

Texas Homestead Refinance Matrix (DU)

Transaction Type	Number of Units	Maximum LTV/CLTV
50(a)(4)		
Primary Residence		
Limited Cash-Out Refinance	1	97% ¹
Cash-Out Refinance	1	80%
50(a)(6)² and 50(f)(2)²		
Primary Residence		
Limited Cash-Out and Cash-Out Refinance	1	80%
Footnotes		
¹ 95.01-97% LTV/CLTV <ul style="list-style-type: none"> • Existing loan must be owned or securitized by Fannie Mae (Fannie Mae Mortgage Loan Lookup Tool) 		
² Appraisal Waivers are NOT PERMITTED even if DU findings permit		
Guidelines Applicable to All Programs		
COVID-19 Temporary Process	Refer to the Conventional Lending Guide COVID-19 Temporary Guidelines for guidance	
Conventional Lending Guide	<ul style="list-style-type: none"> • All loans must be underwritten to the standards contained within this matrix, the loanDepot Conventional Lending Guide and Overlays Matrix • Any guidance published on this matrix supersedes any guidance referenced within the loanDepot Conventional Lending Guide • If guidance is not provided on this matrix, within the loanDepot Conventional Lending Guide or on the Overlays Matrix, refer to the Fannie Mae Selling Guide • The Texas Refinance Calculator must be completed for each loan • Training Resource: Texas Homestead Reference Guide 	
Refinance Classifications	<ul style="list-style-type: none"> • Mortgage loan requirements for homestead properties located in Texas adhere to the Texas State Constitution as well as Fannie Mae guidelines • The refinance product selection is affected by the Texas Homestead status, occupancy (including prior occupancy of the subject property), property type, transaction characteristics, and the borrower's decision to maintain or obtain Texas State Constitution home equity loan consumer protections • Loans secured by two- to four-unit properties, investment properties, or second homes may be eligible for non-Texas homestead products and are not eligible for Texas homestead 50(a)(6), 50(a)(4), or 50(f)(2) products • The Fannie Mae classification of homestead loan transactions as a limited cash-out or cash-out refinance may differ from Texas State Constitution classifications • Texas law determines when a loan is a Texas Section 50(a)(6), 50(a)(4), or 50(f)(2) loan; Fannie Mae guidelines determine when the loan is a limited cash-out or cash-out refinance 	
Appraisal	<ul style="list-style-type: none"> • For transactions with appraisals, the appraisal must not include any additional real or personal property other than the homestead 	
AUS	<ul style="list-style-type: none"> • DU Approve/Eligible required: Fannie Mae guidelines apply • Documentation exceeding DU requirements is subject to underwriter discretion • Manual Underwriting is not permitted 	
Derogatory Credit Events	Foreclosure, Bankruptcy, Deed-in-Lieu, Short Sale, Repossession, or Loan Modification	
	Derogatory Event	Discharge/Dismissal
	Bankruptcy — Chapter 7 or 11	4 years
	Bankruptcy — Chapter 13	2 years from discharge date 4 years from dismissal date
	Multiple Bankruptcy Filings	5 years from dismissal or discharge date
	Foreclosure	7 years
	Loan Modification	No seasoning, DU will evaluate
	Deed-in-Lieu of Foreclosure	4 years
	Pre-foreclosure Sale	
	Charge-Off of Mortgage Account	
	Collections and Non-Mortgage Charge-Off	
	Requirement	
	Payoff not required regardless of amount	
	Note: Collection accounts reported as medical collections are not used in the DU risk assessment	
Maximum Acreage	Urban Homestead: 10 acres maximum	
Maximum Loan Amount	<ul style="list-style-type: none"> • Conforming loan limit 	
Minimum Credit Score	<ul style="list-style-type: none"> • 620 	



