
Lending Guide

Chapter 15 | Texas Section 50 (a)(6) & (a)(4)

Section 50(a)(6) Loans

A Texas Section 50(a)(6) loan is a mortgage originated under the provisions of Article XVI, Section 50(a)(6) of the Texas Constitution, which allows a borrower to take equity out of a homestead property under certain conditions.

The proceeds from a Texas Section 50(a)(6) mortgage must not be used to acquire or improve the homestead if a mortgage for that purpose could have been made under a different provision of the Texas Constitution.

Underwriters must determine whether refinance mortgages securing properties in Texas are eligible for origination by Cardinal and should be aware that even though a loan may receive an “Eligible” or “Accept” recommendation through an AUS, the loan may not be eligible for origination, according to Section 50(a)(6) of the Texas Constitution.

Non-Home Equity Section 50(a)(4) Loans

As of January 1, 2018, revisions to Texas regulations now permit the refinance of a seasoned home equity loan (a)(6) as a rate and term refinance under the following conditions:

- The home equity loan is greater than one year from the original Note and Deed of Trust date
- The total refinanced amount, when added to all other debt securing the homestead, does not exceed 80% of the value of the property
- The refinanced loan cannot provide any additional money to the consumer other than to cover the costs of refinancing
- Consumers must be provided a notice not later than three (3) days after application and at least twelve (12) days before the refinance is closed (as defined by signing date) notifying the consumer about their rights associated with the refinancing as a home equity loan or a non-home equity loan

- The notice will inform the consumer that the non-home equity loan may be foreclosed without a court order; that the consumer will have personal liability for any deficiency, and that the non-home equity loan may have other terms that are prohibited in a home equity loan

New loan amount pays off existing lien and...	If Existing lien is Non-50(a)(6), then New Lien is:	If Existing lien is 50(a)6, then New Lien is:
Provides even \$1 cash to borrower	50(a)(6)	50(a)(6)
Pays off/down an existing 50(a)(6) lien with no cash to borrower	50(a)(6)	50(a)(6) or (a)(4)
Pays off/down an existing 50(a)(6) lien with cash to borrower	50(a)(6)	50(a)(6)
Pays off federal tax debt liens or property tax liens.	50(a)(6)	50(a)(6)
The new lien is < existing UPB (no new funds)	Non-50(a)(6)	50(a)(6) or (a)(4)
Funds, prepaids, and or closing costs	Non-50(a)(6)	50(a)(6) or (a)(4)
Pays off/down a purchase money 2nd with no cash to the borrower.	Non-50(a)(6)	50(a)(6) or (a)(4)
Pays off/down an existing Secured Home Improvement Loan (mechanic's lien) with no cash to the borrower.	Non-50(a)(6)	50(a)(6) or (a)(4)
Provides funds to satisfy a court-ordered Divorce Equity Buyout	Non-50(a)(6)	50(a)(6) or (a)(4)

Refinance Transactions

The definitions “cash-out refinance” or “limited cash-out refinance” as defined by the agencies and other investors may differ from the way mortgages are classified under Texas law.

Texas law determines whether or not a mortgage is a Section 50(a)(6) mortgage or a Section 50(a)(4) mortgage, and Cardinal’s policy determines only whether the mortgage must be classified as a cash-out refinance transaction or as a limited cash-out refinance transaction for product and pricing purposes.

Eligible Transactions

A Texas Section 50(a)(6) or a Section 50(a)(4) mortgage must be secured by a single-unit primary residence constituting the borrower’s homestead under Texas law. Mortgages secured by two-to four-unit properties, investment properties, or second homes are not eligible. The security property may be a (an):

- Detached dwelling,
- Attached dwelling,
- Unit in a PUD project,
- Unit in a condo project, or
- Manufactured home if it is classified as real property under Texas law and satisfies all special underwriting criteria for the particular loan program

The subject property must be the borrower’s Texas Homestead.

Condominiums and PUD’s are subject to Cardinal’s project standards for the applicable product and program.

Eligible under Fannie Mae and Freddie Mac’s Delayed Financing Exception; refer to [Chapter 4 Eligible Transactions](#) for complete guidelines.

Acreage Limitations

The borrower’s property may not exceed the applicable acreage limit as determined by Texas law when the Texas Section 50(a)(6) mortgage is originated.

