



Texas 50(f)(2) Refinance Checklist

Texas Constitution, Section 50(f) refinance permit an existing home equity loan that meets certain requirements to be refinanced in a rate/term refinance loan (doing away with the “once a home equity loan, always a home equity loan” requirement for loans meeting the Constitutionally mandated criteria.) Does not apply to investment properties.

Complete the following checklist to confirm eligibility for Texas 50(a)(6) converting to Texas 50(f)(2) refinance.

Eligible Programs	
<input type="checkbox"/>	Conventional (Fannie Mae and Freddie Mac)
Disclosure Requirements	
<input type="checkbox"/>	Notice Concerning Refinance of Existing Home Equity Loan to Non-Home Equity Loan Under Section 50(f)(2), Article XVI, Texas Constitution Disclosure has been provided within 3 business days* of application date

Note: If the disclosure was not provided within 3 business days of application date, add condition “Loan cannot change to Texas 50(f)(2) if previously Texas 50(a)(6) due to disclosure not being provided within 3 business days of application date. Must remain Texas 50(a)(6).”

Underwriting Requirements	
<input type="checkbox"/>	Notice Concerning Refinance of Existing Home Equity Loan to Non-Home Equity Loan Under Section 50(f)(2), Article XVI, Texas Constitution Disclosure has been provided within 3 business days* of application date
<input type="checkbox"/>	No cash back allowed
<input type="checkbox"/>	12 mos. seasoning required on existing mortgage from closing date
<input type="checkbox"/>	Leasehold property not allowed
<input type="checkbox"/>	Maximum LTV/CLTV is 80%
<input type="checkbox"/>	Full Appraisal (Maximum acreage cap at 10)
<input type="checkbox"/>	Requires 2 nd signature from underwriting manager

Note: Texas 50(f)(2) will be considered a Texas 50(a)(4) once loan is closed. Texas 50(a)(4) to Texas 50(a)(4) does not require seasoning.

Closing Requirements	
<input type="checkbox"/>	Affidavit Regarding Refinance of an Existing Home Equity Loan to a Non-Home Equity Loan – Section 50(a)(6) to 50(f)(2)
<input type="checkbox"/>	No cash back allowed (principal reduction allowed based on principal reduction policy)
<input type="checkbox"/>	Form T-19 Endorsement: Requires Survey or T-47 Residential Real Property Affidavit
<input type="checkbox"/>	Black, Mann & Graham: Renewal and Extension Rider
<input type="checkbox"/>	Black, Mann & Graham: Affidavit Made Pursuant to Subsection (f-1) of Section 50. Article XVI, of the Texas Constitution
<input type="checkbox"/>	Polunsky Beitel Green: Renewal and Extension Rider (recommended for NOO, not required)
<input type="checkbox"/>	Polunsky Beitel Green: Affidavit Regarding Refinance of an Existing Home Equity Loan to a Non-Home Equity Loan (50(a)(4))

*Business Day: Under Title 7, Section 153.1(2) of the Texas Administrative Code, “business day” is defined as all calendar days except Sundays and federal public holidays.

For additional questions, please contact compliance@jmaclending.com.

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