

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**
Order Number: **201210180241**

PeirsonPatterson, LLP
Loan Transmittal Memorandum

www.ppdocs.com

NOTE TO TITLE COMPANY: PeirsonPatterson's fee will not change if our warranty deed is not used or is not provided. PeirsonPatterson still needs to review the deed unless this *review* is waived by the lender.

This loan package was prepared by: **Ambra Costner**

Comments:

Thanks, have a great day!

Attorney Invoice
PeirsonPatterson, LLP
 2310 Interstate 20 W, Suite 100
 Arlington, TX 76017
 Phone: (817) 461-5500 Fax: (817) 856-6060

Invoice To: Jen Ben
 Texas Title
 200 Commerce Street, Suite 123
 Fort Worth, TX 76107
 Phone: (817) 308-7295 Fax:
 GF Number:

| Date | Order # | Description | Amount |
|------------|--------------|--|----------|
| 10/18/2012 | 201210180241 | For professional services in connection with the preparation of real estate documents. | \$150.00 |

Lender:
 ABC Bank
 2310 W Interstate 20, 100
 Arlington, TX 76017
 Phone: (817) 461-5500 Fax:
 Closer: Johnny Golightly
 Loan # 123456

Property:
 555 Simple Road
 Fort Worth, TX 76137

Borrower(s):
 John Doe and Jane Doe

TO INSURE PROPER CREDIT, PLEASE RETURN COPY OF INVOICE WITH REMITTANCE AND PLEASE REFERENCE OUR INVOICE NUMBER ON YOUR CHECK.

**MAKE CHECK PAYABLE TO: * PeirsonPatterson, LLP. - ARLINGTON *
 DO NOT MAIL TO DALLAS - MAIL CHECK TO ARLINGTON**

The fee(s) on this invoice must be separately itemized on the closing statement and shown as a fee to the Lender's attorney. Please contact this office immediately should the transaction be cancelled so that our billing department can close this account. Please make your payment within three days following the closing.

Please do not staple checks to this invoice.
 THANK YOU FOR YOUR BUSINESS.

To Settlement Agent:
Texas Title
200 Commerce Street, Suite 123
Fort Worth, TX 76107
Attn: **Jen Ben**
Phone No.: **(817) 308-7295**
Fax No.:
Email: **jenben@whatever.com**

From Lender:
ABC Bank
2310 W Interstate 20, 100
Arlington, TX 76017
Attn: **Johny Golightly**
Phone No.: **(817) 461-5500**
Fax No.:
Email: **johny@abcbank.com**

Supplemental Closing Instructions

SECTION I. LOAN INFORMATION

Borrower(s): **John Doe and Jane Doe**
Property Address: **555 Simple Road, Fort Worth, TX 76137**
Loan Amount: **\$65,000.00**
Loan Type: **First Lien-Conventional-Home Equity Line of credit**

Loan # **123456**
GF No:
Order Number: **201210180241**
Invoice Number: **2-10-02555**
Initial Interest Rate: **3.250%**
Term of Loan: **120 months I/O + 180 months P&I**
Closing Date: **May 12, 2012**
Document Exp. Date: **May 30, 2012**
First Payment Date: **June 17, 2012**
Final Payment Date: **May 17, 2037**
Index: **3.250%**
Margin: **0.500%**
Fully Indexed Rate: **3.750%**
Min Life Rate: **3.250%**

SECTION II. LOAN FEES AND ESCROWS

Settlement agent fees are provided as an estimate. Final settlement fees must comply with applicable federal laws, rules and regulations; and any applicable state laws or local ordinances.

A. Fees Paid at Closing.

The following fees must be indicated on the HUD-1 Settlement Statement. Collect same unless indicated as "POC" (Paid Outside Closing). Show all "POC"s as such on the HUD-1 Settlement Statement.

| HUD Line # / Description | Paid To | Borrower (\$) | Seller (\$) | Others (\$) |
|---------------------------|-----------------------|---------------|-------------|-------------|
| 801 Loan Origination Fee | ABC Bank | 500.00 | | |
| 803 Appraisal Fee | ABC Bank | 375.00 | | |
| 804 Credit Report | Experian | 25.00 | | |
| 816 Flood Certification | Flood Co. | 13.00 | | |
| 1103 Title examination | Texas Title | 162.38 | | |
| 1105 Document preparation | PeirsonPatterson, LLP | 150.00 | | |
| 1201 Recording fees | Tarrant County Clerk | 90.00 | | |

B. Per Diem Interest and Escrows:

Escrows Waived. Lender has waived the requirement for escrows on this loan.

C. Issuance of Separate Checks:

Lender requires the issuance of additional separate checks for the following, which have not been deducted from the loan proceeds.

- **PeirsonPatterson, LLP: \$150.00 Document preparation.**

SECTION III. LOAN DOCUMENTS

We are enclosing the following documents in connection with the above-referenced loan. Do not allow anyone to execute the loan documents before the date indicated on the Note. ALL PAPERS MUST BE SIGNED AS THE LEGAL DOCUMENTATION HAS BEEN TYPED. IF YOU HAVE INFORMATION THAT THE TYPED NAMES OR OTHER FACTUAL INFORMATION ARE

INCORRECT, PLEASE CONTACT LENDER IMMEDIATELY. All documents requiring execution in the presence of a notary public shall be so executed, and this notary shall complete the proper notary acknowledgment and affix the proper seal to such documents. If there is any question as to the identity of the person executing any document, the responsibility of determining that person's identity is that of the notary public and the Settlement Agent. No corrections, erasures, changes or substitutions may be made to the documents without Lender's prior written approval. Such documents are conditionally delivered to Settlement Agent only for loan settlement and should under no circumstances leave Settlement Agent's possession or control except for delivery to Lender unless Settlement Agent is in receipt of written instructions otherwise from Lender. Powers of Attorney are not allowed unless specifically approved in writing by Lender. If you have information that the typed names are incorrect, please contact Lender immediately. Please follow the respective instructions for the disposition of each document.

Loan Transmittal Memorandum

Attorney Invoice Return with payment to PeirsonPatterson, LLP. @ 2310 W. Interstate-20, Suite 100, Arlington, Texas, 76017-1668.

Supplemental Closing Instructions Originals to be signed by Settlement Agent and returned to Lender.

Master Closing Instructions (Texas) Originals to be signed by Settlement Agent and returned to Lender.

Texas Home Equity Loan Closing Instructions Addendum Settlement Agent must follow additional instructions. Return original to Lender.

Texas Notice of Penalties for Making False or Misleading Written Statement Borrower(s) must sign. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Line of Credit Agreement and Promissory Note Borrower(s) must sign Original and initial each page. Return Original and one (1) certified copy to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Line of Credit Security Instrument (1st Lien) All indicated parties must sign. File original in local Real Property records. Return one (1) certified copy to Lender. Give each party a copy after signature.

Texas Home Equity Line of Credit Affidavit & Agreement Obtain all Property Owner's and their Spouse's signatures. If any party can not swear to each of the matters stated therein, do not proceed with the closing and immediately advise Lender. If necessary, the closing may be rescheduled to accommodate the requirement of the law. If they can swear to each of the matters therein, obtain their signatures under jurat. Record original. Return one (1) certified copy to Lender. Give each party a copy after signatures.

Warning Regarding Notice of Right to Cancel ATTENTION CLOSER - Please read.

Notice of Right to Cancel (Open End Credit) (G-5) (B1) Give each Borrower two (2) Originals. Borrower must acknowledge (by signature) receipt of Notice(s) at time of consummation. The Borrower must not execute the election until the three (3) day period has expired. Return the Original Notice(s) signed and dated by each Borrower to Lender. Amend and have initialled by all Borrowers the "date of the transaction" on the Notice(s) and Election(s) to reflect the later of the date last Borrower signed or any other condition that is satisfied that is necessary for consummation. Extend the rescission date in paragraph 2 of the Notice(s) by a like amount of days and have initialled by all Borrowers.

Notice of Right to Cancel (Open-End Credit - Fed) (G-5) (B2) Give each Borrower two (2) Originals. Borrower must acknowledge (by signature) receipt of Notice(s) at time of consummation. The Borrower must not execute the election until the three (3) day period has expired. Return the Original Notice(s) signed and dated by each Borrower to Lender. Amend and have initialled by all Borrowers the "date of the transaction" on the Notice(s) and Election(s) to reflect the later of the date last Borrower signed or any other condition that is satisfied that is necessary for consummation. Extend the rescission date in paragraph 2 of the Notice(s) by a like amount of days and have initialled by all Borrowers.

Notice of Right to Rescind and Election Not to Rescind (State) - Borrower 1 Borrower(s) must acknowledge receipt of notices indicated therein. Return original to Lender. Give Borrower(s) one (1) copy.

Notice of Right to Rescind and Election Not to Rescind (State) - Borrower 2 Borrower(s) must acknowledge receipt of notices indicated therein. Return original to Lender. Give Borrower(s) one (1) copy.