Property Designation	Limitations
Urban	10 acres
Rural- Individual Homestead	100 acres

Rural – Family Homestead	200 acres
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There are no exceptions to the acreage limit. The loan must comply with Article XVI, Section 50 (a)(6) of the Texas Constitution in regards to eligible land use.

A borrower that owns adjacent land must submit appropriate evidence, such as a survey, that the mortgaged homestead property is a separate parcel that does not exceed the permissible acreage.

Cash-Out

Transaction is ineligible as a Cashout Refinance if the subject property contains more than 10 acres and is not designated as 'Rural' on the appraisal.

Loan Terms

Texas Section 50(a)(6) and Section 50(a)(4) mortgages must be fully amortizing mortgages with payments due on a monthly basis. The following are eligible as Texas Section 50(a)(6) mortgages and Section 50(a)(4):

- First liens only;
- Fixed-rate mortgages; and
- Fully amortizing adjustable-rate mortgages (see the applicable loan product for additional requirements)

Octane attempts to calculate whether or not a loan is a Texas Home Equity loan (and sets the Texas Home Equity value) using the following rules. Texas Home Equity Yes/No/Unknown is located on Underwriting Screen > Overview Tab and visible but not editable on the Terms Screen.

Loan Terms	Texas Home Equity	User Editable
Texas, Cash-Out, Primary Residence	Yes	No
Texas, Refinance, Primary Residence, any liens being paid off are Texas Home Equity	Yes	No

Texas, Refinance, Primary Residence, Change in Rate and Term ²	Unknown ¹	Yes
Texas, Refinance, Not Primary Residence	No	No
Not Texas or Not Refinance	No	Field not displayed

¹If Texas Home Equity is Unknown, then it requires an underwriter to review and set the field on the Underwriting Screen based on the available information.

Ineligible Transactions

The following are not eligible as Texas Section 50(a)(6) mortgages:

- 2-4 unit properties
- Loans that are not in first-lien position
- Interest-only mortgage or mortgages with a balloon feature
- Loans with temporary interest rate buydowns
- Non-occupant Co-Borrowers/Co-Mortgagors/Co-Signers/Guarantors
- Loan closing using a Power of Attorney
- Borrower's on the application but not on title
- Fees may not exceed 2% of the loan amount
- Escrow Hold-backs
- Jumbo and Conforming High-Balance loans
- FHA, VA, and USDA mortgage loans (Section 50(a)(6) is not permitted, Section 50(a)(4) is eligible)

Agricultural Tax Designations

Agricultural Tax Designation is permitted provided the property is primarily in nature and adheres to Cardinal's property standards as determined in the Appraisal and Property section of the Cardinal Lending guide.

LTV/CLTV

Per Texas law, the maximum allowable LTV and combined LTV is 80%, notwithstanding any conflicting provisions of this lending guide, the applicable product snapshot, or any specific AUS recommendation or finding. HELOC subordinate financing is not permitted, so no maximum HCLTV is applicable.

The more restrictive of the Texas Section 50(a)(6) or Section 50(a)(4) maximum LTV/CLTV/HCLTV and the maximum LTV/CLTV/HCLTV/TLTV as outlined in the cash-out refinance section of the applicable product guide applies.

Fee Cap

Under Texas law, there is a 2% fee restriction on closing costs that can be charged to a borrower in order to obtain a Texas Section 50(a)(6) loan. Included in this calculation are all closing costs, paid directly or indirectly by the borrower. The guidelines are as follows:

- Fees must be reasonable
- Origination fees-collected are included in the 2% fee cap
- Fees paid for by the borrowers to include: fees paid outside of closing; fees related to the maintenance of the loans (i.e., tax service fee, etc.); per diem interest and fees paid to third parties (except as noted below) and fees paid to lender.
- Lender credits to the borrower for the interest rate chosen may be applied to offset the closing costs included in the 2% calculation

The following fees are not included in calculating the 2% fee cap:

- Appraisal fees for appraisals performed by third party appraisers, not inclusive of AMC fees
- Survey fees for surveys performed by state registered or licensed surveyors
- Title insurance premiums for the mortgagee policy and endorsements
- Title examination charges in lieu of a title policy

