

## Texas A6 Product Profile

### Matrix

LTV/FICO Grid			
<b>Fixed Rate</b>			
Property Type	Credit Score	LTV	CLTV/HCLTV
1 Unit/ PUD/ Condo	620	80%	80%

### Quick Links

Matrix

Quick Links

Section 1: Program Summary

1.1 Program Summary

1.2 Underwriting

1.3 Texas 50(a)(6) Determination

1.4 Texas 50(a)(6) Special Considerations

1.5 Fee Caps

1.6 Attorney Review

1.7 Ineligible Programs

Section 2: Transaction Details

2.1 Loan Limits

2.2 Eligible Terms and Programs

2.3 Eligible Transactions

2.4 Seasoning

2.5 Principal Curtailments/Reductions

2.6 Subordinate Financing

Section 3: Borrower Eligibility

3.1 Eligible Applicants

3.2 Occupancy

3.3 Power of Attorney

3.4 Living Trust (Inter Vivos Revocable Trust)

3.5 Non-Arm's Length Transactions

3.6 Multiple Mortgages to the Same Borrower

3.7 Ineligible Borrowers

Section 4: Collateral

4.1 Eligible Properties

4.2 Acreage Restrictions

4.3 Ineligible Properties

Section 5: References

5.1 References

Section 6: Version Control

## Section 1: Program Summary

### 1.1 Program Summary

<p>Program Summary</p>	<p>A Texas Section 50(a)(6) loan is a loan originated in accordance with and secured by a lien permitted under the provisions of Article XVI, Section 50(a)(6), of the Texas Constitution, which allow a borrower to take equity out of a homestead property under certain conditions.</p> <p>Refer to the applicable conventional product profiles and applicable agency’s Selling Guide (FNMA or FHLMC) for any information not specified in this product profile. Texas 50(a)(6) loans are eligible for licensed and certified originators only.</p> <p><b>For Texas 50(f)(2) guidelines, reference the applicable profile.</b></p>
------------------------	--

### 1.2 Underwriting

<p>Underwriting</p>	<p><b>Underwriting:</b> Refer to the applicable conventional product profile for guidelines not referenced in this profile.</p> <p>Even though loans may receive an Eligible recommendation from DU/LPA, the loan may not be eligible for delivery according to the Texas Constitution or Selling Guide as DU/LPA does not contain specific eligibility rules needed to determine eligibility in accordance with this law.</p> <p><b>DU Findings:</b> An Approve/Eligible finding is required; if DU issues a warning for excessive DU runs, a written explanation must be provided by the originator.</p> <p><b>LPA Determination:</b> A Risk Classification of Accept is required.</p> <p><b>Manual Underwriting:</b> Manual underwriting is not permitted. All loans must be approved through DU/LPA.</p>
---------------------	--