Flood Insurance Coverage Subject to Possible Change Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Acknowledgement Regarding Voluntary Repayment of Existing Debt Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Acknowledgement of Texas HELOC Disclosures Borrower must receive at least one business day advance disclosure of all actual fees, points, interest, costs and charges by delivering a final HUD-1 or HUD-1A to Borrower at least one business day prior to closing. Any change in any fee, point, interest, or other costs, including but not limited to per diem interest, will require a new disclosure and waiting one additional business day for Borrower's execution of the loan documents. If Borrower has received said disclosure timely. Borrower must sign Disclosure. After document has been executed, return original to Lender. Give Copy to each Borrower.

Acknowledgment Regarding Fair Market Value of Homestead Property All indicated Parties must sign. Return original to Lender. Give each Party one (1) copy.

Affidavit of Milk Production All property owners, their spouses and any borrowers must sign this form and must swear to the facts state therein. Return original to Lender. Give each Borrower a copy after signature.

Attorney Representation Notice Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Authorization to Request Advance Against Your Home Equity Line of Credit Borrower(s) to complete and sign form. Return original to Lender. Give Borrower(s) one (1) copy.

Supplemental Closing Instructions

Borrower Affidavit The indicated Borrower(s) must sign original Security Instrument (Mortgage / Deed of Trust). Obtain acknowledgements and file original. After recording, return original and one (1) certified copy to Lender. Give Borrower(s) one (1) copy.

Borrower's Closing Affidavit Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Disclosure of Right to Receive a Copy of an Appraisal Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Document Correction Agreement Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Errors and Omissions Letter Borrower(s) must sign and signature(s) notarized. Return original to Lender. Give Borrower(s) one (1) copy.

Multistate Initial Escrow Account Waiver Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Fair Credit Reporting Act Notice Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

TX Home Equity Loan Subsequent Refinance Limitations Notice Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Hazard Insurance Information Settlement Agent must complete. Return original to Lender.

Mortgage Fraud Warning FBI Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Name Affidavit - Borrower 1 Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Name Affidavit - Borrower 2 Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return Original(s) to Lender. Give Borrower(s) one (1) copy.

Notice of No Oral Agreements All Parties must sign. Return original to Lender. Give each Party one (1) copy.

Owner's Affidavit of Compliance Borrower(s) must sign and swear to the truth of the matter(s) stated. Signatures must be acknowledged. Return original(s) to Lender. Give Borrower(s) one (1) copy.

Property Tax Information Settlement Agent must complete. Return original to Lender.

Texas Home Equity Receipt of Copies All indicated Parties must sign. Return original to Lender. Give each Party one (1) copy.

HUD-I Settlement Statement Addendum All indicated Parties must sign and date. Return original to Lender. Give each Party one (1) copy.

Collateral Protection Insurance Notice (Texas) Borrower(s) must sign. Return original to Lender. Give Borrower(s) one (1) copy.

Texas Home Equity Acknowledgement of Advance Copy of Loan Application and Final Itemization of Fees and Charges Borrower must receive at least one business day advance disclosure of all actual fees, points, interest, costs and charges related to this loan. This must be done by delivering a final HUD-1 or HUD-1A to Borrower at least one business day prior to closing. Any change in any fee, points, interest, or other costs, including but not limited to per diem interest, will require new disclosure and waiting one additional business day for Borrower's execution of the loan documents. If Borrower has received said disclosure timely, Borrower must sign the Texas Home Equity Acknowledgement of Advance Copy of Loan Application and Final Itemization of Fees and Charges. After signature and acknowledgment, return original to Lender. Give copy to each Borrower.

Your Billing Rights Regarding Your Open Line of Credit (Home Equity Loan) Give Borrower(s) one (1) copy.

W-9 Cover Sheet

Request for Taxpayer Identification Number and Certification - Borrower 1 Each Borrower must complete and sign a separate W-9. Return Original(s) to Lender.

Request for Taxpayer Identification Number and Certification - Borrower 2 Each Borrower must complete and sign a separate W-9. Return Original(s) to Lender.

SECTION IV. ADDITIONAL REQUIREMENTS

Title Insurance.

*** Mortgagee's Clause in Title Policy must read: "(Lender's name as appearing in the Note), and/or (the Secretary of Housing and Urban Development) (the Administrator of the Department of Veteran's Affairs, an officer of The United States of America) (the Veteran Land Board of the State of Texas), "and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12(c) of the Conditions and Stipulations" depending on the type of loan as indicated in the Master Closing Instructions.**

*** Provide T-30 endorsement to the Loan Policy of Title Insurance at the Borrower's expense. Real estate taxes must be shown as being current or as being future taxes that are not yet due and payable. Any situation in which taxes are not current is not acceptable.**

*** Provide T-36 Environmental Protection Lien Endorsement to Loan Policy of Title Insurance at Borrower's expense. If provided, see Master Instructions No. 4.13(p)**

*** As to any encroachment that is an exception or any exclusion to coverage with respect to minerals in either Schedule A, Item 2 or Schedule B in the Loan Policy of Title Insurance which falls under the provisions of Procedural Rule 50 of the MANUAL OF RULES, RATES AND FORMS FOR THE WRITING OF TITLE INSURANCE IN THE STATE OF TEXAS ("Texas**

Title Rules”), the Lender hereby requests that any such matter be insured by providing a T-19 Restrictions, Encroachments, Mineral Rights Endorsement at borrower’s expenses. If provided, see Master Closing Instructions 4.13(h).

If, however, the title company does not issue the above-referenced T-19 Restrictions, Encroachments, Minerals Endorsement without amendment for any reason, Lender requests the title company to issue, as applicable and pursuant to Texas Title Rules P-5.1, and P-50.1, its Minerals and Surface Damage Endorsement (T-19.2) if the Property insured is one acre or less and is improved or intended to be improved for one-to-four family residential use. If the Property is improved or intended to be improved for office, industrial, retail, mixed use retail/residential or multifamily purposes, lender requests that the title company issue the Minerals and Surface Damage Endorsement (T-19.3). Please see Master Closing Instructions 4.13(i), 4.13(j), and 4.18.

* Delete Section 13 of the conditions and stipulations of the Loan Policy of Title Insurance relating to Arbitration.

* According to Procedural Rule P-44, add Equity Loan Mortgage Endorsement (T-42) to the Loan Policy of Title Insurance. Make no deletions thereto. Add subparagraph (f) of paragraph 2 to the Equity Loan Mortgage Endorsement (T-42) as allowed by Procedural Rule P-44.

* According to Procedural Rule P-47, add Equity Loan Mortgage Endorsement (T-42.1) to the Loan Policy of Title Insurance. Make no deletions thereto. The requirements for the Equity Loan Mortgage Endorsement (T-42.1) are as follows:

I. Receipt of Closing Instructions Signature Before Specified Date: Settlement Agent acknowledges receipt of this Addendum, the Supplemental Closing Instructions and the Master Closing Instructions prior to the execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note which is being executed at the office of the title insurance company. Settlement Agent shall not allow any Borrower, Owner or Owner's Spouse to execute any loan document before the date indicated on the Texas Home Equity Note.

II. Loan Proceeds Disbursement Before Fourth (4th) Day: Settlement Agent shall not disburse funds before the fourth (4th) business day after closing. III. Election Not to Rescind: All indicated parties must have executed the Texas Home Equity Election Not to Rescind. This form may not be dated or signed prior to the fourth (4th) business day after closing.

IV. Document Copies: Settlement Agent shall give Borrower/Owner copies of all documents related to the extension of credit which Borrower/Owner signs at closing and provide the same on the date that the Borrower/Owner executed the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby.

V. Settlement Statement: Settlement Agent shall fax or send fee and charge disclosure or settlement statement to the Lender for approval prior to execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby. Settlement Agent shall not collect or disburse any fees not shown on the final settlement statement prepared by the title insurance company and approved by Lender.

VI. Blanks in an Instrument: Settlement Agent shall ensure there are no blanks left to be filled in (other than signature lines, if any, for execution by Lender) in the following instruments when executed by Borrower/Owner: (a) any instrument prepared by the Settlement Agent or title insurance company; (b) the Acknowledgment Regarding Fair Market Value of Homestead Property; (c) the Texas Home Equity Security Instrument; (d) the Texas Home Equity Note; and (e) any affidavits of compliance with Section 50(a)(6), Article XVI, of the Texas Constitution including but not limited to the Texas Home Equity Affidavit and Agreement, Rural Homestead Affidavit (if applicable), and Affidavit of Milk Production on Homestead Property (if applicable).

VII. Attachment of Appraisal or Evaluation: Settlement Agent shall attach the appraisal or evaluation of the fair market value of the Property to the Written Acknowledgment Regarding Fair Market Value of Homestead Property.

VIII. Signature of Acknowledgment of Fair Market Value: Settlement Agent shall ensure execution of the Acknowledgment Regarding Fair Market Value of Homestead Property by Borrower/Owner on the date of closing at the office of a title insurance company.

IX. No Land In Excess of Homestead Allotment: Settlement Agent must receive a satisfactory surveyor's certificate of letter from a Texas Licensed Registered Professional Surveyor or a computation of the acreage made pursuant to a software program stating the exact amount of acreage or square footage of the land and whether or not the land is located within the boundaries of an incorporated municipality.