Minimum Loan Amount	<ul style="list-style-type: none"> • \$60,000 				
Mortgage Insurance (MI)	MI Coverage				
	> 80% LTV requires MI and is subject to MI guidelines				
	Loan Term	LTV			
		80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01-97.00%
	25 and 30 Year	12%	25%	30%	35%
	10, 15, and 20 Year	6%	12%	25%	35%
	Eligible Plans Subject to Program and LTV			Ineligible Plans	
<ul style="list-style-type: none"> • Standard coverage is required • BPMI (Borrower Paid MI monthly and single premium) • Financed MI • Level/Constant and Non-refundable renewal 			<ul style="list-style-type: none"> • Reduced coverage or coverage requiring an LLPA • LPMI (Lender Paid MI single premium) 		
Refer to the Mortgage Insurance (MI) Resources document for additional guidance in CRM Resources					
Property Eligibility	Eligible		Ineligible		
	<ul style="list-style-type: none"> • Single Family Residence (SFR) – attached and detached • Planned Unit Development (PUD) – attached and detached • Condo (detached, low, mid, and high rise) • Modular – on frame and off frame 		<ul style="list-style-type: none"> • 2-4 Unit properties • Agricultural/Income producing properties • Co-ops • Manufactured homes • Non-Warrantable Condo/Condotel • Properties on more than 10 acres • Unique properties including earth homes, geodesic dome, and log homes 		
Properties Listed for Sale	<ul style="list-style-type: none"> • The property must be taken off the market on or before disbursement date • The borrower must confirm their intent to occupy the subject property as their primary residence 				
Survey Requirements	<ul style="list-style-type: none"> • Survey (or other acceptable evidence) must demonstrate that: <ul style="list-style-type: none"> ◦ Texas homestead property requirements are met, including acreage limitations ◦ 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 				
Net Tangible Benefit	<ul style="list-style-type: none"> • Every refinance transaction must offer a documented, demonstrable, Net Tangible Benefit (NTB) to the borrower 				
Texas Attorney Opinion Letter	<ul style="list-style-type: none"> • A Texas Attorney Opinion Letter for the homestead refinance is required • All conditions of the Texas Attorney Opinion Letter must be met 				



50(a)(4)		
	Limited Cash-Out Refinance	Cash-Out Refinance
Allowable Purposes	<ul style="list-style-type: none"> • Pay off a non-home equity first mortgage lien • Pay off a subordinate mortgage lien entirely used to purchase the subject property • Owelty of Partition lien: buy out a co-owner pursuant to an agreement 	<ul style="list-style-type: none"> • Pay off property taxes due (delinquent) • Pay off a prior lien including a federal tax lien • Pay off an existing lien which is not a 50(a)(6) lien • Pay off a 50(a)(5) homestead improvement lien
	Notes: <ul style="list-style-type: none"> • Payoff of a 50(a)(6) lien or reverse mortgage is not permitted • Zero cash back permitted; refer to the Cash Back section for additional guidance 	
Appraisal Waivers	Are permitted when: <ul style="list-style-type: none"> • DU findings offer and the transaction is eligible • For properties with solar panels, appraisal waivers are permitted subject to the Conventional Lending Guide Properties with Solar Panels policy, and with no indication that the property is off-the-grid. Refer to the Conventional Lending Guide Appraisal Waiver policy for additional guidance	
Borrower Eligibility	Eligible	Ineligible
	<ul style="list-style-type: none"> • U.S. Citizens • Non-U.S. Citizens – refer to the Conventional Lending Guide Non-U.S. Citizens policy <ul style="list-style-type: none"> ◦ Permanent Residents ◦ Non-Permanent Residents • Inter Vivos Revocable Trusts • Non-occupant borrower 	<ul style="list-style-type: none"> • Cosigner • Foreign National • Irrevocable Trusts • LLC
Cash Back	<ul style="list-style-type: none"> • Cash back to the borrower in any amount is not permitted • Receiving cash back in an amount that is not more than the lesser of 2% of the new refinance loan amount or \$2,000 is not permitted 	
Ineligible Transactions	<ul style="list-style-type: none"> • Transactions which include Texas 50(a)(6) liens: refer to the Texas 50(f)(2) section • ARM loans • Delayed Financing • Investment property • Purchase transactions • Second Home • Temporary interest rate buydown 	
Maximum Closing Costs	<ul style="list-style-type: none"> • Actual and reasonable costs necessary to refinance allowable debt, permitted by law, and the Conventional Lending Guide guidelines 	
Product-Specific Disclosure Requirements	<ul style="list-style-type: none"> • None 	
Seasoning Requirements	<ul style="list-style-type: none"> • Limited Cash-Out Refinance transactions: per Fannie Mae and loanDepot guidelines • Cash-Out Refinance transactions: per the Conventional Lending Guide Cash-Out Refinance guidelines 	
Subordinate Financing	<ul style="list-style-type: none"> • Subordinate financing permitted 	