### 1.3 Texas 50(a)(6) Determination

<p>Texas 50(a)(6) Determination</p>	<table border="1"> <thead> <tr> <th data-bbox="440 1241 857 1312">New Loan Amount pays off existing lien and....</th> <th data-bbox="857 1241 1146 1312">If existing lien is a non-50(a)(6); then the new lien is....</th> <th data-bbox="1146 1241 1440 1312">If existing lien is a 50(a)(6); then the new lien is....</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1312 857 1344">Provides even \$1 cash to the borrower</td> <td data-bbox="857 1312 1146 1344">Texas (a)(6)</td> <td data-bbox="1146 1312 1440 1344">Texas (a)(6)</td> </tr> <tr> <td data-bbox="440 1344 857 1390">Pays off/down an existing TX (a)(6) lien with no cash to borrower</td> <td data-bbox="857 1344 1146 1390">Texas (a)(6)</td> <td data-bbox="1146 1344 1440 1390">Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td data-bbox="440 1390 857 1438">Pays off/down an existing TX (a)(6) lien with cash to borrower</td> <td data-bbox="857 1390 1146 1438">Texas (a)(6)</td> <td data-bbox="1146 1390 1440 1438">Texas (a)(6)</td> </tr> <tr> <td data-bbox="440 1438 857 1486">The new lien is &lt; existing UPB (no new funds)</td> <td data-bbox="857 1438 1146 1486">Non-Texas (a)(6)</td> <td data-bbox="1146 1438 1440 1486">Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td data-bbox="440 1486 857 1535">Funds, prepaids and/or closing costs</td> <td data-bbox="857 1486 1146 1535">Non-Texas (a)(6)</td> <td data-bbox="1146 1486 1440 1535">Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td data-bbox="440 1535 857 1583">Pays off/down a purchase money 2nd</td> <td data-bbox="857 1535 1146 1583">Non-Texas (a)(6)</td> <td data-bbox="1146 1535 1440 1583">Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td data-bbox="440 1583 857 1631">Pays off/down an existing Secured Home Improvement Loan (mechanic’s lien)</td> <td data-bbox="857 1583 1146 1631">Non-Texas (a)(6)</td> <td data-bbox="1146 1583 1440 1631">Texas (f)(2) – if seasoning requirements are met*</td> </tr> <tr> <td data-bbox="440 1631 857 1680">Provides funds to satisfy a court ordered Divorce Equity Buyout</td> <td data-bbox="857 1631 1146 1680">Non-Texas (a)(6)</td> <td data-bbox="1146 1631 1440 1680">Texas (a)(6)</td> </tr> </tbody> </table>			New Loan Amount pays off existing lien and....	If existing lien is a non-50(a)(6); then the new lien is....	If existing lien is a 50(a)(6); then the new lien is....	Provides even \$1 cash to the borrower	Texas (a)(6)	Texas (a)(6)	Pays off/down an existing TX (a)(6) lien with no cash to borrower	Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Pays off/down an existing TX (a)(6) lien with cash to borrower	Texas (a)(6)	Texas (a)(6)	The new lien is < existing UPB (no new funds)	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Funds, prepaids and/or closing costs	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Pays off/down a purchase money 2nd	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Pays off/down an existing Secured Home Improvement Loan (mechanic’s lien)	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*	Provides funds to satisfy a court ordered Divorce Equity Buyout	Non-Texas (a)(6)	Texas (a)(6)	<p>*Borrower may elect to have loan remain a Texas (a)(6)</p> <p><b>Reference the applicable profile for Texas 50(f)(2) guidelines.</b></p>
	New Loan Amount pays off existing lien and....	If existing lien is a non-50(a)(6); then the new lien is....	If existing lien is a 50(a)(6); then the new lien is....																												
	Provides even \$1 cash to the borrower	Texas (a)(6)	Texas (a)(6)																												
	Pays off/down an existing TX (a)(6) lien with no cash to borrower	Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*																												
	Pays off/down an existing TX (a)(6) lien with cash to borrower	Texas (a)(6)	Texas (a)(6)																												
	The new lien is < existing UPB (no new funds)	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*																												
	Funds, prepaids and/or closing costs	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*																												
	Pays off/down a purchase money 2nd	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*																												
	Pays off/down an existing Secured Home Improvement Loan (mechanic’s lien)	Non-Texas (a)(6)	Texas (f)(2) – if seasoning requirements are met*																												
Provides funds to satisfy a court ordered Divorce Equity Buyout	Non-Texas (a)(6)	Texas (a)(6)																													

### 1.4 Texas 50(a)(6) Special Considerations

<p>Special Considerations</p>	<p>Loan may not close until:</p> <ul style="list-style-type: none"> <li>Twelve days after the borrower submits the loan application or all borrowers sign the 12-day notice, whichever is later.</li> </ul>
-------------------------------	---

