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(Revised to correct mandatory use date.)

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To: Clients and Friends

From: Mitzi Noles

Subject: March 2023 update to Fannie Mae/Freddie Mac Uniform Texas Home Equity Security Instrument (Form 3044.1)

In March 2023, Fannie Mae/Freddie Mac revised the tagline and signature block of Texas Home Equity Security Instrument (Form 3044.1)("Form 3044.1"). In addition, the Instructions to Form 3044.1 were updated to add new Authorized Change 9.

The revision to Form 3044.1's signature block is the addition of the word "Witnesses" and two accompanying witness signature lines to the left of the Borrower signature lines. This revision is optional.

The revision to Form 3044.1's tagline is the addition of the current revision date. The revision date must read: **07/21 (rev. 03/23)**. This revision is mandatory.

Authorized Change 9 to Form 3044.1's Instructions allows lenders to delete the word "Witnesses" and the two accompanying witness signature lines that appear to the left of the Borrower signature lines, if the document is notarized.

We recommend that lenders take advantage of Authorized Change 9.

The use of witnesses to prove a grantor signed and acknowledged a security instrument is not typical in Texas and not required by Section 12.001 of the Texas Property Code to accept a security instrument for recording. The standard practice in Texas is for the grantor to sign and acknowledge the security instrument in the presence of a notary.

If the witness signature lines are not deleted from Form 3044.1 and witnesses do not sign the security instrument, there are potential issues that could arise after closing. These potential issues include: (1) the county clerk's office will not accept the security instrument for recording without the witness signatures, (2) the title company policy department will not issue the title policy without the witness signatures, or (3) the investor raises the missing witness signatures as a deficiency or condition to purchasing the loan.

Lenders may use revised Texas Home Equity Security Instrument (Form 3044.1) immediately, but must use the revised document no later than 6 months from the revision date.

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