial Services, Inc. will run Undisclosed Debt Monitoring (UDM) prior to closing. Any new inquiries and/or debt must be documented.</p>



GENERAL REQUIREMENTS

CREDIT SCORE ELIGIBILITY IN DU

Fannie Mae has updated the credit score used by DU in the eligibility assessment.

For loan casefiles with more than one borrower, DU will now use an average median credit score when determining if a loan casefile meets the minimum credit score requirement of 620 (example below).

- First, DU will determine each borrower's applicable credit score (middle of the three scores received, or the lower of the two when only two scores received).
- Second, DU will average the applicable credit scores for all borrowers on the loan casefile to determine if the 620 credit score requirement is met.

The following is an example of how the average median credit score will be calculated.

	Step 1: DUP will determine each borrower's applicable credit score			Step 2: DU will average the borrower's applicable credit scores to ensure a minimum 620 credit score for the DU loan casefile.
	Score 1	Score 2	Score 3	
Borrower 1	590	619	648	656 (Average of 619 and 693)
Borrower 2	661	693	693	In this example, the representative credit score of 619 would continue to be used for pricing and mortgage insurance.

Note: DU's average median credit score will only be used in the eligibility assessment for non-RefiNow loans. The representative (mid score) credit score will continue to be used for pricing and any applicable mortgage insurance requirements.

Reminders:

- Fannie Mae's engine reads the data in the credit report in addition to recognizing the scores. Regardless of FICO average, evidence of credit mismanagement it is not expected to return a favorable DU recommendation
- Mortgage Insurance Companies accepting average credit score (participating with some exceptions):
 - [Enact \(AKA Genworth\)](#)
 - [Essent](#)
 - [Arch](#)
- Not participating currently:
 - National
 - Radian
 - MGIC

EMPLOYMENT / INCOME

Rental income received from a relative requires a documented 12-month payment history of rents.

Amended tax returns are only acceptable for documented errors or omissions.

Paystubs and W-2's may not be substituted with a written verification of employment.

- Does not apply to conventional Fannie Mae (DU) transactions that utilize Day 1 Certainty

ASSETS

Gift donors cannot be on title or purchase contract as they do not meet the definition of "Gift" per agency definition.

VOD's are not acceptable for asset documentation alone.

- May not apply to Day 1 Certainty loans.



GENERAL REQUIREMENTS

PROPERTY COLLATERAL	<p>Transferred Appraisals: Not eligible</p> <p><u>Ineligible Properties / Locations:</u></p> <ul style="list-style-type: none"> • LHFS does not offer financing to properties that are secured by community land trusts (i.e., Illinois Land Trust). • Co-ops are not permitted. • Owner Occupied 2-4 Units in the state of New Jersey not allowed. • Manufactured Homes – Leasehold Estate ownership • Unincorporated territories of the United States (borrowers and properties) are ineligible for financing. <ul style="list-style-type: none"> ○ Puerto Rico ○ US Virgin Islands ○ Guam ○ American Samoa ○ Swains Island
TITLE	<ul style="list-style-type: none"> • Any borrower holding title only must be a legal U.S. Resident. • Revocable Trusts (Living Trust) may be eligible on a case-by-case basis. • Split vesting is not allowed. Vesting must be 100% in a trust or 100% individual. <ul style="list-style-type: none"> ○ May be allowed on conforming conventional loans on an exception basis. • Title report may not be over 90 days old at the time loan docs are prepared. • Power of Attorney (POA's) are eligible on purchase and rate/term transactions only.
MORTGAGE INSURANCE (MI)	<p>Minimum, reduced, or custom insurance is not permitted. Must obtain Standard MI coverage.</p>
OTHER CONSIDERATIONS	<ul style="list-style-type: none"> • Maximum days allowed for seller rent back 60 days. • All loan documentation should not be over 90 days old at submission. • Property Assessed Clean Energy (PACE) aka: Home Energy Renovation Opportunity (HERO) subordination not permitted. Must be paid in full prior to closing. • Temporary Buy down loans not permitted. • Second home and investment transactions must be a 30-year term and ≥\$150,000 • All HPML loans must pass Safe Harbor in order to be eligible for closing.
HELPFUL LINKS	<p><u>Land Home Financial Additional Resources:</u></p> <ul style="list-style-type: none"> • LHFSWholesale.com • Multiple Financed Properties • Conventional - Submission Checklist <p><u>Agency Guidelines:</u></p> <ul style="list-style-type: none"> • Fannie Mae Selling Guide • Freddie Mac Selling Guide <p><u>Manufactured Housing:</u></p> <ul style="list-style-type: none"> • Manufactured Housing – Conventional Matrix