Fees Subject to the 2% Cap	Fees Not Subject to the 2% Cap
<ul style="list-style-type: none"> ● Administrative Fees ● Appraisal Management Company Fees ● Assignment Fees ● Attorney File Review Fees ● Broker Fees ● Closing Fees ● Commitment Fees ● Courier Fee/Express Mail Fees ● Credit Life Insurance ● Credit Report Fees ● Deed Restriction Fees ● Doc Prep Fees (may be changed only by a Texas licensed attorney) ● Title Company Escrow Fees ● Escrow Waiver Fees ● Flood Certification ● HOA Transfer/Certification ● Mortgage Insurance ● Origination Fees ● Pest Inspection Fees ● Processing Fees ● Property Tax Certification Fees ● Property Tax Service fees ● Recording Fees ● Underwriting Fees ● Warehouse Fees 	<ul style="list-style-type: none"> ● Bonafide discount points ● Fees based on the failure of the borrower to live up to contractual obligations (for example, force-placed insurance, returned check charges, debt collection costs, late fees, foreclosure costs) ● Per Diem Interest ● Flood insurance ● Hazard insurance ● HOA maintenance fees/dues ● Property taxes ● Third-party appraisal fees ● Title Insurance Premiums ● Survey fees performed by state registered or licensed surveyors

Assumability

Texas Section 50(a)(6) loans and Section 50(a)(4) loans are not assumable.

Prepayment Penalties

Texas Section 50(a)(6) loans and Section 50(a)(4) loans cannot have prepayment penalties.

Loan Limitations

Texas permits only one Section 50(a)(6) equity loan at one time and only one within a 12 month period.

Seasoning Requirements

If an existing Texas Section 50(a)(6) or Section 50(a)(4) first or second mortgage will be paid off, the lender must verify that 12 months have passed since the closing date of the existing Texas Section 50(a)(6) or Section 50(a)(4) loan being paid off before a new Texas Section 50(a)(6) lien can be secured.

If paying off a non-Texas Section 50(a)(6) or Section 50(a)(4), six months must have passed since the closing date of the existing loan being refinanced.

Maximum Cash Back Restrictions

Non-Texas 50 (a)(6) Transaction

To be considered a Non-Texas Section 50(a)(6) or Section 50(a)(4) transaction, the borrowers can receive zero cash back in a Rate and Term or No Cash-Out loan on an owner-occupied homestead property in the state of Texas. Therefore, any incidental surplus would require the loan amount to be decreased and the documents to be redrafted (loan would have to be reclosed).

Texas 50(a)(6) Transactions

If the transaction is already a Texas Section 50(a)(6), the borrower may take cash up to the maximum cash-out limits outlined in the applicable product guide. Additionally, the loan must meet all of the Texas Section 50(a)(6) requirements and must be closed as a Texas Section 50(a)(6).

Proceeds and Payoff of Debt

Section 50(a)(6)

The Texas Constitution prohibits a lender from requiring that the proceeds from a Texas Section 50(a)(6) loan be used to pay off any debts to that lender that are not secured by the homestead. If proceeds are used to pay off any unsecured debts owed by the borrower, then there must be documentation of the voluntary nature of the payment.

- If the payoff of debts to other lenders/creditors is required in order to qualify the borrower, then those payoffs must be disbursed directly to the creditor by the title company.
- Debts that are elected to be paid off by, or on behalf of, the borrower, but are not required to be paid off in order to qualify the borrower, may be disbursed directly to the borrower.
- A loan used for consolidating debt must originate as a Texas 50(a)(6) loan even if the proceeds at closing are paid directly to the creditors, and the borrower receives no cash from the transaction.
- The payoff of a purchase money loan or a previous no cash-out refinance.
- Payment of non-delinquent liens for property taxes on the subject property securing the new loan.
- The only cash proceeds the borrower may receive are limited to:
 - A refund of a previously paid application fee, or
 - Existing escrow monies in excess of any amount needed to fund any new escrow account.

Seller may refinance a Texas Equity Section 50(a)(6) Mortgage into another Texas Equity Section 50(a)(6) Mortgage, or a refinance Mortgage permitted by Section 50(a)(4) of Article XVI of the Texas Constitution (a “Section 50(a)(4) Mortgage”).

Section 50(a)(4)

Section 50(a)(4) loans may be used to pay off a Section (a)(4) loan and to finance closing costs. The borrower may not receive proceeds at closing.

Owely of Partition

An Owely of Partition lien is a lien that is recognized by the Texas Constitution as a valid lien on homestead. While it may be created by written agreement of the co-owners of the homestead, it is typically created by court order in connection with a divorce.

Because the homestead cannot be partitioned (i.e., split up between the co-owners), it is awarded to one co-owner, with the other(s) receiving a valid lien securing their interest in the homestead. Assuming that the borrower will not receive cash back at closing, this lien may be renewed and extended under 50(a)(4) of the Constitution (i.e., refinance as a rate and term refinance) along with any prior, valid, lien, without having to close the loan as a Texas Cash-Out loan under 50(a)(6).

Not permitted with One-Time Close Construction products; all liens must be released from title prior to the closing of our transaction

Not all divorce decrees create a valid Owely Lien that a title company will insure. In the event the Owely Lien is not present on the title, the loan would have to close as a 50(a)(6) in order to obtain cash to pay off the ex-spouse.

Subordinate Financing

New subordinate financing on a first lien Texas Section 50(a)(6) loan is not permitted.

Existing subordinate liens on the real estate that are not paid off with the new Texas Section 50(a)(6) loan (i.e., an existing home improvement loan) may be re-subordinated if:

- The subordinated 2nd mortgage is not already a Texas Section 50(a)(6) loan; verification is required. The title company must obtain a copy of the security instrument.

- The subordinated 2nd mortgage must meet the 80% CLTV requirement.

For non-Texas Section 50(a)(6) transactions, a renewal and extension agreement may be acceptable in lieu of a subordination agreement.

Escrow Holdbacks

Escrow holdbacks for repairs are not permitted on Texas Section 50(a)(6) or Section (a)(4) transactions.

Borrower Eligibility

Cardinal requires that all borrowers have a valid Social Security Number. For more information on general eligibility, see the Borrower Eligibility section of this guide, the more restrictive of the Texas Section 50(a)(6), Section 50(a)(4) guidelines, or Cardinal's guidelines apply.

Texas Section 50 (a)(6) and Section 50(a)(4) Eligible Borrowers	Borrower Type	Requirement
Individuals	U.S. citizens	Allowed
Individuals	Permanent resident alien	Allowed under the same conditions as a U.S. citizen
Individuals	Non-permanent resident alien	Must meet the qualifications on non-permanent resident aliens in the general borrower eligibility section of this guide
Trustees & Individual	Inter vivos revocable trusts	An inter vivos revocable trust that meets Cardinal's borrower eligibility criteria may be a borrower under a Texas Section 50(a)(6) mortgage, provided that the trust meets the requirements for a Qualifying Trust under Texas law for purposes of owning residential property that qualifies for the homestead exemption.

Qualifying Trust

Qualifying Trust means an express trust:

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- In which the instrument or court order creating the express trust provides that a settlor or beneficiary of the trust has the right to:
 - revoke the trust without the consent of another person;
 - exercise an inter vivos general power of appointment over the property that qualifies for the homestead exemption; or
 - use and occupy the residential property as the settlor's or beneficiary's principal residence at no cost to the settlor or beneficiary, other than payment of taxes and other costs and expenses specified in the instrument or court order:
 - for the life of the settlor or beneficiary;
 - for the shorter of the life of the settlor or beneficiary or a term of years specified in the instrument or court order; or
 - until the date the trust is revoked or terminated by an instrument or court order recorded in the real property records of the county in which the property is located, and that describes the property with sufficient certainty to identify the property; and
 - The trustee of which acquires the property in an instrument of title or under a court order that:
 - describes the property with sufficient certainty to identify the property and the interest acquired; and
 - is recorded in the real property records of the county in which the property is located

Refer to Sec. 41.0021. HOMESTEAD IN QUALIFYING TRUST for complete guidance.

Ineligible Borrowers

The following are not eligible on Texas Section 50(a)(6)) and Section 50(a)(4) transactions.

- Non-occupant co-borrowers
- Cosigners and guarantors
- Foreign nationals
- Corporations and partnerships, including family partnerships
- Borrowers not on title

Non-Texas Section 50(a)(6) Requirements:

- Loans meeting the definition of a conforming cash-out transaction must be locked and submitted to the AUS as a cash-out transaction.
- In addition, the loan file must evidence that the loan is not a Texas Home Equity Loan as defined in Section 50(a)(6), Article XVI of the Texas Constitution.

Underwriting Requirements

Texas Section 50(a)(6) and Section 50(a)(4) mortgages are eligible for the reduced documentation requirements recommended by AUS findings, provided that all other terms and conditions described herein for Texas Section 50(a)(6) mortgages shall apply.

For a mortgage that represents the refinance of a Texas Section 50(a)(6) or Section 50(a)(4) mortgage, the borrower must requalify even if Cardinalis currently servicing the existing mortgage that is being refinanced.