	<ul style="list-style-type: none"> <li>• One day after the borrowers receive a copy of the Settlement Statement and Closing Disclosure.</li> <li>• After the one-year anniversary of the closing of an existing Texas (a)(6) loan.</li> </ul>				
<b>1.5 Fee Caps</b>					
Fee Caps	<p>Texas (a)(6): A 2% Fee cap exists on all Texas (a)(6) loans:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #004a7c; color: white; text-align: center;">Subject to the 2% Cap</th> <th style="background-color: #004a7c; color: white; text-align: center;">Not Subject to the 2% Cap</th> </tr> </thead> <tbody> <tr> <td>                     Administrative Fees                      Appraisal – portion of appraisal fee paid to affiliate                      Assignment Fees                      Attorney File Review Fees                      Broker Fees                      Closing Fees                      Commitment Fees                      Courier Fee/Express Mail Fees                      Credit Life Insurance required by the Lender                      Valid discount points used to buy down the interest rate, (suggest written buy down request from the borrower)                      Doc Prep Fees (may be changed only by a Texas licensed attorney)                      Title Company Escrow Fees                      Escrow Waiver Fees                      Flood Certification                      Mortgage Insurance                      Origination Fees                      Pest Inspection Fees                      Processing Fees                      Property Tax Certification Fees                      Property Tax Service Fees                      Recording Fees                      Title Examination or Search                      Underwriting Fees                      Warehouse Fees                 </td> <td>                     Appraisal – portion of appraisal fee paid to non-affiliate                      Title Endorsements                      Discount points (if legitimate and bona fide)                      Flood Insurance                      Hazard Insurance                      HOA maintenance fees                      Interest                      Property taxes                      Survey performed by state licensed or registered surveyor                      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)                       Optional charges paid by the owner of the property (or his/her spouse) at his/her sole discretion that are not required by the lender. (Lenders should exercise caution when relying on this exception.)                 </td> </tr> </tbody> </table>	Subject to the 2% Cap	Not Subject to the 2% Cap	Administrative Fees Appraisal – portion of appraisal fee paid to affiliate Assignment Fees Attorney File Review Fees Broker Fees Closing Fees Commitment Fees Courier Fee/Express Mail Fees Credit Life Insurance required by the Lender Valid discount points used to buy down the interest rate, (suggest written buy down request from the borrower) Doc Prep Fees (may be changed only by a Texas licensed attorney) Title Company Escrow Fees Escrow Waiver Fees Flood Certification Mortgage Insurance Origination Fees Pest Inspection Fees Processing Fees Property Tax Certification Fees Property Tax Service Fees Recording Fees Title Examination or Search Underwriting Fees Warehouse Fees	Appraisal – portion of appraisal fee paid to non-affiliate Title Endorsements Discount points (if legitimate and bona fide) Flood Insurance Hazard Insurance HOA maintenance fees Interest Property taxes Survey performed by state licensed or registered surveyor 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)  Optional charges paid by the owner of the property (or his/her spouse) at his/her sole discretion that are not required by the lender. (Lenders should exercise caution when relying on this exception.)
	Subject to the 2% Cap	Not Subject to the 2% Cap			
Administrative Fees Appraisal – portion of appraisal fee paid to affiliate Assignment Fees Attorney File Review Fees Broker Fees Closing Fees Commitment Fees Courier Fee/Express Mail Fees Credit Life Insurance required by the Lender Valid discount points used to buy down the interest rate, (suggest written buy down request from the borrower) Doc Prep Fees (may be changed only by a Texas licensed attorney) Title Company Escrow Fees Escrow Waiver Fees Flood Certification Mortgage Insurance Origination Fees Pest Inspection Fees Processing Fees Property Tax Certification Fees Property Tax Service Fees Recording Fees Title Examination or Search Underwriting Fees Warehouse Fees	Appraisal – portion of appraisal fee paid to non-affiliate Title Endorsements Discount points (if legitimate and bona fide) Flood Insurance Hazard Insurance HOA maintenance fees Interest Property taxes Survey performed by state licensed or registered surveyor 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)  Optional charges paid by the owner of the property (or his/her spouse) at his/her sole discretion that are not required by the lender. (Lenders should exercise caution when relying on this exception.)				
<b>1.6 Attorney Review</b>					
Attorney Review	<p>All Texas 50(a)(6) loans must be reviewed and certified by an NewRez approved TX Attorney prior to loan closing. NewRez’s approved firms include:</p> <ul style="list-style-type: none"> <li>• Black, Mann and Graham</li> <li>• Peirson Patterson</li> </ul>				
<b>1.7 Ineligible Programs</b>					
Ineligible Programs	<ul style="list-style-type: none"> <li>• Homestyle/Homepath Renovations</li> <li>• HPML/Section 32</li> <li>• Interest Only loan programs</li> <li>• Land trusts</li> <li>• Leaseholds secured by Indian/Tribal lands</li> <li>• Mortgage Credit Certificates (MCC)</li> <li>• Temporary Buydowns</li> </ul>				
<b>Section 2: Transaction Details</b>					
<b>2.1 Loan Limits</b>					
Loan Limits	<p><a href="https://www.fanniemae.com/singlefamily/loan-limits">https://www.fanniemae.com/singlefamily/loan-limits</a>  <a href="http://www.freddiemac.com/singlefamily/selbultn/limit.htm">http://www.freddiemac.com/singlefamily/selbultn/limit.htm</a></p>				