Each loan will be evaluated for layers of risk, reasonability, ability and willingness to repay debt. Additional items for consideration include but are not limited to payment shock, assets, reserves, negative balances in bank accounts, housing history, slow pays, financing management evidenced by credit and asset reviews, red flags, multiple layers of risk, etc. May require additional documentation or explanations above and beyond the AUS requirements.

Guidelines are for use by mortgage professionals only and subject to change without notice.



CONVENTIONAL TEXAS SECTION 50 (A)(6) FIXED PROGRAM MATRIX

RATE TERM AND CASH OUT

Occupancy	Units	FICO	LTV/CLTV
Primary Residence	1	620	80% / 80%

LHFS PROGRAM CODES

Program Name	Program Code	Program Name	Program Code
Conf Fixed 30 TX Cashout	C30TCO-000	Conf Fixed 15 TX Cashout	C15TCO-000
Conf Fixed 25 TX Cashout	C25TCO-000	Conf Fixed 10 TX Cashout	C10TCO-000
Conf Fixed 20 TX Cashout	C20TCO-000		

TEXAS SECTION 50 (a)(6) FIXED PROGRAM MATRIX

AUS	<ul style="list-style-type: none"> Desktop Underwriter (DU) with "Approve/Eligible" Findings. Loan Product Advisor (LPA) with "Accept" Findings. Manual UW is not allowed.
ABILITY TO REPAY/QUALIFIED MORTGAGE RULE	<ul style="list-style-type: none"> Land Home will close only Safe Harbor Qualified Mortgages as defined under HUD and the Dodd-Frank Wall Street Reform and Consumer Protection Act.
LOAN TYPE	<ul style="list-style-type: none"> Conventional only
AMORTIZATION TYPE	<ul style="list-style-type: none"> Fixed
SEASONING	<ul style="list-style-type: none"> No Texas 50 (a)(6) loan may have been made on the subject property less than 12 months prior to the closing of this new loan.
APPRAISALS	<ul style="list-style-type: none"> Full interior/exterior appraisal is required. <ul style="list-style-type: none"> Regardless of AUS message <ul style="list-style-type: none"> Appraisal Waiver/No appraisal not allowed. Section 50 (a) (6) (Q) (ix) of the Texas Constitution requires the owner of the homestead and the lender to sign a written acknowledgment of fair market value of the homestead property "on the date the extension of credit was made."
BORROWER ELIGIBILITY	<ul style="list-style-type: none"> All borrowers must have a social security number. Married Parties: <ul style="list-style-type: none"> Non-borrowing spouse allowed, subject to: <ul style="list-style-type: none"> Executing the security instrument, affidavit and 12-day notice. Executing any other disclosures, notices, and documents, required by Agency guidelines or Applicable Law. If the non-borrowing spouse is on title, they will also be required to sign the acknowledgement of fair market value, notice of right to cancel and copies to owner. Follow applicable Agency requirements and Applicable Law for credit report requirements for non-borrowing spouses. Non-Married Parties: <ul style="list-style-type: none"> All must be on title. All must execute the Note and security instrument. Borrowers that receive Government/Public Assistance Income (commonly known as Section 8) are not allowed. Inter-vivos trusts not allowed. POA not allowed.