Texas Section 50(a)(6) and Section 50(a)(4) transactions may not be manually underwritten. They must be an approve/accept through the applicable AUS.

Property Valuation and Appraisals

For purposes of compliance with the acknowledgment of the “fair market” value of the homestead property requirement, the “fair market value” must be based on an appraisal, and the appraisal must be attached to the written acknowledgment. Property Inspection Waivers are permitted on Texas Section 50(a)(4) loans. However, they are not permitted on Texas Section 50(a)(6) loans.

A new full appraisal, including both interior and exterior inspections, is required to determine current value on either Uniform Residential Appraisal Report ([Form 1004](#)) or Individual Condominium Unit Appraisal Report ([Form 1073](#)), regardless of any AUS findings. The appraisal for the property and the acknowledgment of fair market value must not include any property other than the homestead.

The survey (or other acceptable evidence) must demonstrate that:

- 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 are available.

Attorney Review

In the state of Texas, Cardinal Financial requires all Texas Section 50(a)(6) and Section 50(a)(4) loans to be reviewed by an authorized attorney prior to closing.

All Retail, Consumer Direct, TPO, Delegated, and Non- Delegated Underwriting transactions where Cardinal prepares the closing package must show evidence that the file was reviewed and approved by an authorized attorney with a fully executed Legal and Compliance Attorney Opinion Statement.

Review fees are as follows:

Transaction Type	Review Fee Smart Charges enabled prior to 1/01/21	Review Fee Smart Charges enabled on or after 1/01/21
Refinance Texas Equity	\$300	\$200

Power of Attorney

Cardinal requires that if a Power of Attorney (POA) is to be used in the closing of a Texas Section 50(a)(4) loan, the POA must be executed at the physical offices of either an attorney or a title company. See Cardinal's Power of Attorney policy for further requirements.

Note: A Power of Attorney may not be used in the closing of a Texas Section 50(a)(6) loan.

Voluntary Lien

Consent of each owner and their spouse is required, regardless of title or homestead interests, etc. Consent will be indicated by signing the Deed of Trust.

Closing Requirements and Documentation

Texas Section 50(a)(4) loans require an (f)(2) disclosure within three (3) days of application. This notice advises borrowers:

- That the loan being refinanced is a home equity loan.
- The borrowers may have the option to refinance as either a Home Equity loan or a Non-Home Equity loan.
- Certain consumer protections are lost if the loan is refinanced into a Home Equity loan
 - The lender may foreclose without a court order
 - There is recourse for personal liability against the borrower and their spouse
 - The Non-Home equity loan may contain terms or conditions not permitted in a traditional Home Equity loan.

A Texas Section 50(a)(6) or Section 50(a)(4) loan may not close until the following requirements are met:

- Twelve days have passed since the borrower submitted the loan application, or all borrowers have signed the 12-day notice twelve days prior to closing, whichever is later,
- Three days have passed since the borrowers received a copy of the Closing Disclosure, and
- Twelve months have passed since the closing of an existing Texas Section 50(a)(6) loan.

Note: If the borrowers sign the URLA (1003) after the Notice Concerning Extension of Credit has been signed, then the 12 days begin based on the date of the 1003.

Texas Section 50(a)(6) and Section 50(a)(4) loans may only be closed at a title company.

- The title company must be provided with a detailed closing instruction letter, and Cardinal requires an acknowledgment of its receipt.

- The closing instructions must require the title company to conduct the closing in a way that ensures compliance with all applicable provisions of Section 50(a)(6) or Section 50(a)(4) of the Texas Constitution.
- Texas Section 50(a)(6) mortgages must close using the *Texas Home Equity Security Instrument (First Lien)* (Form 3044.1) and the specific Texas Section 50(a)(6) notes and riders, as well as a special Texas Section 50(a)(6) borrower affidavit. See the closing procedures for additional information.

