

**TEXAS HOME EQUITY
CERTIFICATE FROM ORIGINATING LENDER
REGARDING COMPLIANCE WITH SECTION 50(a)(6)
ARTICLE XVI OF THE TEXAS CONSTITUTION**

Loan No:

The loan is an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution.

("Originating Lender") does hereby warrant, certify and represent that Originating Lender complied with all requirements of Section 50(a)(6), Article XVI of the Texas Constitution, in effect at the time of originating the loan including, but not limited to the following:

- 1) This extension of credit is of a principal amount that when added to the aggregate total of the outstanding principal balances of all other indebtedness secured by valid encumbrances of record against the homestead property does not exceed eighty percent (80%) of the fair market value of the homestead property on the date the extension of credit is made.
- 2) The extension of credit does not require the owner or the owner's spouse to pay, in addition to any interest, fees to any person that are necessary to originate, evaluate, maintain, record, insure, or service the extension of credit that exceed, in the aggregate, three percent (3%) of the original principal amount of the extension of credit.
- 3) The extension of credit is not secured by homestead property that on date of closing is designated for agricultural use as provided by statutes governing property tax unless such homestead property is used primarily for the production of milk and the owner of the homestead property has given Originating Lender an affidavit to such effect.
- 4) The extension of credit was not closed before:
 - (i) the 12th day after the later of the date that the owner of the homestead property submitted a loan application to the Originating Lender for the extension of credit or the date that the Originating Lender provided the owner a copy of the Notice Concerning Extension of Credit as required by Section 50(g), Article XVI of the Texas Constitution in the English language and in a language other than English if the discussions with the borrower were conducted primarily in a language other than the English language; and
 - (ii) the first anniversary of the closing date of any other Texas home equity extension of credit secured by the same homestead property, except a "cure" refinance as described by Section 50(a)(5)(Q)(x)(f), Article XVI of the Texas Constitution, unless the owner on oath requires an earlier closing due to a state of emergency that has been declared by the President of the United States or the Governor as required by law, and that applies to the area where the homestead is located.
- 5) The extension of credit was closed at either the office of the Originating Lender, an attorney at law, or a title company.
- 6) At least one day prior to closing, the owner of the homestead property has received a copy of the loan application if not provided earlier and a final itemized disclosure of the actual fees, points, interest, costs, and charges that will be charged at closing. If a bona fide emergency or another good cause exists and the lender obtains the written consent of the owner, the lender may provide the documentation to the owner or the lender may modify previously provided documentation on the date of closing.
- 7) Originating Lender is one of the following and has not been found by a federal regulatory agency to have engaged in the practice of refusing to make loans because the applicants for the loans reside in or the property proposed to secure the loan is located in a certain area:
 - (i) a bank, savings and loan association, savings bank, or credit union doing business under the laws of this state or the United States;
 - (ii) a federally chartered lending instrumentality or a person approved as a mortgagee by the United States government to make federally insured loans;
 - (iii) a person licensed to make regulated loans, as provided by statute of the state;
 - (iv) a person who sold the homestead property to the current owner and who provided all or part of the financing for the purchase; or
 - (v) a person who is related to the homestead property owner within the second degree of affinity or consanguinity.
 - (vi) a person regulated by this state as a mortgage broker.
- 8) The owner of the homestead property was not required to apply the proceeds of the extension of credit to repay another debt except debt secured by the homestead property or debt to another lender.
- 9) The owner of the homestead property did not sign any instrument in which blanks relating to substantive terms of agreement were left to be filled in.
- 10) At the time the extension of credit was made, the owner of the homestead property received a copy of the final loan application and a copy of all executed documents signed by the owner at closing related to the extension of credit.
- 11) The owner of the homestead property and any spouse of the owner did not, within three (3) business days after the extension

of credit was made, rescind the extension of credit.

- 12) The owner of the homestead property and the Origination Lender signed a written acknowledgement as to the fair market value of the homestead property on the date the extension of credit was made.
- 13) If the extension of credit is a home equity line of credit:
 - (i) any single debit or advance was not less than \$4,000.00; and.
 - (ii) the Originating Lender did not permit the use of a credit card, debit card, or similar device, or preprinted check unsolicited by the borrower, in order to obtain advances under the line of credit.
- 14) The Originating Lender has obtained title insurance, subject to policy terms, on the following matters:
 - (i) the failure of the insured mortgagee to be created under a written agreement with the consent of each owner of the estate or interest described in Schedule A and each owner's spouse.
 - (ii) The land being homestead property that on the date of closing is designated for agricultural used as provided by statutes governing property tax.
 - (iii) The indebtedness secured by the lien of the insured mortgage on the land not being the only debt secured by a valid lien on the land at the time the extension of credit is made pursuant to the insured mortgage unless the other debt was made for a purpose described by Subsections (a)(1) through (a)(5) or subsection (a)(8) of Section 50 of Article XVI, Texas Constitution.
 - (iv) The extension of credit secured by the lien of the insured mortgage closing before the first anniversary of the closing date of any other extension of credit described by Subsection (a)(6) of Section 50 of Article XVI of the Texas Constitution and secured by a valid lien on the land.
 - (v) The failure of the insured mortgage to contain a disclosure that the extension of credit is the type of credit defined by Section 50(a)(6), Article XVI of the Texas Constitution.
 - (vi) The extension of credit secured by the lien of the insured mortgage being closed at a location other than the office of the lender, an attorney at law, or a title company.

The above is warranted, certified, and represented to be true and correct. Originating Lender acknowledges that because of these representations a third party will be advancing proceeds for the purchase of said extension of credit and advancing proceeds for same. If it were not for the truth and accuracy of the warranties, certifications and representations set forth herein, such funds would not be advanced. Originating Lender holds harmless any subsequent owner/holder of the extension of credit from any loss, cost or expense if any of these representations are false and/or inaccurate in any material respect. Originating Lender hereby grants to any assignee of the extension of credit the right of offset against any sums owed to Originating Lender for any breach of Originating Lender's obligations herein.

ORIGINATING LENDER:

By: _____

Its: _____

Date:

CORPORATE ACKNOWLEDGEMENT

State of TEXAS)
County of

This instrument was acknowledged before me on _____ by _____
of _____, a _____, on behalf of said corporation.

(Seal)

Notary Public, State of

My commission expires:

Notary's typed or printed name: