



Miscellaneous:

Texas Loans

3.17.22

You have a Texas Loan? What is so special about them? What do they require?

Purchase

- Survey required
- Community properties need spouse's name if not on loan
- Wet State, same day funding
- Owner Occupied Buyer can qualify using current homestead exemption on property if one is currently in place, Homestead only
 - Other exemptions cannot be utilized until the property is in their name and exemption filed Jan 1st and exemption is approved
 - Only primary residences can apply for Homestead exemptions. (Investments and 2nd homes do not apply for this exemption)
 - Prorations for closing will be the current exemption amount for the seller and what taxes were paid that year by the seller
 - VA Loans-100% disabled can qualify without taxes and do not have to collect for taxes. Need TX Tax Code, LOE for intent to file for exemption and county exemption paperwork must be prefilled out
Qualify the borrower using the full tax amount, not the exemption amount, this could cause a shortage in escrow when taxes are due
- PIW Can be used if it meets the following
 - Principal residences and second homes up to 80% LTV/CLTV
 - Principal residences in "high-needs rural" locations identified by FHFA up to 97% LTV/105%CLTV (for borrowers at or below AMI), contingent on home property inspection
 - Recently constructed property (i.e., new construction that is 100% complete) when there is an existing "as is" prior appraisal for the subject property (see Selling Guide B4-1.4-10, Appraisal Waivers, as updated June 3, 2020)

New Construction

- No Homestead exemption
 - Buyer cannot file for exemptions until the property is in their name and must file after Jan 1st and exemption is approved
 - Only primary residences can apply for Homestead exemptions. (Investments and 2nd homes do not apply for this exemption)
- Survey required
- Community properties need spouse's name if not on loan
- Builder Docs-Include FHA/VA number on docs
 - Termite 99A/99B Evidence of Soil Treatment
 - Copy of Builder Permit
 - Energy Efficient Constructions (Only TexVet) or Cert of Occupancy
 - Builders Certification HUD-92541
 - HUD-92544 Warranty of Constructions/VA Form 26-2859 (One yr. Warranty)
 - Radon Cert
 - Lead/Water Distribution System - Solders and Flux Cert

- VA and FHA New Builds: Amendatory Clause (Needs to be signed by builder)

Refinance(s)

No Cash-out/Regular Rate and Term

- Borrower max cash back is zero
- Maximum LTV 90%
- Survey required *view additional notes
- PIW Can be used if it meets the following
 - Loan casefiles that receive an Approve/Eligible recommendation
 - One-unit properties, including condominiums
 - Max LTV 80%

No Cash-out / Regular Rate and Term of a prior TX A6 loan

- A full year must have passed to close on a TX Non-equity Refinance
- Borrower max cash back is zero
- Maximum LTV 80%
- Texas Non-Equity Refinance disclosure, 12 days prior to closing
- Survey required *view additional notes

Cash-out refi/TX A6

- Texas Equity Refinance disclosure, 12 days prior to closing
- Survey required *view additional notes
- Full appraisal required
- Max LTV 80%
- Primary / Homestead property
- When the cash out is a refinance of a prior TX A6 loan a full year must have passed to close the new cash out loan

Cash-out refi on an investment property / second home

- Survey required *view additional notes
- Borrower must have ownership of another home in TX that is a primary residence
- PIW can be used if it meets the below- FNMA-check investor overlay they may require appraisal
 - Loan casefiles that receive an Approve/Eligible recommendation
 - One-unit properties, including condominiums
 - Second homes and investment properties up to 60% LTV/CLTV

NOT ELIGIBLE FOR PIW's

Most transactions will not receive an appraisal waiver offer, which means they will require an appraisal by a qualified residential appraiser to establish the market value. The following are not eligible for an appraisal waiver offer:

- When the lender has any reason to believe an appraisal is warranted
- Construction and construction-to-permanent loans
- Two- to four-unit properties, cooperative units, and manufactured homes
- Loan casefiles in which the value of the subject property provided to DU is \$1,000,000 or greater
- HomeStyle mortgage products (Renovation and Energy)
- Texas 50(a)6 loans
- Leasehold properties, community land trust homes, or other properties with resale restrictions
- DU loan casefiles that receive an ineligible recommendation
- Loans for which the mortgage insurance provider requires an appraisal
- Loans for which rental income from the subject property is used to qualify
- A transaction using a gift of equity

ADDITIONAL NOTES:

- Questions on Property taxes? Exemptions? Reach out to title company and ask? Tax calculation worksheets located in the HUB, different outlets to ensure your property taxes are calculated accurately prior to going to Preclosing review
- Property taxes are due December 31st, tax bills come out at different times for different counties
- Subordinations are not required in Texas
- FHA New construction loans in municipalities that do not provide a certificate of occupancy, FHA does not require the Warranty of Completion, no COO is issued, but a final inspection or HUD-92051 completed by a fee inspector that is qualified to provide
- Surveys are always required unless title will accept a Survey Affidavit in lieu of an actual survey to issue the survey endorsement ALTA Endorsement 09-06 on final title policy, confirm with title first, refinances only
- Texas 12 Day disclosure NOTICE CONCERNIN EXTENSION OF CREDIT, must be signed 12 days prior to the borrower signing closing documents, NPS are required to sign, refinances only, this can e sent as one-off doc in Floify and pulled as a State Specific Disclosure

**If you have any questions, please reach out to the
Training Team at Training@vipmtginc.com**