

**TEXAS HOMESTEAD REFINANCE
ADDENDUM TO LOAN APPLICATION**

Applicant(s): _____

Property: _____

Date: _____

This Addendum is part of your application for a mortgage loan from _____ (“Lender”).

You are applying for a loan to refinance an existing debt secured by your Texas homestead. If the existing debt you wish to refinance is not an extension of credit under Texas Constitution, Article XVI, Section 50(a)(6) (a “Home Equity Loan”), then the following does not apply to your transaction.

If the existing debt you wish to refinance is a Home Equity Loan, and you are not refinancing with another Home Equity Loan or a reverse mortgage, then the Texas Constitution requires that, within three business days of submitting your application, you receive the disclosure entitled:

**NOTICE CONCERNING REFINANCE OF EXISTING HOME EQUITY
LOAN TO NON-HOME EQUITY LOAN UNDER SECTION 50(f)(2),
ARTICLE XVI, TEXAS CONSTITUTION**

The disclosure is on a separate document attached hereto as Exhibit “A”. Please review its contents carefully.

ACKNOWLEDGMENT OF RECEIPT

I hereby acknowledge receipt of this Texas Homestead Refinance Addendum to Loan Application and, if applicable, the attached Notice Concerning Refinance of Existing Home Equity Loan to Non-Home Equity Loan Under Section 50(f)(2), Article XVI, Texas Constitution (attached hereto as Exhibit “A”) on _____
(date of receipt), and further acknowledge that I understand the provisions of Exhibit “A”.

(Borrower or Owner or Spouse of Owner)

(Borrower or Owner or Spouse of Owner)

(Borrower or Owner or Spouse of Owner)

(Borrower or Owner or Spouse of Owner)

EXHIBIT “A”

**NOTICE CONCERNING REFINANCE OF EXISTING HOME EQUITY
LOAN TO NON-HOME EQUITY LOAN UNDER SECTION 50(f)(2),
ARTICLE XVI, TEXAS CONSTITUTION**

YOUR EXISTING LOAN THAT YOU DESIRE TO REFINANCE IS A HOME EQUITY LOAN. YOU MAY HAVE THE OPTION TO REFINANCE YOUR HOME EQUITY LOAN AS EITHER A HOME EQUITY LOAN OR AS A NON-HOME EQUITY LOAN, IF OFFERED BY YOUR LENDER.

HOME EQUITY LOANS HAVE IMPORTANT CONSUMER PROTECTIONS. A LENDER MAY ONLY FORECLOSE A HOME EQUITY LOAN BASED ON A COURT ORDER. A HOME EQUITY LOAN MUST BE WITHOUT RECOURSE FOR PERSONAL LIABILITY AGAINST YOU AND YOUR SPOUSE.

IF YOU HAVE APPLIED TO REFINANCE YOUR EXISTING HOME EQUITY LOAN AS A NON-HOME EQUITY LOAN, YOU WILL LOSE CERTAIN CONSUMER PROTECTIONS. A NON-HOME EQUITY REFINANCED LOAN:

- (1) WILL PERMIT THE LENDER TO FORECLOSE WITHOUT A COURT ORDER;
- (2) WILL BE WITH RECOURSE FOR PERSONAL LIABILITY AGAINST YOU AND YOUR SPOUSE; AND
- (3) MAY ALSO CONTAIN OTHER TERMS OR CONDITIONS THAT MAY NOT BE PERMITTED IN A TRADITIONAL HOME EQUITY LOAN.

BEFORE YOU REFINANCE YOUR EXISTING HOME EQUITY LOAN TO MAKE IT A NON-HOME EQUITY LOAN, YOU SHOULD MAKE SURE YOU UNDERSTAND THAT YOU ARE WAIVING IMPORTANT PROTECTIONS THAT HOME EQUITY LOANS PROVIDE UNDER THE LAW AND SHOULD CONSIDER CONSULTING WITH AN ATTORNEY OF YOUR CHOOSING REGARDING THESE PROTECTIONS.

YOU MAY WISH TO ASK YOUR LENDER TO REFINANCE YOUR LOAN AS A HOME EQUITY LOAN. HOWEVER, A HOME EQUITY LOAN MAY HAVE A HIGHER INTEREST RATE AND CLOSING COSTS THAN A NON-HOME EQUITY LOAN.