50(f)(2)

	Limited Cash-Out Refinance	Cash-Out Refinance
Allowable Purposes	<ul style="list-style-type: none"> • Pay off a 50(a)(6) first mortgage lien or • A first mortgage lien with a 50(a)(6) purchase money subordinate lien used entirely to purchase the subject property • Pay off an Owelty of Partition lien: buy out a co-owner pursuant to an agreement, is permitted with the payoff of a 50(a)(6) first or 50(a)(6) purchase money second lien 	<ul style="list-style-type: none"> • Pay off a 50(a)(6) lien <li align="center">OR • Pay off a 50(a)(6) lien PLUS one or more of the following: <ul style="list-style-type: none"> ◦ Pay off property taxes due (delinquent) ◦ Pay off a prior lien including a federal tax lien ◦ Pay off non-purchase money subordinate financing ◦ Pay off a 50(a)(5) homestead improvement lien
	Notes: <ul style="list-style-type: none"> • The new loan must pay off a 50(a)(6) lien • Zero cash back permitted; refer to the Cash Back section for additional guidance 	
Appraisal Requirements	<ul style="list-style-type: none"> • Appraisal Waivers are NOT PERMITTED even if DU findings permit • Full interior/exterior inspection required 	
	Eligible	Ineligible
Borrower Eligibility	<ul style="list-style-type: none"> • U.S. Citizens • Non-U.S. Citizens – refer to the Conventional Lending Guide Non-U.S. Citizens policy <ul style="list-style-type: none"> ◦ Permanent Residents ◦ Non-Permanent Residents • Non-occupant borrower 	<ul style="list-style-type: none"> • Cosigner • Foreign National • Irrevocable Trusts • Inter Vivos Revocable Trusts • LLC
Cash Back	<ul style="list-style-type: none"> • Cash back to the borrower in any amount is not permitted • Receiving cash back in an amount that is not more than the lesser of 2% of the new refinance loan amount or \$2,000 is not permitted 	
Ineligible Transactions	<ul style="list-style-type: none"> • Texas 50(a)(4) transactions: refer to the Texas 50(a)(4) matrix • ARM loans • Delayed Financing • Investment property • Power of Attorney (POA) • Purchase transactions • Second Home • Temporary interest rate buydown 	
Maximum Closing Costs	<ul style="list-style-type: none"> • Actual and reasonable costs necessary to refinance allowable debt, permitted by law, and the Conventional Lending Guide guidelines 	
Maximum Loan Amount Calculation	Maximum loan amount is limited to: <ul style="list-style-type: none"> • Maximum closing costs permitted as stated in the Maximum Closing Costs section, and • Funds required to refinance the 50(a)(6) loan plus debt secured by the homestead per Texas Constitution Article XVI, Sections 50: purchase money, taxes due, owelty of partition, refinance of prior lien including federal tax lien, homestead improvements, or home equity 	
Product-Specific Disclosure Requirements	<ul style="list-style-type: none"> • The 50(f)(2) Disclosure Notice (“(f)(2) Notice”) must be provided to the borrower (and non-borrowing spouse) within 3 business days of: <ul style="list-style-type: none"> ◦ Application and ◦ At least 12 days before the refinance is closed ◦ The loan cannot close until 12 days after the borrower (and non-borrowing spouse) received and executed the (f)(2) Notice • An application change from a 50(a)(6) loan to 50(f)(2) loan, or from a 50(a)(4) loan to a 50(f)(2) loan requires that the (f)(2) Notice must be provided to the borrower (and non-borrowing spouse) within 3 business days of: <ul style="list-style-type: none"> ◦ The date the borrower modified the application to specify that the application is for a refinance from a 50(a)(6) loan to 50(f)(2) loan, or from a 50(a)(4) loan to a 50(f)(2) loan, or ◦ The date the borrower submitted a new application specifically for a refinance from a 50(a)(6) loan to 50(f)(2) loan ◦ The loan cannot close until 12 days after the borrower (and non-borrowing spouse) received and executed the (f)(2) Notice • An application with a borrower added to the application requires that: <ul style="list-style-type: none"> ◦ The (f)(2) Notice must be provided to the added borrower within 3 business days of the date the borrower is added to the application ◦ The loan cannot close until 12 days after the added borrower received and executed the (f)(2) Notice • The (f)(2) Notice must be provided on a separate document • Required to be executed at closing: f-1 affidavit acknowledging that the requirements of Subsection (f)(2) have been met Notes: <ul style="list-style-type: none"> • Closing date: The date the borrower (and non-borrowing spouse) sign loan closing documents is the closing date, not the date the loan funds disburse • 12-Day determination: The next succeeding calendar day after the date that the borrower (and non-borrowing spouse) are provided the Notice is the first day of the 12-day waiting period. The refinance may close at any time on or after the 12th calendar day after the borrower (and non-borrowing spouse) were provided the Notice • Providing the Notice: The Notice must be delivered or placed in the mail no later than 3 business day after the borrower submits the loan application. The Notice must be delivered to the borrower (and non-borrowing spouse) at least 12 days before the refinance is closed. If the Notice is mailed, a period of three calendar days, not including Sundays and federal legal public holidays, constitutes a rebuttable presumption for sufficient mailing and delivery 	



Seasoning Requirement	12 Month Seasoning Requirement <ul style="list-style-type: none">• The refinance loan must close over 12 months from the date that the prior 50(a)(6) loan closed
Subordinate Financing	<ul style="list-style-type: none">• Subordinate financing permitted



50(a)(6)

	Limited Cash-Out Refinance	Cash-Out Refinance
Allowable Purposes	<ul style="list-style-type: none"> Refer to the Cash Back and Ineligible Transactions sections Refer to Fannie Mae Selling Guide B2-1.3-02, Limited Cash-Out Refinance transactions, subject to Texas 50(a)(6) guidelines 	<ul style="list-style-type: none"> Delayed financing is eligible Free and clear properties are eligible Refer to Ineligible Transactions Refer to Fannie Mae Selling Guide B2-1.3-03 Cash-Out Refinance transactions, subject to Texas 50(a)(6) guidelines
Appraisal Requirements	<ul style="list-style-type: none"> Appraisal Waivers are NOT PERMITTED even if DU findings permit Full interior/exterior inspection required The appraisal for the property and the Acknowledgment as to Fair Market Value of Homestead Property must not include any property other than the homestead 	
Borrower Eligibility	Eligible	Ineligible
	<ul style="list-style-type: none"> U.S. Citizens Non-U.S. Citizens – refer to the Conventional Lending Guide Non-U.S. Citizens policy <ul style="list-style-type: none"> Permanent Residents Non-Permanent Residents 	<ul style="list-style-type: none"> Cosigner Foreign National Irrevocable Trusts Inter Vivos Revocable Trusts LLC Non-occupant borrower
Cash Back	Limited Cash-Out Refinance	Cash-Out Refinance
	<ul style="list-style-type: none"> Refer to Fannie Mae Selling Guide B2-1.3-02, Limited Cash-Out Refinance transactions, subject to Texas 50(a)(6) guidelines 	<ul style="list-style-type: none"> No limit to amount of cash back
Ineligible Transactions	<ul style="list-style-type: none"> ARM loans Investment property Payoff any unsecured loan/Depot debt Payoff loan/Depot debt secured by a property other than the subject property Power of Attorney (POA) Principal curtailment Purchase transactions Second Home Temporary interest rate buydown The proceeds from a Texas Section 50(a)(6) loan must not be used to acquire or improve the homestead if a loan for that purpose could have been made under a different provision of the Texas Constitution. Case-by-case review required 	
Maximum Closing Costs	<ul style="list-style-type: none"> Maximum total allowable fees are 2% of the loan amount including fees paid to third parties for services rendered 	
Product-Specific Disclosure and Additional Requirements	<ul style="list-style-type: none"> The loan cannot close until 12 days after the borrower has received and executed the Notice Concerning Extensions of Credit. If a borrower is added, the Notice Concerning Extension of Credit must be disclosed to that borrower, and the 12 days waiting period starts over from the date that borrower received and executed the document 12 Day Notice disclosure is required to be provided within three (3) business days of application and at least twelve (12) days before the refinance