*Information in this matrix is a summary only and is not a complete representation of NewRez Lending Policies. Refer to the NewRez Lending Guide and applicable Product Guides for detailed requirements. Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix apply to agency loans submitted to DU/LPA. In addition to applying these NewRez specific overlays, all loans submitted to DU must comply with the DU Findings and Fannie Mae requirements and that all loans submitted to LPA comply with the LPA Findings and Freddie Mac requirements. This document should not be relied upon or treated as legal advice. Guidelines subject to change without notice"*

2.2 Eligible Terms and Programs													
Eligible Terms & Programs	<b>Loan Programs- FIXED</b>												
	<table border="1"> <thead> <tr> <th>Term</th> <th>Product Name</th> </tr> </thead> <tbody> <tr> <td>10 Year Fixed</td> <td>Conf Fixed 10 yr</td> </tr> <tr> <td>15 Year Fixed</td> <td>Conf Fixed 15 yr</td> </tr> <tr> <td>20 Year Fixed</td> <td>Conf Fixed 20 yr</td> </tr> <tr> <td>25 Year Fixed</td> <td>Conf Fixed 25 yr</td> </tr> <tr> <td>30 Year Fixed</td> <td>Conf Fixed 30 yr</td> </tr> </tbody> </table>	Term	Product Name	10 Year Fixed	Conf Fixed 10 yr	15 Year Fixed	Conf Fixed 15 yr	20 Year Fixed	Conf Fixed 20 yr	25 Year Fixed	Conf Fixed 25 yr	30 Year Fixed	Conf Fixed 30 yr
	Term	Product Name											
	10 Year Fixed	Conf Fixed 10 yr											
	15 Year Fixed	Conf Fixed 15 yr											
	20 Year Fixed	Conf Fixed 20 yr											
25 Year Fixed	Conf Fixed 25 yr												
30 Year Fixed	Conf Fixed 30 yr												
<b>2.3 Eligible Transactions</b>													
Eligible Transactions	Purpose of Refinance: Texas A6/F2												
<b>2.4 Seasoning</b>													
Seasoning	If an existing Texas 50(a)(6) first or second mortgage will be paid off, the lender must verify that 12 months have passed since the closing date of the existing TX 50(a)(6) loan being paid off before the new lien is secured. TX only permits one equity loan at a time and only one within a 12-month period.												
<b>2.5 Principal Curtailments/Reductions</b>													
Principal Curtailments/Reductions	Permitted in instances where there is excess lender credit only												
<b>2.6 Subordinate Financing</b>													
Subordinate Financing	<p>New subordinate financing is not permitted on a first lien TX (a)(6).</p> <p>Existing subordinate liens on the real estate that are not paid off with the new 50(a)(6) loan are permitted provided that: the subordinated 2nd mortgages cannot already be a 50(a)(6) loan (verification is required-the title company must obtain a copy of the security instrument) and the subordinated 2nd mortgage must meet the 80% CLTV requirement. HELOCs are not eligible for subordinate financing.</p> <p>A copy of the subordinating Note, Mortgage/Deed and Subordination Agreement are also required.</p>												
<b>Section3: Borrower Eligibility</b>													
<b>3.1 Eligible Applicants</b>													
Eligible Applicants	A married borrower cannot create a lien against the property unless his/her spouse consents to the lien by signing all applicable program and closing disclosures and documents.												
<b>3.2 Occupancy</b>													
Occupancy	Eligible occupancy types include: <ul style="list-style-type: none"> <li>• 1-unit Primary Residences serving as the borrower's TX Homestead</li> </ul>												
<b>3.3 Power of Attorney</b>													
Power of Attorney	Not permitted												
<b>3.4 Living Trust (Inter Vivos Revocable Trust)</b>													
Living Trust (Inter Vivos Revocable Trust)	<p>A living trust is an eligible mortgage borrower if it meets the following requirements as well as State requirements. All trusts must be approved by NewRez legal prior to Loan Approval.</p> <p>To determine whether or not the Trust meets all the criteria required by State and investor standards:</p> <ul style="list-style-type: none"> <li>• A copy of the trust document must be included in the file</li> <li>• Trust must meet "qualifying trust" under Texas law for purposes of owning residential property that qualifies for the homestead exemption</li> </ul>												