X. No Other Land with a Home Equity Mortgage: Borrower/Owner and Owner's Spouse (if any) must execute and swear to each of the matters stated in the Texas Home Equity Affidavit and Agreement. The Property (as shown on Schedule A) shall not have been subject to a mortgage (executed by owner) securing an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI of the Texas Constitution that was closed within one year prior to this loan closing.

* Provide T-33 ARM Endorsement to Mortgagee's Title Policy at Borrower's expense.

* Provide T-35 Revolving Credit Endorsement according to Procedural Rule (P-9b(8)), add Revolving Credit Endorsement (T-35) to the Mortgagee Policy. Make no deletions thereon.

Corrected Title Commitment. In addition to the requirements contained in the Master Closing Instructions, if provided, the Commitment must be amended as follows: (WE REQUIRE THE FOLLOWING ITEMS WITHIN TWENTY-FOUR HOURS OF THE EXECUTION OF THE DOCUMENTATION.)

Schedule B: Reflect Tax deletion. Guarantee all taxes are paid current.

Schedule C: Clear ALL Items. Delete #7 - per Lender does not apply.

Supplemental Closing Instructions

Provide all applicable Endorsements @ Borrower's expense.
STRICTLY ADHERE TO THE MASTER CLOSING INSTRUCTIONS.

Borrower's HUD-1 Settlement Statement. HUD-1 must reference SETTLEMENT AGENT NAME, ADDRESS and PHONE NUMBER in Section H "Settlement Agent" and at least SETTLEMENT AGENT ADDRESS in "Place of Settlement" box. Three (3) certified copies. The Borrower(s) cannot receive any credit against the Sales Price for repairs or any other matter(s) without Lender's specific approval. Must reflect the name and address, including zip code of the Borrower(s), the Lender and the Settlement Agent.

Hazard Insurance. Obtain a copy of the existing insurance policy. Determine if it is a comprehensive Texas; Homeowners Form B policy. If the existing policy is due to expire within 60 days of closing, you must also provide a paid receipt for next year's premium.

Lender's Privacy Requirements. Maintaining public confidence is important to the success and well-being of Lender. Additionally, Lender is bound by certain state and federal laws and regulations that require Lender and Lender's employees to transact business mindful that information shall be properly safeguarded. These closing instructions hereby put Settlement Agent on notice that the laws, regulations and safeguards that apply to Lender and its employees equally apply to vendors, agents and service providers [VASPs] of Lender. In conducting the business of Lender, certain customer information is obtained, used, created, stored and disposed. It is expected and required that all persons or entities with access to Lender's customer information shall keep that information confidential. VASPs are not authorized to access Lender's customer information except as is minimally necessary to complete assigned work. VASPs are not to make unauthorized copies of customer information. VASPs are not to discuss customer information with anyone other than authorized persons. Casual conversation about customers and customer information is prohibited and should be avoided even with other VASPs or Lender employees. VASPs shall not sell or otherwise share any customer information with any third party persons or companies. It is understood by Settlement Agent that Lender's customer information shall only be obtained, used, stored and disposed by methods and means that are necessary and permitted in order to conduct the business of Lender and Settlement Agent. All such access shall be in a safe guarded manner consistent with Lender's business practices and generally accepted professional business standards.

Other Items:

- **Borrower(s) must complete Social Security Number(s) or Tax ID number on any applicable documents.**
- **Provide any and all other state specific documents necessary to properly close and insure this transaction.**
- **HUD-1 must reference SETTLEMENT AGENT NAME, ADDRESS and PHONE NUMBER in Section H "Settlement Agent" and at least SETTLEMENT AGENT ADDRESS in "Place of Settlement" box.**
- **3 Day Right of Rescission required on this loan.**
- **No Survey required.**
- **Attach Exhibit "A" legal description to all applicable documents prior to closing.**

SECTION V: LOAN FUNDING

All papers must be signed as the legal documentation has been typed. If you have information that the typed names or other factual information are incorrect, please contact Lender immediately. All fees and charges required to be paid and known by Settlement Agent must be reflected on the Settlement Statement. The Settlement Statement must be faxed to Lender for approval prior to Closing. After Lender approval, no charges or fees can be added to the Settlement Statement without lender's written consent. The loan must close and fund by the Document Expiration Date indicated on page one of these Instructions. Do not file the Deed of Trust prior to Lender's funding authorization. The Closing of this loan is contingent upon the Sales Price captioned herein being true and correct. Should you have information indicating a lesser Sales Price or any secondary financing not shown above, do not close this loan and contact Lender immediately.

The escrow agent shall prepare the HUD-1 Settlement Statement in accordance with these instructions and provide it to us for our approval at least 24 hours before the real estate settlement transaction is closed. Then, the escrow agent shall close the transaction and disburse funds only in accordance with the approved HUD-1 Settlement Statement. If any party to the transaction requests that his/her funds be disbursed in any manner different from the approved HUD-1, the escrow agent shall advise us of the request and obtain prior approval from us before any funds are disbursed in a manner different from the approved HUD-1 Settlement Statement.

SUBJECT TO ANY LIMITATIONS IMPOSED BY PROCEDURAL RULE P-35 OF THE BASIC MANUAL OF TITLE INSURANCE IN THE STATE OF TEXAS, THE UNDERSIGNED AS AUTHORIZED AGENT FOR SETTLEMENT AGENT HEREBY ACKNOWLEDGES RECEIPT OF AND AGREES TO FOLLOW ALL THE TERMS CONTAINED IN THESE SUPPLEMENTAL CLOSING INSTRUCTIONS, THE COMMITMENT FOR TITLE INSURANCE ISSUED FOR THIS LOAN AND THE MASTER CLOSING INSTRUCTIONS WHICH ARE INCORPORATED HEREIN BY REFERENCE PRIOR TO THE REQUEST FOR LOAN FUNDING, UNLESS OTHERWISE AUTHORIZED HEREIN. THIS ACKNOWLEDGEMENT DOES

NOT OTHERWISE IMPLY A CERTIFICATION OR GUARANTY OF FACT, INSURANCE COVERAGE OR CONCLUSION OF LAW.

Texas Title

By: _____

Settlement Agent Signature

[ORIGINAL SIGNATURE, NOT STAMP, REQUIRED AS A CONDITION OF FUNDING.]

MASTER CLOSING INSTRUCTIONS

Loan # 123456

These Master Closing Instructions are for closing the loan referenced in the Supplemental Closing Instructions. Do not proceed unless you accept full responsibility for following these instructions. All Master and Supplemental Closing Instructions must be strictly followed. Do Not Close The Loan Otherwise. Have any questions answered prior to commencement of closing. Any modifications must be in writing and signed by the Lender. SETTLEMENT AGENT IS NOT AUTHORIZED TO MAKE ANY CHANGES ON THE NOTE, SECURITY INSTRUMENT OR TRUTH-IN-LENDING DISCLOSURE STATEMENT. THE DOCUMENTS MUST BE REORDERED BY THE LENDER.

If any ambiguities, obvious errors, or questions arise in connection with the loan or any matter contained in the Master or Supplemental Closing Instructions, the Closing Coordinator specified in the Supplemental Closing Instructions must be contacted prior to closing. The Settlement Agent will be liable for losses incurred by the Lender as a result of the agent closing the loan with knowledge that errors were contained in any documents or instructions. If the Settlement Agent determines that the loan cannot be closed in accordance with these Master Closing Instructions, do not proceed to closing without further instructions from the Lender. An attempt has been made to provide complete and correct forms necessary to close the loan. However, if any required forms are missing, obviously incorrect, or obsolete, contact the Lender.

1. FRAUD PREVENTION.

- 1.1 Settlement Agent has special knowledge that the Lender cannot obtain from any other source. Lender is relying on Settlement Agent to communicate any material information, such as, by way of example, an adverse change of the value or title of the property, changes to the sales contract (if purchase), changes to the financing, bankruptcy, or enforcement of creditor's rights are material to Lender. If Settlement Agent receives any such material information, the Settlement Agent shall suspend loan closing and immediately disclose the information to Lender.
- 1.2 If Settlement Agent has knowledge that anyone in Settlement Agent's office is a party to the transaction, is a family member or relative of any of the parties to the transaction, or has a conflict of interest, obtain Lender's written consent before closing.
- 1.3 If Settlement Agent has reason to believe there is a fraud or scheme related to the transaction, Settlement Agent shall suspend loan closing and immediately contact Lender.
- 1.4 Information related to the Borrower, Seller, Real Estate Broker, Builder, Mortgage Broker, Title Insurer, Settlement Agent, or property may be a material inducement to Lender for making the loan. If Settlement Agent knows any party to the transaction made a material misstatement or discovers a falsehood, Settlement Agent shall suspend the closing and immediately contact the Lender.
- 1.5 If Settlement Agent has knowledge or belief that any document has been tampered with, falsely generated, bears an incorrect or falsified date, bears different names and addresses for the same party, bears a fictitious name, or a party's handwriting is inconsistent throughout the file, suspend closing and immediately contact the Lender.
- 1.6 If the Borrower or Seller appear to be coerced, under undue influence, or lack capacity to

understand the transaction, suspend closing and immediately contact the Lender.