is closed. Note: Disclosure is supplied or made available when it is delivered to the borrower If the Notice is mailed, a reasonable amount of time for delivery must pass before the 12-day waiting period can begin. The rebuttable presumption of delivery if mailed is three calendar days, not including Sundays and federal legal public holidays, after mailing The borrower's first payment must be due no later than two months after closing There can only be one outstanding 50(a) (6) loan at any given time. If the borrower has an existing 50(a) (6) second lien, the existing second lien must be paid off. The borrower(s) must be provided a complete and accurate copy of the Final CD and closing cannot occur less than one (1) business day thereafter. All spouses must execute the mortgage/Deed of Trust; however, they are not required to be on the Promissory Note. All individuals on title and their spouse must sign all Texas cash-out documents. Only Homestead owners can be on title at closing. The appraisal must be attached to the written Acknowledgment as to Fair Market Value of Homestead Property; the fair market value must be the value stated on the appraisal. 	
Seasoning Requirements	<ul style="list-style-type: none"> Minimum 6-month title seasoning is required for all cash-out refinances per the Conventional Lending Guide Cash-Out Refinance guidelines Minimum 12-month title seasoning is required if existing loan (1st or 2nd) is a Texas 50(a)(6) loan The new loan may not close before the first anniversary of the closing date of any other equity loan secured by the same homestead property <ul style="list-style-type: none"> "Closing date" is the date the equity loan documentation for the equity loan to be paid off, was signed Applications taken prior to the 12-month seasoning are permitted 	
Subordinate Financing	<ul style="list-style-type: none"> New subordinate financing is not permitted Existing subordinate loans: <ul style="list-style-type: none"> Must not be a 50(a) (6) lien, including not a Home Equity Line of Credit (HELOC) – verification of security instrument is required Must not exceed 80% CLTV 	



Eligible Terms and Plan Numbers

Texas 50(a)(4)

Conforming

Description/Term

Fixed

10 Year Fixed

15 Year Fixed

20 Year Fixed

25 Year Fixed

30 Year Fixed

Texas 50(f)(2)

Conforming

Description/Term

Fixed

10 Year Fixed

15 Year Fixed

20 Year Fixed

25 Year Fixed

30 Year Fixed

Texas 50(a)(6)

Conforming

Description/Term

Fixed

10 Year Fixed

15 Year Fixed

20 Year Fixed

25 Year Fixed

30 Year Fixed



Texas 50(a)(4)		
Fixed	Conforming	
	Plan Codes	Description/Term
	10111064	10 Year Fixed
	10111564	15 Year Fixed
	10112064	20 Year Fixed
	10112564	25 Year Fixed
10113064	30 Year Fixed	

Texas 50(f)(2)		
Fixed	Conforming	
	Plan Codes	Description/Term
	10111062	10 Year Fixed
	10111562	15 Year Fixed
	10112062	20 Year Fixed
	10112562	25 Year Fixed
10113062	30 Year Fixed	

Texas 50(a)(6)		
Fixed Rate	Conforming	
	Product Code	Description / Term
	1011106	10 Year Fixed
	1011156	15 Year Fixed
	1011206	20 Year Fixed
	1011256	25 Year Fixed
1011306	30 Year Fixed	