TEXAS SECTION 50 (a)(6) FIXED PROGRAM MATRIX

FICO	<ul style="list-style-type: none"> All borrowers must have a minimum of one credit score to be eligible 620 regardless of AUS findings
CREDIT	<ul style="list-style-type: none"> Non-traditional credit is not allowed No derogatory credit for past 12 months
RATIOS	<ul style="list-style-type: none"> Max 45% DTI (regardless of AUS)
DOCUMENTATION	Full / As determined by AUS
EMPLOYMENT/INCOME VERIFICATION	AIM/Day 1 certainty allowed
LIEN POSITION	First
MAXIMUM LOAN AMOUNT	<ul style="list-style-type: none"> Conforming
MORTGAGE INSURANCE	Not applicable
OCCUPANCY	<ul style="list-style-type: none"> Primary residence – 1 unit Property must be the borrower's "homestead" as defined by the Texas Constitution.
LOCK	DASH
POINTS AND FEES	<ul style="list-style-type: none"> The lesser of the 2% fee restriction in accordance with Texas Applicable Law, or any Agency or regulatory compliance requirements that may apply. Bona fide discount points, appraisal fee (paid to the appraiser, not an AMC), survey costs, title insurance premiums, and title exam report will not be included in the cap.
FORMS	TX50 amendment signed by Land Home is required
SURVEY	<p>The survey (or other acceptable evidence) must demonstrate that:</p> <ul style="list-style-type: none"> the homestead property and any adjacent land are separate parcels, and the homestead property is a separately platted and subdivided lot for which full ingress and egress is available.
RECENTLY LISTED PROPERTIES	Ineligible
ELIGIBLE PROPERTY TYPES	<p>Eligible:</p> <ul style="list-style-type: none"> Single Family (Detached, Attached) PUD (Detached, Attached) Condominium - Warrantable (Detached, Attached) Manufactured Home Must be verified to be either the borrower's urban homestead or rural homestead, as defined below. <ul style="list-style-type: none"> If the property is the borrower's urban homestead, it must meet all of the following requirements: <ul style="list-style-type: none"> Maximum 10 acres. If adjacent property is owned, the file must show that the subject property is a separate parcel and does not include the additional lot. The municipality in which the property is located must provide (directly or by contract) police protection and paid or volunteer fire protection. The municipality in which the property is located must provide (directly or by contract) at least three of the following services: <ul style="list-style-type: none"> Electric Natural Gas Sewer Storm Sewer Water If the property is the borrower's rural homestead, it must meet all of the following requirements: <ul style="list-style-type: none"> The acreage may exceed 10 acres. However, the lot size must be typical and common with the highest and best use as residential. In no case may the lot size exceed 20 acres. If adjacent property is owned, the file must show that the subject property is a separate parcel and does not include the additional lot. The property does not have to meet urban property requirements.



