

HOME EQUITY UPDATE

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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- The prohibition against home equity loans on homesteads designated for agricultural use is repealed.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.

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Title search: Home Equity Update

Also available as part of the eCourse

[Current Issues in Real Estate Loan Origination: Home Equity Amendments, Internet Fraud, Individual Lending, and ALTA Forms](#)

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