- 1.7 The Borrower(s) must appear to be able to read the loan documents and the nature of the transaction.
- 1.8 To comply with the US Patriot Act, the Bank Secrecy Act, and regulations promulgated by the Secretary of the Treasury, Lender has established a customer identification program. The reason for this program is to ascertain and verify the Borrower's, and any Signatory's, true identity. To this end, and because the Settlement Agent has face-to-face contact with the Borrower, perform the following activities for each Borrower and Signatory:
 - (a) explain to the Borrower that information is being obtained to verify identity;
 - (b) complete the Identity Affidavit, either electronically or manually, in accordance with the instructions accompanying it;
 - (c) for U.S. residents, obtain a copy of an **unexpired** government-issued identification that bears a photograph or similar safeguard;
 - (d) for non-U.S. residents, obtain a copy of one or more of the following: a copy of an **unexpired** government-issued document evidencing nationality or residence and bearing a photograph; and/or an **unexpired** passport with passport number and country of issuance; and/or an **unexpired** alien identification card;
 - (e) if a customer is unable to produce an unexpired form of identification, contact the Lender for assistance in independently verifying the true identity of the customer;
 - (f) for corporations, partnerships, trusts, and other persons that are not individuals, obtain from the state of incorporation certification of good standing and a copy of the authorizing resolution duly certified by a corporate official, a government-issued business license, Partnership Agreement, or Trust Agreement;
 - (g) if Settlement Agent cannot form a reasonable belief that the true identity of the Borrower is known, suspend closing and immediately contact the Lender; and
 - (h) include in the closing package returned to Lender copies of all identifying information provided by the Borrower, copies of all documents relied on to establish the Borrower's true identity, and any documents pertaining to the resolution of any discrepancy in the identifying information obtained.
- 1.9 Settlement Agent must obtain Borrower's acknowledgement supplied by Lender, that no third party is paying the Borrower to lend credit or identity to the transaction.
- 1.10 If Settlement Agent has knowledge that there is, or will be, a "silent second mortgage" placed on the property, or that any monies Borrower is required to pay or deposit at closing are not from the Borrower's own funds or a bona fide gift, the Settlement Agent shall suspend loan closing and immediately contact Lender.
- 1.11 Settlement Agent is only to accept Borrower funds from Borrower's deposited accounts in the financial institutions verified and disclosed on Fannie Mae Form 1003, Freddie Mac Form 65, or from the account and institution specified elsewhere in these Closing Instructions. Settlement Agent must verify the source of funds; if Borrower funds come from a different institution or an out-of-state institution, suspend closing and immediately contact Lender.
- 1.12 All funds must pass through escrow and should be noted on the HUD-1 Settlement Statement. Copies of down payment checks or funds needed to close must be sent to Lender. The name and

address on the deposit check must match Borrower's name and address.

- 1.13 If the property has been subject to a closing within one year of the current transaction, Settlement Agent is to contact Lender and obtain Lender's written consent to close. Settlement Agent must obtain Lender's written consent to close if there have been any transfers of the property within the last 180 days.
- 1.14 If this is an owner-occupied property transaction and Settlement Agent has knowledge of the Borrower owning and occupying another residence not subject to sale, or that the Borrower does not intend to occupy the property, the Settlement Agent shall obtain the written consent of Lender.
- 1.15 If the Mortgage Broker and the property Seller are the same, or the Settlement Agent has knowledge that are owned or controlled by the same person, do not proceed with closing and immediately contact Lender.
- 1.16 Immediately inform the Lender if the Borrower had a former interest in the property, or if other parties to the transaction such as the Real Estate Agent, Mortgage Broker, Appraiser, or Settlement Agent had an interest in the property.
- 1.17 If a business entity is acting as the Seller, confirm that the Borrower does not control, and is not related to, the Owner or the Seller.
- 1.18 If this is a purchase transaction, have Borrower confirm a property inspection has occurred on form supplied by Lender; if no real estate commission is payable, provide the Lender with an explanation if the sales contract provides otherwise.
- 1.19 If the real estate commission appears excessive for the market area, contact the Lender prior to closing.
- 1.20 All Borrowers must execute IRS Form 4506.
- 1.21 Confirm the preliminary Title Commitment or Binder is correct for insuring purposes, or issue a corrected Title Commitment or Binder to Lender. Immediately contact the Lender if the owner, as shown on the Title Commitment, is different from the Seller on the Purchase Contract. The sale must not be subject to Seller acquiring title.
- 1.22 Settlement Agent must be an approved agent with the Title Insurer whose name appears on the Title Commitment and Binder.
- 1.23 If there are material or significant changes to the sales price or the escrow, Lender must approve the same prior to closing. Confirm the sales price on the contract matches the sales price on the HUD-1 Settlement Statement.
- 1.24 If the property tax assessment is less than or greater than 10% of the sales price, contact Lender, if other than new home sale.
- 1.25 Contact Lender immediately if there are any unusual payouts denoted on the Seller's column on the HUD-1 Settlement Statement.

- 1.26 Settlement Agent must sign the HUD-1 or HUD-1A Settlement Statement.
 - 1.27 Settlement Agent must sign the Closing Instructions to acknowledge receipt and to affirm that the Settlement Agent has read, understood and accepts all conditions of conducting the settlement.
 - 1.28 Borrower must sign all verification documents and certify that the information in the verifications is accurate.
 - 1.29 Settlement Agent must return recordable documents and the final Title Policy in a timely manner, but no later than 30 days from the date of closing. Failure to deliver these documents in a timely manner will result in a claim being filed with the Title Insurer.
 - 1.30 Do not allow the Borrower to sign any document containing blanks.
 - 1.31 If actual settlement charges on the HUD-1 Settlement Statement exceed the Good Faith Estimate supplied at closing by 10% or more, contact the Lender prior to closing.
 - 1.32 If the legal documents are incomplete or inconsistent with other information in the mortgage file, immediately contact the Lender.
 - 1.33 Ensure all documents have proper signatures.
 - 1.34 **The escrow agent shall prepare the HUD-1 Settlement Statement in accordance with these instructions and provide it to us for our approval at least 24 hours before the real estate settlement transaction is closed. Then, the escrow agent shall close the transaction and disburse funds only in accordance with the approved HUD-1 Settlement Statement. If any party to the transaction requests that his/her funds be disbursed in any manner different from the approved HUD-1, the escrow agent shall advise us of the request and obtain prior approval from us before any funds are disbursed in a manner different from the approved HUD-1 Settlement Statement.**
2. **INSURED CLOSING.** Request is hereby made pursuant to Article 9.49 of the Texas Insurance Code that an Insured Closing Service Letter in the form authorized by the State Board of Insurance be issued in connection with the closing and settlement of the loan closing through an agent for a title insurance company authorized to do business in the State of Texas. All Settlement Agents should confirm that such a letter is on file with the Lender before closing the loan.
 3. **CLOSE AS INSTRUCTED AND REQUIRED.** As Settlement Agent, you must close the transaction in strict accordance with these Closing Instructions. If this transaction involves a sale, all applicable terms and conditions of the sales contract furnished to Lender must be followed. Immediately advise the Lender if any of the sales contract provisions conflict with these Closing Instructions. Immediately advise the Lender of any recent (within the last year (1 year)) or impending change in ownership or material change in the sales price or valuation. Approval must be granted by the Lender prior to closing. Prior to request for funding, you must have written authorization from Lender approving any deviation from the Master and Supplemental Closing Instructions. No credits, debits, secondary financing, or third party contributions are allowed unless specifically authorized in the Supplemental Closing Instructions. All persons signing both the note and the deed of trust must be vested in title unless the Lender indicates that

an individual is acting pro forma or as a cosigner or guarantor.

4. **TITLE COMMITMENT AND POLICY.** The title policy must be written through the same company that issued the Commitment for Title Insurance (“Title Commitment”) previously furnished to the Lender. Lender’s loan documents have been prepared based upon the Title Commitment. If the Title Commitment does not comply with the following requirements, Settlement Agent must either (i) amend it, (ii) provide a new Title Commitment, or (iii) agree to provide Lender a subsequent Loan Title Policy (“Title Policy”) in accordance with the following requirements:

4.1 The date of the Title Commitment may not be more than ninety (90) days before the settlement date. If the Title Commitment has expired, do not close the loan, and contact the Lender immediately. The Title Commitment must have an authorized counter signature.

4.2 The Title Policy must insure a first and superior deed of trust lien. The Short Form Residential Mortgage Policy (T-2R) may be issued if available and requested by the Lender. Procedural Rule P-51 regulates the Title Policy.