TEXAS SECTION 50 (a)(6) FIXED PROGRAM MATRIX

INELIGIBLE PROPERTY TYPE	<p>Ineligible:</p> <ul style="list-style-type: none"> • 2-4 Units • Leaseholds • Condominium Conversions that were converted within the last three years • Condotels/Hotel Condominiums or PUDs • Cooperatives • Timeshares • Geodesic Domes • Agricultural zoning • Working Farms and Ranches • Unimproved Land • Property currently in litigation • Condition Rating of C5/C6 or a Quality Rating of Q6
SECONDARY FINANCING	<ul style="list-style-type: none"> • No New secondary financing is permitted. • Existing subordinate financing not subject to Section 50(a)(6) may be subordinated. • If the existing subordinate lien is a Texas Section 50(a)(6), it must be paid off at closing. • No third liens permitted. • HELOC is not eligible secondary financing. • Must meet Agency requirements for secondary financing.
STATE RESTRICTIONS	Texas Homestead only
<p>TRANSACTION TYPES</p> <p>PRINCIPAL CURTAILMENT NOT PERMITTED AS THERE IS NO CURE FOR AN ERROR IN THE NEW LOAN AMOUNT.</p> <p>WARNING: AGENCY DEFINITION OF REFINANCE TYPE MAY CONFLICT WITH TEXAS LAW. REVIEW LEGAL RESOURCE TEXAS REFINANCE VS. FANNIE MAE GUIDE FROM GREGG & VALBY</p>	<p>Purchases: Not applicable to Texas section 50 (a)(6)</p> <p>Refinance:</p> <ul style="list-style-type: none"> • When refinancing an existing Texas Section 50(a)(6) lien, borrowers have three options: <ol style="list-style-type: none"> 1. Texas Section 50(a)(6) cash-out refinance 2. Texas Section 50(a)(6) rate term refinance 3. Standard rate term refinance - Texas Section 50(a)(4) • Refinance of the borrower's homestead property (primary residence) which falls within any of the following parameters may be closed as a Texas Section 50(a)(6) cash-out refinance transaction: <ul style="list-style-type: none"> ○ Borrower will receive any cash out at closing, even as little as \$1. ○ Loan proceeds will be used to pay off an existing Texas Section 50(a)(6) 1st lien (will be shown on the title commitment as an "equity loan") or any non-purchase money 2nd lien. ○ Loan proceeds can be used to pay off secured debt or unsecured debt. ○ Loan proceeds can be used to pay off federal tax debt liens. ○ Loan proceeds can be used to pay property tax liens on the property securing the new loan • Refinance of the borrower's homestead property (primary residence) which falls within any of the following parameters may be closed as a Texas Section 50(a)(6) rate term refinance transaction: <ul style="list-style-type: none"> ○ Borrower may not receive any cash back. ○ Loan proceeds will be used to pay off an existing Texas Section 50(a)(6) 1st lien (will be shown on the title commitment as an "equity loan") or any non-purchase money 2nd lien. • Refinance of the borrower's homestead property (primary residence) which falls within any of the following parameters may be closed as a standard rate term refinance – Texas Section 50(a)(4) transaction: <ul style="list-style-type: none"> ○ Borrower may not receive any cash back. ○ Loan proceeds may be used to pay off an existing Texas Section 50(a)(6) 1st lien • Loans using proceeds to buy out equity pursuant to a court order or agreement of the parties (usually applies to a divorce settlement) is not considered a Texas Section 50(a)(6) loan. • Only one outstanding Texas Section 50(a)(6) loan per property is permitted at any given time. • The proceeds may not be used to acquire or improve the homestead as indicated in Article XVI, Sections 50(a) (1) through (5) of the Texas Constitution.



