



What Makes Texas Different?

Presented by
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Overview

- Practice of Law
- Homestead and the 8 Permissible Liens
- Marital Rights
- Instruments
- Title Commitment
- Surveys
- Taxes
- Additional Resources

Practice of Law

Texas Government Code

Sec. 83.001. PROHIBITED ACTS.

(a) A person, other than a person described in Subsection (b), may not charge or receive, either directly or indirectly, any compensation for all or any part of the preparation of a legal instrument affecting title to real property, including a deed, deed of trust, note, mortgage, and transfer or release of lien.

(b) This section does not apply to:

(1) an attorney licensed in this state;

(2) a licensed real estate broker or salesperson performing the acts of a real estate broker pursuant to Chapter 1101, Occupations Code; or

(3) a person performing acts relating to a transaction for the lease, sale, or transfer of any mineral or mining interest in real property.

(c) This section does not prevent a person from seeking reimbursement for costs incurred by the person to retain a licensed attorney to prepare an instrument.

Homestead

- What is Homestead?
 - Constitutional Protection
- Why Does it Matter?
 - Texans are protected from the forced sale of their homestead *unless* one of the permissible liens as provided by the Texas Constitution.

Permissible Liens

- 50(a)(1) Purchase Money Liens
- 50(a)(2) Pay Taxes Due on Homestead
- [50\(a\)\(3\) Owelty of Partition](#)
- 50(a)(4) Rate/Term Refi or Cash Out *to Pay Federal Tax*
- 50(a)(5) Home Improvement or Construction
- [50\(a\)\(6\) Home Equity Loan](#) and (f)(2) loans
- 50(a)(7) Reverse Mortgages
- 50(a)(8) Conversion and Refinance of Personal Property Lien Secured by a Manufactured Home to a Real Property Lien

50(a)(6) Home Equity Loans and (f)(2) Loans

- When Applicable?
 - Any Cash Out of Homestead
- Common Issues
 - Use the correct 12 day disclosure! [\(a\)\(6\) version](#) vs. [\(f\)\(2\) version](#)
 - [Other Common \(f\)\(2\) issues](#)
 - [TX Admin Code Amendments](#)
 - [\(a\)\(6\) vs. Agency Cash Out](#)
- Resources
 - [Home Equity Manual](#) contact your CRS for the password
 - [Home Equity Training Video](#) contact your CRS for the password
 - Look for [Updates](#) and Sign Up for Our [Clients and Friends Memos](#)

Marital Rights

- Community Property State
- [Ownership Types](#)

Instruments

- [Deed of Trust](#)
 - Vesting is not required to identically match title insurance policy
- Warranty Deed
- Renewal and Extension Rider
- [Correction Instruments](#)
- [Subordination Agreements](#)

Title Commitment

- ALTA vs. TLTA
- Schedule A: the current owner and legal description
- Schedule B: exceptions to title
- Schedule C: items to be resolved and liens to be paid at closing

Survey

- Not Required by Texas Law
- When it's Likely Required by Title
 - No "Recent" Survey
 - New Construction
 - Carve Outs
 - Private Roadways
 - Purchase Transactions
 - Subsequent Improvements

Taxes

- Taxes Create Lien v. Property Beginning in January each Year—Due in December.
- Counties begin releasing bills on October 1st each year.
 - Collected in Arrears
- Lender can't pay until they are due and payable. So what do they do?
 - Hold Money in Escrow
- [Rollback Taxes](#)

BMG Resources

- Website
 - Resource Page: <https://www.bmandg.com/resources/>
 - [Additional Videos](#)
 - Sign Up for Our [Clients and Friends Memos](#)
- Contact Information
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Thank you!

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