4.3 The “Proposed Insured” must read exactly as Lender’s loan documents, with the following additional phrase:

If a Conventional Loan: “And each successor in ownership of the indebtedness secured by the insured mortgage except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

If an FHA Loan: “And/or the Secretary of Housing and Urban Development of Washington, D.C., and each successor in ownership of the indebtedness secured by the insured mortgage except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

If a VA Loan: “And/or the Administrator of Veterans Affairs, an Officer of the United States of America, and each successor in ownership of the indebtedness secured by the insured mortgage except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

If a Texas Veteran Land Board Loan: “And/Or the Veteran Land Board of TEXAS, and each successor in ownership of the indebtedness secured by the insured mortgager except a successor who is an obligor under the provisions of Section 12(C) of the Conditions and Stipulations.”

4.4 The amount of the coverage in the Title Policy should at least equal the loan amount indicated in the Supplemental Closing Instructions. If the loan has either capitalized interest or negative amortization, the coverage should equal the highest outstanding balance indicated in the loan documents, not to exceed one hundred twenty-five percent (125%) of the original principal amount.

4.5 “Title to the estate or interest in land is insured as vested in” in the Title Policy (Loan Policy of Title Insurance) must exactly match the Borrower’s name(s) indicated on the loan documents.

4.6 The legal description in the Title Policy must conform to the loan documentation and the survey.

- 4.7 The “estate or interest in land that is insured as encumbered by the insured mortgage” stated in the Title Policy (Loan Policy of Title Insurance) must read FEE SIMPLE unless provided otherwise in the Supplemental Closing Instructions. The Title Policy (Loan Policy of Title Insurance) must insure against any loss or damage sustained or incurred by reason of a lack of a right of access to and from the land. Any easements providing access to the property must be insured as part of the estate, and not shown as an exception on Schedule “B.”
- 4.8 Item 2 of Schedule “B” must read “shortages in area.”
- 4.9 The portion of Schedule “B,” Number 5, which refers to “subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership” must be deleted pursuant to Procedural Rule P-20 and Rate Rule R-19. The following language “Company insures that standby fees, taxes, and assessments by any taxing authority for the applicable year are not yet due and payable.” must be added to the standard tax exception, pursuant to Procedural Rule P-29 and Rate R-24. The Borrower should pay the expense associated with such coverage.
- 4.10 Any easement, encroachment, and right-of-way or restriction constituting an exception must be specifically described on Schedule “B.” Any easement or right-of-way indicated on Schedule “B” must be located on the survey unless Lender approves otherwise. If the survey does not show easements which are on the Title Commitment, either (i) remove said item(s) from Title Commitment or (ii) have surveyor locate and identify on amended survey and obtain Lender’s approval of said location. A surveyor’s letter is not sufficient in lieu of removing the exception.
- 4.11 Remove any “visible and apparent” or similar exception to coverage. Remove any “rights to parties in possession,” “tenants in possession,” or similar exceptions to coverage unless such exception has been specifically authorized in the Supplemental Closing Instructions.
- 4.12 All items mentioned on Schedule “C” of the Title Commitment must be disposed of prior to requesting funding authorization. By disbursing the loan funds, Settlement Agent certifies to Lender that all matters disclosed on Schedule “C” will be paid or disposed of to the satisfaction of the title insurer prior to the date of the issuance of the Title Policy, and that no exceptions for any item on Schedule “C” will be contained therein.
- 4.13 TLTA Endorsements: Provide all appropriate endorsements and collect all corresponding premiums and expenses from among the following, as promulgated by the Texas Department of Insurance in the currently effective “Basic Manual of Rules, Rates, and Forms for the Writing of Title Insurance in the State of Texas”:
- (a) T-2R Short Form Residential Policy of Title
 - (b) T-3 General Endorsement
 - (c) T-4R Residential Leasehold Endorsement
 - (d) T-5 Leasehold Mortgagee Policy Endorsement
 - (e) T-13 Mortgagee Title Policy Binder on Interim Construction Loan
 - (f) T-16 Mortgagee Policy Aggregation Endorsement
 - (g) T-17 Planned Unit Development Endorsement
 - (h) T-19 Restrictions, Encroachments, Minerals Endorsement
 - (i) T-19.2 Minerals and Surface Damage Endorsement
 - (j) T-19.3 Minerals and Surface Damage Endorsement
 - (k) T-30 Tax Deletion Endorsement

- (l) T-31 Manufactured Housing Endorsement
 - (m) T-31.1 Supplemental Coverage Manufactured Housing Unit Endorsement
 - (n) T-33 Adjustable Mortgage Loan Endorsement
 - (o) T-35 Revolving Credit Endorsement
 - (p) T-36 Environmental Protection Lien Endorsement
 - (q) T-38 Mortgage Policy of Title Insurance P-9.b.(3) Endorsement Form
 - (r) T-39 Balloon Mortgage Endorsement
 - (s) T-42 Equity Loan Mortgage Endorsement
 - (t) T-42.1 Supplemental Coverage Equity Loan Mortgage Endorsement
 - (u) T-43 Texas Reverse Mortgage Endorsement
 - (v) T-47 Residential Real Property Affidavit
- 4.14 (a) If the Title Commitment references any restrictions containing homeowners association dues, maintenance charges, and/or assessment language, Lender requires that such lien(s) be itemized and shown in Schedule “B.” The Settlement Agent must obtain a letter signed by a representative of the homeowners association, or appropriate entity, indicating that there are no past due homeowners association fees, maintenance charges or assessments.
- (b) If the maintenance charge or assessment is not subordinated to the Lender’s lien, do not close the loan without Lender’s written authorization. If Lender authorizes the closing, obtain a letter from the appropriate entity agreeing to provide Lender or its assigns with notice of any default or unpaid dues, charges or fees. In addition, the holder of any superior encumbrance must agree in writing to provide the Lender or its assigns with sixty (60) days advance notice (at Lender’s address as set forth in the deed of trust or a different address if so provided) of any pending sale, foreclosure action, or litigation regarding the property.
- 4.15 Unless provided to the contrary in the Supplemental Closing Instructions, the property may not be located on a private road, and there may not be any limitations or conditions affecting access to a public road.
- 4.16 Without Lender approval, no exceptions may be taken for adverse possession claims, bankruptcies, fraudulent transfers, filed lis pendens claims, unpaid liens or assessments. Provided that an acceptable survey is furnished to the Settlement Agent, **no exception may be taken** for any titles or rights asserted by anyone to tidelands; or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans; or to any land extending from the line of mean low tide to the line of vegetation; or to lands beyond the line of the harbor or bulkhead lines as established or changed by any government; or to filled-in lands; or artificial islands; or to riparian rights; or the rights or interests of the State of Texas or the public generally in the area extending from the line of mean low tide to the line of vegetation or their right of access, thereto, or right of easement along and across the same without locating a vegetation line on the survey without obtaining Lender’s written consent to closing the transaction. Any inspection fees required for such coverage must be paid by the Borrower.
- 4.17 If a Title Policy (Loan Policy of Title Insurance) is issued to include the cost of immediately contemplated improvements, an exception may be made for any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements to be placed on the property. An exception may also be taken for “pending disbursements.” Upon completion of the improvements, the owner’s acceptance thereof and

satisfactory evidence that all bills for labor and materials have been paid, those exceptions must be eliminated from the Title Policy, and mechanics' and materialmen's lien coverage amended by issuance of the appropriate endorsement, the cost of which shall be paid by the Borrower. In no other event are such exceptions acceptable. If a satisfactory survey is required, after completion of the contemplated improvements to provide the survey coverage provided in Procedural Rules P-16 and P-2, then collect the cost of obtaining such survey from the Borrower at closing.

- 4.18 If, pursuant to Rule P-5.1 of the Basic Manual of Rules, Rates and Forms for the Writing of Title Insurance in the State of Texas ("Texas Title Rules"), either an exclusion to coverage is made in Schedule A, Item 2 or an exception to coverage is made in Schedule B, the lender hereby requests pursuant to Rule P-50.1 of the Texas Title Rules for the title company to issue its Minerals and Surface Damage Endorsement (T-19.2) if the Property insured is one acre or less and is improved or intended to be improved for one-to-four family residential use. If the Property is improved or intended to be improved for office, industrial, retail, mixed use retail/residential or multifamily purposes, lender requests that the title company issue the Minerals and Surface Damage Endorsement (T-19.3).
 - 4.19 If a mineral lease term has expired, no exception may be made for mineral leases. If the lease term is still in effect, there must be a designated drilling site or an Affidavit of Non-Production must be signed by the seller/owner of the property.
 - 4.20 If an exception is being taken for a joint drive-way, or party or common wall agreement filed of record, the agreement must be approved by Lender prior to closing.
 - 4.21 The effective date of the Title Policy must be the date of the recording of the security instrument(s). If any documents must be re-recorded, the Settlement Agent agrees to provide an endorsement showing both the original and re-recorded documents.
 - 4.22 In the refinance of homestead property, the Title Policy must not take exception to outstanding liens, which must be paid in full. The outstanding principal balance, including accrued but unpaid interest on an existing mechanic's lien or deed of trust, must not be less than Lender's loan amount excluding financed closing costs. Any balance owing at the time of closing on the existing lien which is being renewed and extended must be paid in full.
 - 4.23 If the Owner's Title Policy is rejected by Borrower, the Borrower must sign a rejection statement acknowledging that the Mortgage Title Policy does not provide title insurance to the Borrower.
 - 4.24 **NO REVERSIONARY INTEREST, RIGHTS OF FIRST REFUSAL, OR RIGHTS OF RE-ENTRY THAT COULD RESULT IN A FORFEITURE OF TITLE OR ANY PART OF TITLE TO THE PROPERTY WHICH IS NOT SUBORDINATED TO LENDER'S INSURED LIEN ARE ALLOWED.**
 - 4.25 Delete Section 13 of the Conditions and Stipulations relating to arbitration.
 - 4.26 **Title Policy must be received by Lender no later than 30 days from date of closing.**
5. **SURVEY REQUIREMENTS.** On all loans covering individual units and approved PUDs, one (1) original location survey certified by a licensed surveyor will be required prior to issuing closing papers.