Additional Requirements

- **Conveyed Property:** Any consumer-initiated conveyances of the property adding new owners must be completed at least 12 days before closing, and the new owners must receive the “Notice Concerning Extensions of Credit” at least 12 days before closing.
- **Individuals on Note:** Only individuals/trusts on the title may be on the note. A non-titled spouse may not be on the note.
- **Identification of Spouses:** It is the responsibility of the underwriter to ascertain all the owners of the property, and the owners’ spouses, including common-law spouses.
- Each property owner and each owner’s spouse are required to certify, at closing, that they received the required documents. The certification may be on each document that the borrower signs or on a separate certification.
- **Texas Home Equity Affidavit and Agreement, provided at closing.**
 - Each owner of the property and each spouse of an owner must sign the Texas Home Equity Affidavit and Agreement at closing.
- **Acknowledgment of Fair Market Value of Homestead Property, provided at closing.**
 - The owners and the lender must sign a written acknowledgment as to the fair market value of the homestead on the date the Texas Section 50(a)(6) is made. A Texas Section (50)(a)(6) is not eligible for sale to Cardinal if the borrower fails to sign the

Acknowledgment of Fair Market Value either prior to closing or after closing. An appraisal must be attached to the written acknowledgment.

Right to Rescind

In addition to the federal right to rescind that may apply under Regulation Z, all Texas Section 50(a)(6) and Section 50(a)(4) loans are subject to a three-day right to rescind under Texas law.

Underwriters may rely on the federal Notice of Right to Cancel form to meet this requirement. The Texas right to rescind requires signatures by all spouses, even if the spouse is not on the title, and the right cannot be waived.

Title Insurance

Texas Section 50(a)(6) and Section 50(a)(4) require a title insurance policy written on Texas Land Title Association forms (standard or short form) known as a T-2, supplemented by an Equity Loan Mortgage Endorsement (Form T-42) and a Supplemental Coverage Equity Loan Mortgage Endorsement (Form T-42.1), is also required.

Paragraph 1(a) of the Supplemental Coverage Equity Loan Mortgage Endorsement must be part of the coverage, which means that the loan must be closed at an office of the title company issuing the policy.

There may be no exceptions or deletions to the coverage provided by Paragraphs 2(a) through (e) of the T-42 endorsement, and the endorsement must include the optional coverage provided by Paragraph 2(f), as well as the additional coverage provided by Endorsement T-42.1.

The title insurance policy cannot include language that:

- Excludes coverage for a title defect that arises because financed origination expenses are held not to be “reasonable costs necessary to refinance” or
- Defines the “reasonable costs necessary to refinance” requirement as a “consumer credit protection” law since the standard title policy excludes coverage when lien validity is questioned due to a failure to comply with consumer credit protection laws.

- If the prior T-2 was issued within the last seven years, the title company must charge the lower reissue rate for the T-2.

Survey Requirements

Refer to [Chapter 17 | Title Insurance Requirements](#) for guidance related to property surveys.

References

Reference List
Form 1004
Form 1073

Revision History

Revision History is to be used as a reference only and will only provide a summary of document changes. For complete versioning, refer to the Google Docs versioning functionality, which is the system of record.

Date	Description	Approver
12.16.21	Immaterial changes. Corrected grammar and formatting to align with company standards.	-
10.8.21	Added additional information for Qualifying Trusts	Kristen Bellon
9.3.21	Clarified program is eligible under Fannie Mae and Freddie Mac's Delayed Financing Exception rule	Kristen Bellon
4.12.21	Updated section name related to conversion transactions to Texas Home Equity Conversion 50(a)(4)	Erica Price
2.08.21	Added Texas Attorney Review fees	Kristen Bellon

10.30.20	Clarified if paying off a non-Texas Section 50(a)(6) or Section 50(a)(4), six months must have passed since the closing date of the existing loan being refinanced	Kristen Bellon
3.2020	<ul style="list-style-type: none"> Clarified the use of a Power of Attorney (POA) is permitted on a Texas (a)(4) only and is not eligible for use on a Texas (a)(6) Updated Ineligible Transactions to clarify FHA, VA, and USDA loans are not eligible as a Texas (a)(6) 	Kristen Bellon
1.2020	Added Owelty of Partition section providing guidance that if an Owelty of Partition lien is recorded on title, the loan may be treated as a Section 50(a)(4)	Ellen Clayson
12.2019	Added transaction is ineligible as a Cashout Refinance if the subject property contains more than 10 acres and is not designated as Rural on the appraisal	Ellen Clayson
12.2019	Clarified that Texas Section 50(a)(4) mortgages are eligible for an appraisal waiver; Texas Section 50(a)(6) mortgages remain ineligible for a waiver	Erica Price
8.2019	Octane Texas Equity Calculated Value	Erica Price
3.2018	Ineligible Transactions - Removed VA and FHA as they are allowed under certain conditions.	Erica Price
1.2.2018	Revisions for Section 50 (a)(4)	Erica Price
9.2017	Initial Approval	Erica Price