TEXAS SECTION 50 (a)(6) FIXED PROGRAM MATRIX

RESTRUCTURED” LOANS OR “SHORT” PAYOFF REFINANCES	<p><u>DU Loans:</u></p> <ul style="list-style-type: none"> This transaction may not result in a modified loan, restructured loan or short payoff. The subsequent refinance of a modified/restructured loan may be allowed only on DU loans only if one of the following is met: <ul style="list-style-type: none"> The borrower(s) made a minimum of 24 consecutive months of timely mortgage payments on the restructured loan before closing on the refinance mortgage loan. In other words, the borrower had to make at least 24 timely mortgage payments based on the terms of the loan after the loan was restructured. After this time, if the borrower chooses to refinance the restructured loan, the new refinance transaction is eligible if the loan otherwise meets all limited cash-out or cash-out refinance requirements, as applicable. <p><u>LPA Loans:</u></p> <ul style="list-style-type: none"> This transaction may not result in a modified loan, restructured loan or short payoff. The subsequent refinance of a previously restructured loan is not allowed. The subsequent refinance of a previously modified loan is allowed.
ATTORNEY OPINION FORM REQUIREMENTS	<p>The form used:</p> <ul style="list-style-type: none"> Must be executed by a Texas-licensed attorney Must provide certification that the loan meets all Texas (a)(6) requirements in effect for the transaction LHFS must be the “client” named on the form
TITLE & ENDORSEMENT REQUIREMENTS	<ul style="list-style-type: none"> LHFS must provide the title company with a detailed closing instruction letter, requiring the title company to conduct the closing in a way that ensures compliance with all applicable provisions of Section 50(a)(6) of the Texas Constitution and obtain an acknowledgment of its receipt. Form T-2 with T-42 Endorsement (Equity Loan Endorsement) and T-42.1 Endorsement (Supplemental Coverage Equity Loan Mortgage Endorsement), and Tax Certification are required. Specific to Rate/Term Refinances of Owner-Occupied Homestead Property in Texas, Special title insurance coverage must be obtained when impounds for prepaid expenses are included in the new Mortgage Loan amount. <ul style="list-style-type: none"> The following must be included as a Schedule B Exception: <ul style="list-style-type: none"> “Possible defect in lien of the insured mortgage because of the insured’s inclusion of reserves or impounds for taxes and insurance in the original principal of the indebtedness secured by the insured mortgage” (Seller Guide Section 5.19.13.6. Title Coverage for Escrows Included in Mortgage Loan Amount, Texas)
CLOSING REQUIREMENTS	<ul style="list-style-type: none"> First payment must generally be due no later than two months after closing and in all cases in accordance with Texas Constitution 50(a)(6)(L)(i): “The equity loan must be repaid in substantially equal successive periodic installments, not more often than every 14 days and not less often than monthly, beginning no later than two months from the date the loan is made.” Loan may not close until 12 days after the later of: <ul style="list-style-type: none"> The date the borrower signs a loan application, and The date the customer signs the “Notice Concerning Extension of Credit”. The borrowers must be given a complete and accurate copy of the final HUD-1/HUD-1A or Closing Disclosure no later than one business day prior to loan closing. Borrowers must sign Borrower’s Certification of Receipt of Settlement Statement and the Accuracy Thereof at closing. Both spouses must execute the mortgage. However, both spouses are not required to be parties to the promissory note. All individuals on title and their spouses must sign all Texas Cash Out documents. Borrowers must be given a copy of all documents signed at closing and sign the Texas Home Equity Receipt of Copies. The documents may not contain blank spaces. All loans must contain a Texas Home Equity Loan Closing Instructions Addendum. Loan must be closed by an attorney or title company or in the Lender’s office. No closings by mail or phone.



TEXAS SECTION 50 (a)(6) FIXED PROGRAM MATRIX

**CLOSING
DOCUMENTS**

- The following forms must be executed and included in the final funding package:
 - Texas Home Equity Affidavit Agreement
 - Texas Home Equity Discount Point Acknowledgement, if applicable
 - Federal Notice of Right to Rescind
 - In addition to the borrower, the lender must sign the Acknowledgement of Fair Market Value of Land Home property at closing with an appraisal attached to the Acknowledgment.
 - Rural Land Home Affidavit if the property is more than 10 acres
 - Notice of No Oral Agreements signed by lender and borrower
 - Texas Home Equity Receipt of Document Copies
 - Signed Affidavit Confirming Borrower Receipt of Final Itemized Disclosure of Fees.
- Use the following forms at closing:
 - Texas Home Equity Security Instrument
 - Texas Home Equity Note
 - Texas Home Equity Condo Rider, if applicable
 - Texas Home Equity PUD Rider, if applicable
- Title Policy must include T42 and T42.1
- All transactions require a valid survey
- Power of Attorney is not permitted



REVISION HISTORY:

<u>DATE</u>	<u>TOPIC / UPDATE</u>
12/02/2024	Added new 2025 loan limits