3.5 Non-Arm's Length Transactions	
Non-Arm's Length Transactions	Not permitted
3.6 Multiple Mortgages to the Same Borrower	
Multiple Mortgages to the Same Borrower	<ul style="list-style-type: none"> <li>• NewRez exposure not to exceed \$3M per individual loan or in aggregate with a maximum of four (4) financed properties</li> <li>• Maximum of two (2) financed units in a single condo project or PUD</li> </ul>
3.7 Ineligible Borrowers	
Ineligible Borrowers	<ul style="list-style-type: none"> <li>• Borrowers with Diplomatic Immunity</li> <li>• Co-Signers/Co-Guarantors</li> <li>• Foreign Nationals</li> <li>• Individuals Employed by NewRez Third Party Originators</li> <li>• Individuals on the LPD/GSA exclusionary lists</li> <li>• Limited Partnerships, Corporations and LLCs</li> <li>• Non-Occupant Co-Borrowers</li> <li>• Non-Revocable Trusts or Guardianships</li> </ul>
Section 4: Collateral	
4.1 Eligible Properties	
Eligible Properties	<ul style="list-style-type: none"> <li>• Attached/Detached SFRs (1 Unit)</li> <li>• Attached/Detached PUDs (1 Unit)</li> <li>• Low/Mid/High-Rise Condos and site Condos</li> <li>• Modular Homes</li> <li>• <b>Manufactured Homes</b></li> </ul> <p><b>Deed Restricted Properties:</b> All deed restricted properties must be reviewed and approved prior to loan approval and must adhere to agency requirements and Texas State Law.</p>
4.2 Acreage Restrictions	
Acreage Restrictions	<ul style="list-style-type: none"> <li>• Urban Homesteads – maximum 10 acres per Article XVI, Section 50(a)(6) of the Texas Constitution (no exceptions)</li> <li>• Rural Homesteads- maximum 25 acres</li> </ul>
4.3 Ineligible Properties	
Ineligible Properties	<ul style="list-style-type: none"> <li>• 2-4 Unit Properties</li> <li>• Bed and Breakfast Properties</li> <li>• Condotels</li> <li>• Co-ops</li> <li>• Geodesic Domes, Berms, and Earth Homes</li> <li>• Hobby Farms</li> <li>• Live/Work Units not meeting the standards of a Mixed-Use Property</li> <li>• Non-Warrantable Condos</li> <li>• Properties appraised with a property condition of C5</li> <li>• Properties encumbered with private transfer fee covenants</li> <li>• Properties where farm or agricultural income from the subject property is claimed on borrower's tax returns</li> <li>• Properties which are subject to a right of redemption</li> <li>• Properties with excessive acreage</li> <li>• Properties with manufactured on site being used as storage</li> <li>• Properties/Land held in a life estate</li> </ul>
Section 5: References	

5.1 References		
References	<ul style="list-style-type: none"> <li>• <a href="#">Fannie Mae Guidelines</a></li> <li>• <a href="#">Freddie Mac Guidelines</a></li> <li>• <a href="#">Limited Denial of Participation (LDP) List</a></li> <li>• <a href="#">General Services Administration (GSA) Exclusionary List</a></li> </ul>	
Section 6: Version Control		
1.1 Program Summary and 1.2 Underwriting	Updated to allow FHLMC	March 1, 2018
1.3 Texas 50(a)(6) Determination	Updated to reflect non-TX(a)(6) scenarios	March 1, 2018
1.4 Texas 50(a)(6) and (f)(2) Special Considerations	Added (f)(2) and updated HUD-1 to Closing Disclosure	March 1, 2018
1.5 Fee Caps	Updated fee cap to 2%, and updated allowable fees	March 1, 2018
1.6 Attorney Review	Added (f)(2)	March 1, 2018
2.3 Eligible Transactions	Added (f)(2)	March 1, 2018
2.4 Seasoning	Added (f)(2)	March 1, 2018
2.8 Subordinate Financing	Added (f)(2)	March 1, 2018
Various	Removed (f)(2) guidelines since guidelines were added to the individual product profiles and reorganized to remove other guidelines and sections that are in the corresponding profiles.	September 26, 2018
4.1 Eligible Properties	Added manufactured homes as eligible.	October 29, 2018
4.3 Ineligible Properties	Removed manufactured homes as ineligible.	October 29, 2018