The following survey requirements must be met:

- 5.1 Survey must be no more than 120 days old as of the date of closing.
 - 5.2 Survey must show the location of buildings, driveways, fences, easements, encroachments, setback lines, beginning point, relation to adjacent properties and street intersections, north point, surveyor's original seal, lot and block number, recorded map information and indicate where property abuts public street with permanent access.
 - 5.3 Survey must contain certification by surveyor as to whether property is located in a flood hazard area. If survey indicates flood insurance is required, refer to paragraph on Flood Insurance Requirements. If survey does not contain certification as to flood insurance, a separate certification must be furnished from the surveyor.
 - 5.4 If the survey shows a discrepancy from the property description of more than 2% in the front lot line or 5% in any other lot line, or a change in the description from that appearing in the Supplemental Closing Instructions, you should obtain the Lender's approval prior to closing.
 - 5.5 The Survey must show the name of the Borrower.
 - 5.6 For Condominium Loans, a copy of the recorded map showing the location of the unit is required in lieu of a Survey.
6. **HAZARD INSURANCE.** A comprehensive Texas Homeowner's Form-B policy insuring the property in an amount at least equal to the loan amount is required.
- 6.1 The original hazard insurance policy with the first year's premium paid receipt must be obtained by Settlement Agent prior to disbursement. Binders are not acceptable unless: (a) (i) issued by a "licensed local recording agent" (as defined by of the Texas Insurance Code), who has been (ii) appointed to represent and (iii) authorized to issue binders by the insurance company whose name appears on the binder, and (iv) such agent has furnished appropriate evidence to the Lender confirming (i) through (iii) above;
(b) the binder is accompanied by evidence of payment of the required premium; and (c) the binder will be replaced by an original insurance policy for the required coverage within 30 days of the date of issuance of the binder. The property's legal description, street address, city, county, state, zip, and Borrower's name indicated on the hazard insurance binder and hazard insurance policy must be identical to that contained within the loan documents. Unless instructed otherwise in the Supplemental Closing Instructions, the mortgagee clause of the binder and hazard insurance policy should exactly match the name and address of Lender indicated in the deed of trust, unless a different Lender name and address is specified in the Supplemental Closing Instructions. Additionally, the loan number must be included on the binder and hazard insurance policy. If any errors are found, the Settlement Agent agrees to obtain, prior to funding, a binder or endorsement correcting such error.
 - 6.2 The Settlement Agent must confirm that the hazard insurance obtained by the Borrower is through a company acceptable to the Lender prior to closing. The binder and policy inception date must be on or before the date of the loan documents. The binder and policy must be signed by the insuring agent, and not contain any coinsurance clauses.

- 6.3 On condominium units, provide an original Certificate of Insurance with the original signature of the insuring agent. The certificate must be dated prior to or on the date of disbursement.
- 6.4 Lender does not escrow for hazard insurance for condominium loans, but will require the Settlement Agent to obtain: (i) an endorsement showing that the condominium unit (property) is included in the condominium association's master fire insurance policy; (ii) an acceptable endorsement adding Lender to the mortgagee clause; (iii) evidence of fidelity insurance on the Owners Association; and (iv) evidence that the policy was in effect on or before the date of the loan documents.
7. **FLOOD INSURANCE.** If any portion of the property is located within a Flood Hazard Area (Zone A or V), flood insurance is required.
- 7.1 Either the original flood insurance policy or a copy of the application, along with the paid receipt for the first year's premium, must be obtained before disbursement. The insured amount should be the lesser of the loan amount or maximum amount obtainable.
- 7.2 The property's legal description, street address, city, county, state, zip, and Borrower's name indicated on the flood insurance policy must be identical to that contained within the loan documents. The mortgagee clause of the flood insurance policy (unless instructed otherwise in the Supplemental Closing Instructions) must exactly match the name and address of Lender indicated in the deed of trust.
8. **TRUTH-IN-LENDING.** All closings are subject to compliance with the Truth-in-Lending Act and Regulation Z, as amended. The Settlement Agent is expected to be familiar with Regulation Z. As required under the Truth-in-Lending Act and Regulation Z, a Disclosure Statement with estimates has been delivered to the Borrower(s) within three (3) days of loan application. It is the Lender's practice to make a new Truth-in-Lending Disclosure Statement at closing, based on exact figures. If the closing will take place on a day other than that set forth in the Truth-in-Lending Disclosure Statement, call the Closing Coordinator for correct figures and information. Prior to consummation, a copy of the Truth-in-Lending Disclosure Statement must be provided to the Borrower(s) for keeping by the Borrower(s). The completed Truth-in-Lending Disclosure Statement must be signed by the Borrower(s) at closing prior to the execution of any of the other documents. The Borrower(s) must be given a copy of this Disclosure Statement. Contact the Closing Department if any portion of the Truth-in-Lending Disclosure Statement appears to be inaccurate.

RIGHT OF RESCISSION: When a loan is closed to refinance a lien on the Borrower's primary residence, the Borrower has the right to rescind the transaction until midnight of the third business day following the signing of all closing documents. **The Settlement Agent is not authorized to accept a rescission on behalf of the Lender, unless required by state law.**

Three (3) business days prior to disbursement of the loan, the Settlement Agent shall give a completed copy of the security instrument and two (2) copies of the Notice of Right of Rescission to each obligor (and each person holding an ownership interest in the property subject to the security interest). If an Election Not to Cancel or Rescind was provided, it must be signed and dated by each obligor after three (3) business days have elapsed, then the disbursement of the loan may be completed. The Notice of Right of Rescission forms containing the executed Election Not to Cancel or Rescind must be forwarded to the Lender with the other closing documents. **The rescission period may not be waived unless approved in writing by the Lender.**

If any of the Signatories elect to rescind the transaction, do not disburse funds. **Take no further action except** to immediately notify the Lender and return loan proceeds. Right of Rescission forms, where applicable, should be completed, executed, and enclosed with the loan document package.

9. **TERMITE CERTIFICATION.** A wood destroying insect report authorized in the jurisdiction in which the property is located, signed by the inspector, and showing no active infestation or proof of treatment for the property which does show active infestation must be furnished prior to closing for homes over one (1) year old. A Termite Soil Treatment Guarantee must be furnished prior to closing for newly constructed homes (one (1) year and under). **Applicable only if requested in Supplemental Closing Instructions Section IV. Additional Requirements.**
 - 9.1 All structures on the property, including any detached garage, must be inspected. The report must not be more than ninety (90) days old and must contain a certification that the property is “free from evidence of active infestation, infection or adverse conditions.”
 - 9.2 On Conventional, FHA and VA insured loans, the Borrower must sign the Texas Wood Destroying Insect Report.
10. **HUD-1 SETTLEMENT STATEMENT.** Furnish three (3) certified copies of the HUD-1 Settlement Statement with original signatures by Borrower, Seller and Settlement Agent.
 - 10.1 The HUD-1 Settlement Statement form promulgated by the U.S. Department of Housing and Urban Development with a certification that it reflects an accurate statement of all receipts and disbursements must be used in all transactions (including refinance loans). For loan with no Seller, use the HUD-1A Settlement Statement form.
 - 10.2 The HUD-1 or HUD-1A Settlement Statement must be typed. The type of loan, general file number, loan or process number, and mortgagee insurance case number, if applicable, must be indicated. The correct name and address, including street, city, county, state, and zip code must be shown for Borrower, Seller, Lender and Settlement Agent. The settlement date should be the date that the security instrument/deed of trust becomes effective as between the Borrower and the Lender. The date funding is authorized by the Lender must also be shown.
 - 10.3 Recording fees must itemize the charges for each instrument being recorded. Property taxes must be broken down for each taxing authority paid. If taxes are assessed at an unimproved and improved rate during the tax year, indicate on the HUD-1 Settlement Statement the charges as follows: “Unimproved taxes for ___ months at \$ _____; and improved taxes for ___ months at \$ _____.”
 - 10.4 All settlement charges listed on page 2 of the HUD-1 Settlement Statement must show the party to whom the charge is paid. All POCs (Paid Outside of Closing items) must be shown on the HUD-1 Settlement Statement. Unless indicated otherwise in the Supplemental Closing Instructions, collect per diem interest from the date of funding authorization (not the date of execution of the documents) up to and including the end of the month in which the loan closed. Do not collect per diem interest for the first day of the month following the closing. Interest charges must be accurately reflected in the HUD-1 Settlement Statement. If necessary, amend and initial the statement to reflect the correct funding date, interest amount due, and totals.

10.5 Borrower(s) must pay all recurring closing costs (i.e., “prepaids”) at closing on FHA and conventional loans. Recurring closing costs include prorated and escrow reserves for taxes, initial premium and escrow reserves for hazard insurance, flood insurance and mortgage insurance premiums and per diem interest. On VA transactions, and only if specified in the sales contract, the Seller is allowed to pay for Borrower’s prepaid items. Regardless of any contrary statement in these Master Closing Instructions, on FHA and VA loans, Borrower must not be allowed to pay more than the government allowed closing costs. If you have any doubt or question regarding what is an appropriate FHA or VA closing cost, please contact the Lender. On FHA and VA refinances, Borrower must at least pay the prepaids IN CASH at closing. If escrow accounts are waived, there must be a hazard insurance policy for twelve (12) months (with a paid receipt) in effect at closing.

10.6 Unless instructed otherwise in the Supplemental Closing Instructions, collect the following prepaids:

- (a) Property tax escrow: Collect from October 1st through the month of closing, plus two (2) months escrow reserve. Prorate taxes between the Borrower/Buyer and Seller according to the terms of their sales contract.
 - (i) New construction — If assessed value is available, collect pro rata amount based on improved basis, otherwise base proration on estimate.
 - (ii) Existing structure — If available, collect pro rata amount based on current assessed value, otherwise use prior year’s taxes for estimate.
- (b) First year’s hazard insurance premium plus two (2) months for escrow reserve.

If the Lender has indicated an aggregate accounting adjustment, collect the following escrow items:

- (a) First year’s flood insurance premium plus two (2) months for escrow reserve.
- (b) First year’s mortgage insurance premium plus two (2) months for escrow reserve or FHA MIP indicated.
- (c) FHA MIP for transactions using periodic payments of mortgage insurance (i.e., condominium units) - collect the amount indicated in the Supplemental Closing Instructions.
- (d) Annual Assessments - If a homeowners association or municipal authority has not subordinated its lien, collect from date last paid through the settlement date plus two (2) months reserve.

10.7 The Settlement Agent responsible for closing the transaction must furnish a Form 1099 to the appropriate Internal Revenue Service Center reporting the gross proceeds of the sale and any other necessary information. The Lender will not report the transaction for the Settlement Agent.

11. **WARRANTY OF COMPLETION OF CONSTRUCTION.** If FHA or VA approves plans and specifications prior to beginning of construction, and inspects property during construction, the Warranty

of Completion of Construction in Substantial Conformity with Approved Plans and Specifications (VA Form 26-1859; HUD Form 92544) will be required. The name of the builder must be included in the specifications.

12. **ESCROW FOR COMPLETION.** No loan should close with funds escrowed for completion unless prior approval has been given. If approved, escrowed funds must be held by the Settlement Agent who will act as escrow agent. Requirements for escrow documentation will vary based on the type of loan.
13. **VA LOANS.** In addition to other closing requirements, the following will apply on VA loans:

Vesting of Title: The title encumbered with a VA loan must be vested **in the name of the veteran** or the veteran and spouse. If title is vested in any other manner, approval must be given by The Department of Veteran Affairs and the Lender's Closing Department prior to closing.

VA Form 26-1820 (Report and Certification of Loan Disbursement): This form will be required on each VA loan. The form must be completed accurately and signed by the veteran and the Lender or an officer of the Settlement Agent's firm. Be sure all blanks are completed.

14. **FHA LOANS.** In addition to other closing requirements, the following will apply on FHA loans:

FHA Firm Commitment (FHA Form 92900-A): The Mortgagors should read, then sign both copies in the space provided under the Borrower's Certificate. Care should be taken to ensure that the appropriate blocks and blanks have been completed prior to signing. All parties signing the note and/or taking title must sign. Names and initials of signers must be the same as shown at top of the Firm Commitment and other closing documents. No loan should close after the expiration date of the Firm Commitment. Any contingencies included in the commitment must be complied with prior to closing. **Both copies of the signed Firm Commitment must be returned with the closing documents.**

NOTICE ON FHA LOANS: IF USING YOUR HUD-1 SETTLEMENT STATEMENT RATHER THAN THE ONE SENT WITH THIS CLOSING PACKAGE, BE SURE THE FOLLOWING LANGUAGE IS INCLUDED ON THE LAST PAGE:

Application for Commitment for Insurance Under the National Housing Act

I have carefully read the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Borrower

Seller

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Settlement Agent

Date

Applicable to FHA Insured and VA Guaranteed Loans:

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see Title 18 U.S. Code Section 1001 and Section 1010.

BORROWERS CANNOT PAY COURIER/DELIVERY COSTS ON VA LOANS. THESE COSTS CANNOT APPEAR ON THE HUD-1 SETTLEMENT STATEMENT.

15. **EXECUTION OF DOCUMENTATION.**

- 15.1 Settlement Agent must verify by pictorial identification the identity of all the parties (as more fully described in Section 1).
- 15.2 Lender requires prior notification of all powers of attorney to be used in the transaction. The Department of Veterans Affairs must approve any powers of attorney to be used in a VA-guaranteed transaction. If the use of a power of attorney is requested prior to documents being prepared, certified copies of the power of attorney for the Borrower must be reviewed and approved by the Lender. Original powers of attorney must be recorded in the same county(ies) as the security instrument is recorded, and returned to the Lender. In addition, if a durable power of attorney providing for third party indemnification is used, the power of attorney must also be recorded in the county in which the principal resides. The returned original(s) will be kept by the Lender. After closing, certified copies of all powers of attorney should be sent along with the rest of the loan package to the Lender.

Unless Lender authorizes in writing otherwise, any Power of Attorney used by a Borrower must meet the following requirements:

BORROWER(S) POWER-OF-ATTORNEY (POA)

A Power-of-Attorney (POA) is a written instrument authorizing an individual to act on a person's or entity's behalf as his/her/its agent or Attorney-in-Fact (AIF). The following rules apply when reviewing Borrower(s) POA document/signatures (also see attached sample POA):

1. POA must be signed by the Borrower(s) and name must match Borrower(s) name on Note;
2. POA must state the name of the designated AIF;
3. The designated AIF must be the same person signing the Note on behalf of the Borrower(s);
4. The effective date of the POA must be the day of or before the date of the Note (cannot be dated *after* Note date); and
5. POA must be property notarized.

The signature of an Attorney-in-Fact (AIF) is acceptable as long as "Attorney-in-Fact" (AIF) or "Power-of-Attorney" (POA) is indicated beside the AIF's printed or signed name and an acceptable matching POA document is received.

| |
|--|
| PASS |
| <u>Jane Smith as Attorney-in-Fact for Chris Jones pursuant to POA dated XX xx, XXXX</u> Chris Jones |
| <u>Chris Jones by Jane Smith, Attorney-in-Fact (or POA)</u> Chris Jones |
| <u>Chris Jones by Jane Smith, Attorney-in-Fact (or POA)</u> Chris Jones, by Jane Smith as his Attorney-in-Fact (or POA) |
| <u>Jane Smith, Attorney-in-Fact for Chris Jones</u> Chris Jones by Jane Smith as his Attorney-in-Fact (or POA) |
| <u>Jane Smith, Attorney-in-Fact (or POA)</u> Chris Jones |
| <u>Chris Jones by Jane Smith*</u> Chris Jones, by Jane Smith as his Attorney-in-Fact (or POA) |
| <u>Jane Smith*</u> Chris Jones, by Jane Smith as his Attorney-in-Fact (or POA) |
| FAIL |
| <u>Jane Smith</u> Chris Smith |
| <u>Jane Smith</u> Jane Smith, Attorney-in-Fact |
| <u>Chris Jones</u> Chris Jones by: Jane Smith, Attorney-in-Fact |

*While it is not always required to reflect AIF or POA on the signature line, it is strongly preferred.

Please use the following language for acknowledgments for individuals using a power of attorney:

This instrument was acknowledged before me on the _____ day of _____, _____ by JANE SMITH AS ATTORNEY-IN-FACT FOR JOHN DOE.

- 15.3 The documents must be signed in the order indicated in the Supplemental Closing Instructions attached hereto. Specifically, all truth-in-lending disclosures, Texas state-specific disclosures and the Notice of No Oral Agreements **must be signed prior** to the note, deed of trust or other loan documents.
- 15.4 All documents and riders must be signed exactly as the name is typed. Do not make any deletions, amendments, erasures, strikeouts, or additions to the documents without Lender's approval. If possible, a deletion should be made by marking one line through the language to be deleted. If approved, said deletions, amendments, erasures, additions and/or strikeouts must be initialed by all parties required to sign that document. Pages of the note and deed of trust which

do not contain an original signature must be initialed by the Borrowers. Obtain the initials of an appropriate party on all other documents indicating a place for party initialing. Do not allow the Borrower to sign any documents containing blanks.

