

# HOME EQUITY UPDATE

Michael K. O'Neal  
Winstead PC  
(214) 745-5607  
moneal@winstead.com

 WINSTEAD

## Topics

1. Home Equity Loan Developments
2. Section 50(f)(2) Refinance (Refinance as Non-Home Equity Loan)
3. Durable Powers of Attorney Developments
4. Other Developments

## SJR 60 - Overview

- 85th Texas Legislature passed and voters approved SJR 60.
- Took effect January 1, 2018.

Applies to:

- home equity loans made on or after January 1, 2018; and
- existing home equity loans that are refinanced on or after January 1, 2018.

## What's new:

- Bona fide discount points used to buy down the interest rate are now excluded from the fee limit.
- The fee limit is now two percent (2%) – down from three percent (3%) – of the original principal amount of the extension of credit.

## What's new:

- The following fees are now excluded from the fee limit:
  - (i) appraisal performed by a third party appraiser;
  - (ii) property survey performed by a state registered or licensed surveyor;
  - (iii) state base premium for a mortgagee policy of title insurance with endorsements established in accordance with state law; or
  - (iv) a title examination report if its cost is less than the state base premium for a mortgagee policy of title insurance without endorsements established in accordance with state law.

## What's new:

- The prohibition against home equity loans on homesteads designated for agricultural use is repealed.
- Authorized lenders are expanded to include subsidiaries of banks, savings and loan associations, savings banks and credit unions.
- Texas state regulated mortgage bankers or mortgage companies are listed as authorized lenders.

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Home Equity Update

Also available as part of the eCourse

[2018 William W. Gibson, Jr. Mortgage Lending and Servicing eConference](#)

First appeared as part of the conference materials for the  
52<sup>nd</sup> Annual William W. Gibson, Jr. Mortgage Lending and Servicing Institute session  
"Home Equity Amendments: Origination Perspective"