

Texas Homestead Refinance Matrix (LPA)

Transaction Type	Number of Units	Maximum LTV/TLTV																
50(a)(4)																		
Primary Residence																		
No Cash-Out Refinance	1	95%																
Cash-Out Refinance	1	80%																
50(a)(6)¹ and 50(f)(2)¹																		
Primary Residence																		
No Cash-Out and Cash-Out Refinance	1	80%																
Footnote																		
¹ Appraisal Waivers are NOT PERMITTED even if LPA 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 Freddie Mac Seller 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 Freddie Mac 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 Freddie Mac classification of homestead loan transactions as a no 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; Freddie Mac guidelines determine when the loan is a no 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"> LPA Accept/Eligible required: Freddie Mac guidelines apply Documentation exceeding LPA requirements is subject to underwriter discretion Manual Underwriting is not permitted 																	
Derogatory Credit Events	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #d9d9f2;"> <th style="width: 50%;">Derogatory Event</th> <th style="width: 50%;">Discharge/Dismissal</th> </tr> </thead> <tbody> <tr style="background-color: #d9d9f2;"> <td colspan="2">Note: follow LPA Accept findings, regardless of the time frames listed below</td> </tr> <tr> <td>Bankruptcy — Chapter 7 or 11</td> <td>4 years</td> </tr> <tr> <td>Bankruptcy — Chapter 13</td> <td>2 years from discharge date 4 years from dismissal date</td> </tr> <tr> <td>Multiple Bankruptcy Filings</td> <td>5 years from the most recent dismissal or discharge date</td> </tr> <tr> <td>Foreclosure</td> <td>7 years</td> </tr> <tr> <td>Deed-in-Lieu of Foreclosure, Short Sale</td> <td>4 years</td> </tr> <tr> <td>Collections and Non-Mortgage Charge-Off</td> <td>Per LPA</td> </tr> </tbody> </table>		Derogatory Event	Discharge/Dismissal	Note: follow LPA Accept findings, regardless of the time frames listed below		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 the most recent dismissal or discharge date	Foreclosure	7 years	Deed-in-Lieu of Foreclosure, Short Sale	4 years	Collections and Non-Mortgage Charge-Off	Per LPA
Derogatory Event	Discharge/Dismissal																	
Note: follow LPA Accept findings, regardless of the time frames listed below																		
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 the most recent dismissal or discharge date																	
Foreclosure	7 years																	
Deed-in-Lieu of Foreclosure, Short Sale	4 years																	
Collections and Non-Mortgage Charge-Off	Per LPA																	
Maximum Acreage	<ul style="list-style-type: none"> 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%
	25 and 30 Year	12%	25%	30%
	10, 15, and 20 Year	6%	12%	25%
	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)		
	No 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 	<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"> LPA findings offer and the transaction is eligible Loans for properties with solar panels have evidence of connection to the public power grid (e.g. current electric bill affirming connection to 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 Cash back to the borrower (or any other payee) up to the greater of 1% of the new refinance mortgage 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 Owely of Partition: buy out a co-owner pursuant to an agreement 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 Conventional guidelines 	
Product-Specific Disclosure Requirements	<ul style="list-style-type: none"> None 	
Seasoning Requirements	<ul style="list-style-type: none"> No Cash-Out Refinance transactions: per Freddie Mac and loanDepot guidelines Cash-Out Refinance transactions: per Conventional Cash-Out Refinance guidelines 	
Subordinate Financing	<ul style="list-style-type: none"> Subordinate financing permitted 	



50(f)(2)

	No 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 	<ul style="list-style-type: none"> Pay off a 50(a)(6) lien 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
	<p>Note:</p> <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 LPA findings permit Full interior/exterior inspection required 	
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 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 Cash back to the borrower (or any other payee) up to the greater of 1% of the new refinance mortgage 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 Owely of Partition: buy out a co-owner pursuant to an agreement 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 Conventional guidelines 	
Maximum Loan Amount Calculation	<p>Maximum loan amount is limited to:</p> <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, 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 <p>Notes:</p> <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	<p>12 Month Seasoning Requirement</p> <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**

- Subordinate financing permitted



50(a)(6)

	No 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 Freddie Mac Seller Guide, Chapter 4301 No 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 Freddie Mac Seller Guide, 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 LPA 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	No Cash-Out Refinance	Cash-Out Refinance
	<ul style="list-style-type: none"> Refer to Freddie Mac Seller Guide, Chapter 4301 No 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"> Investment property Owely of Partition: buy out a co-owner pursuant to an agreement Payoff any unsecured loanDepot debt Payoff loanDepot debt secured by a property other than the subject property Power of Attorney (POA) Principal curtailment Purchase transactions Second Home Temporary interest rate buydown 	
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 Conventional 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% TLTV 	



Eligible Terms and Plan Numbers

Texas 50(a)(4)	
Fixed	Conforming
	Description/Term
	10 Year Fixed
	15 Year Fixed
	20 Year Fixed
	25 Year Fixed
	30 Year Fixed

Texas 50(f)(2)	
Fixed	Conforming
	Description/Term
	10 Year Fixed
	15 Year Fixed
	20 Year Fixed
	25 Year Fixed
	30 Year Fixed

Texas 50(a)(6)	
Fixed	Conforming
	Description/Term
	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	