- 15.5 Acknowledgments should be dated on or after the date of document execution. Documents must not be signed or notarized prior to the date of the documents. **All documents must be signed and the transaction otherwise closed and funded prior to the “Document Expiration Date” indicated on the first page of the Supplemental Closing Instructions.** All notarized documents must bear the seal, expiration date and printed name of the notary, and be signed by the notary, in accordance with Texas law.
- 15.6 Record the Deed (with vendor’s lien assigned to Lender), if applicable, and any other documents required to vest title in the Borrower. If any excess funds are collected, but are not required to record or insure title, the funds must be returned to the party that paid the fees. Record the deed of trust (and assignment, concurrently, if applicable). Pay off, with loan proceeds if necessary, and obtain the release, discharge or reconveyance of all items shown on Schedule “C” of the Title Commitment.
- 15.7 Documents to be recorded in this transaction must be presented to the county clerk in the following order:
- (a) Power of Attorney
 - (b) Deed
 - (c) Deed of Trust (with any Rider(s))
 - (d) Assignment of Lien
 - (e) Supporting documents required to be filed
 - (f) Secondary financing (if any)
- 15.8 If a UCC-1 Financing Statement is included in the document package, it must be filed according to Uniform Commercial Code revised Article 9.

Settlement Agent must properly file the documents requested by Lender to be recorded, and obtain from Borrower and/or Seller the required filing fees. Any deed used in this transaction must be returned to the Borrower. Powers of attorney, the deed of trust, and any assignment of lien must be returned after recording to Lender or the party indicated by Lender.

16. **COPIES.** Unless more than one (1) copy is required by these Closing Instructions, each Borrower must be provided with one (1) copy of the note, deed of trust, rider(s) (if applicable), warranty deed (if applicable), survey, HUD-1 Settlement Statement, disclosures and all other documents required by the Lender or Settlement Agent to be signed by Borrower. Prior to funding approval, Settlement Agent must provide a certified copy of each restriction, easement, mineral reservation or lease, and each and every recorded item shown on Schedule “B” of the Title Commitment and deliver same to Lender unless specified otherwise in the Supplemental Closing Instructions. Lender must be provided with two (2) certified copies of all documents required as a condition of the loan closing. Do not bill the Lender for additional certified copies.
17. **FUNDING AND DISBURSEMENT.** After a satisfactory review, the loan will be funded pursuant to the procedure stated in the Supplemental Closing Instructions. The complete package is due in Lender’s office on the business day indicated in the Supplemental Closing Instructions.

Forward a check to Lender in an amount equal to the sum of all Lender fees and escrows which have not/or will not be deducted from Lender's funds, including the indicated monthly escrows and interest adjustment, less any refund items referenced. Indicate the amounts used for monthly prorations. Also, itemize the amounts being remitted to Lender on the check being sent to Lender or by separate letter. Directly pay all other items according to the Supplemental Closing Instructions and invoice(s). On the back of the HUD-1 (Line 205 for Borrower and Line 508 for Seller), show any "Escrows to Lender" as indicated above. If the recordable documents have not been recorded within 72 hours of disbursement of funds to you, or you are aware that the loan will not fund within 72 hours of disbursement of loan proceeds, you are responsible for contacting the Lender and returning the loan proceeds. You will be responsible for daily interest on these proceeds from the date of disbursement.

THERE IS TO BE NO EXPENSE TO LENDER IN CONNECTION WITH THIS TRANSACTION, UNLESS SPECIFICALLY AUTHORIZED BY THE LENDER. THE LENDER RESERVES THE RIGHT TO CANCEL OR MODIFY THESE INSTRUCTIONS AT ANY TIME WITH PROPER WRITTEN NOTICE TO SETTLEMENT AGENT.

IF YOU ARE UNABLE TO CLOSE AND FUND THE LOAN AS SPECIFIED, CONTACT THE LENDER IMMEDIATELY.

18. **LENDER'S PRIVACY REQUIREMENTS.** Maintaining public confidence is important to the success and well-being of Lender. Additionally, Lender is bound by certain state and federal laws and regulations that require Lender and Lender's employees to transact business mindful that information shall be properly safeguarded. These closing instructions hereby put Settlement Agent on notice that the laws, regulations and safeguards that apply to Lender and its employees equally apply to vendors, agents and service providers [VASPs] of Lender. In conducting the business of Lender, certain customer information is obtained, used, created, stored and disposed. It is expected and required that all persons or entities with access to Lender's customer information shall keep that information confidential. VASPs are not authorized access to Lender's customer information except as is minimally necessary to complete assigned work. VASPs are not to make unauthorized copies of customer information. VASPs are not to discuss customer information with anyone other than authorized persons. Casual conversation about customers and customer information is prohibited and should be avoided even with other VASPs or Lender employees. VASPs shall not sell or otherwise share any customer information with any third party persons or companies. It is understood by Settlement Agent that Lender's customer information shall only be obtained, used, stored and disposed by methods and means that are necessary and permitted in order to conduct the business of Lender and Settlement Agent. All such access shall be in a safe guarded manner consistent with Lender's business practices and generally accepted professional business standards.

TEXAS HOME EQUITY LOAN CLOSING INSTRUCTIONS ADDENDUM

IT IS THE RESPONSIBILITY OF THE SETTLEMENT AGENT TO SATISFY ALL THE REQUIREMENTS STATED HEREIN BEFORE EXECUTION OF THE LOAN DOCUMENTATION. THE DOCUMENTS AND ADHERENCE TO THE CLOSING INSTRUCTIONS ARE NECESSARY FOR LIEN VALIDITY AND CAN NOT BE WAIVED BY ANY BORROWER, OWNER OR OWNER'S SPOUSE.

This Texas Home Equity Loan Closing Instructions Addendum ("Addendum") supplements and amends the Master Closing Instructions and the Supplemental Closing Instructions ("Closing Instructions") attached hereto. In the event of a conflict, the instructions contained in this Addendum control.

SECTION I: ADDITIONAL DOCUMENTATION

- A. In addition to the documentation listed in the Closing Instructions, the following documents are enclosed. These documents must be executed by Borrower in the order listed below. Except for the Texas Home Equity Election Not to Rescind (A.7 below) or unless indicated otherwise by Lender, all such documents must be dated as of the date of settlement. **ALL BLANKS CONTAINED IN DOCUMENTS PREPARED BY THE SETTLEMENT AGENT MUST BE COMPLETED AT SETTLEMENT BEFORE BORROWER'S SIGNATURE. DO NOT ALLOW ANY BORROWER/OWNER/OWNER'S SPOUSE TO EXECUTE ANY LOAN DOCUMENT BEFORE THE DATE INDICATED ON THE NOTE.** No alterations or erasures may be made to any legal documents. All documents requiring execution in the presence of a notary public shall be so executed and said notary shall complete the proper notary acknowledgment and affix the proper seal to such documents. If there is any question as to the identity of the person executing any document, the responsibility of determining that person's identity is that of the notary public and the Settlement Agent. Such documents are conditionally delivered to Settlement Agent only for loan settlement and should under no circumstances leave Settlement Agent's possession or control except for delivery to Lender unless Settlement Agent is in receipt of instructions otherwise from Lender. Powers of Attorney are not allowed unless specifically approved in writing by Lender. **BORROWER MUST BE GIVEN COPIES OF THE FINAL LOAN APPLICATION AND ALL DOCUMENTS BORROWER SIGNS AT CLOSING AFTER BORROWER SIGNS SAME AND BEFORE BORROWER LEAVES THE CLOSING. ALL FEES AND CHARGES REQUIRED TO BE PAID AND KNOWN BY SETTLEMENT AGENT MUST BE REFLECTED ON THE SETTLEMENT STATEMENT (RESPA Loans) or Closing Statement (Non-RESPA Loans). THE SETTLEMENT STATEMENT (RESPA Loans) or Closing Statement (Non-RESPA Loans) OR A FEE AND CHARGE DISCLOSURE MUST BE FAXED TO LENDER FOR APPROVAL PRIOR TO CLOSING. AFTER LENDER APPROVAL, NO CHARGES OR FEES CAN BE ADDED TO THE SETTLEMENT STATEMENT (RESPA Loans) or Closing Statement (Non-RESPA Loans) WITHOUT LENDER'S WRITTEN CONSENT.**
1. **Acknowledgment Regarding Fair Market Value of Homestead Property** - A value must be filled in before each Property owner signs the form. Return original to Lender. Give each party a copy.
 2. **Texas Home Equity Affidavit and Agreement** - Obtain all Property owner's and their spouse's signatures. If any party can not swear to each of the matters stated therein, do not proceed with the closing and

immediately advise Lender. If necessary, the closing may be rescheduled to accommodate the requirement of the law. If they can swear to each of the matters therein, obtain their signatures under jurat. Record original. Return two (2) certified copies to Lender. Give each party a copy after signature.

3. **Texas Home Equity Notice of Right to Rescind** - All Property owners and their spouse must sign this form. Return signed original to Lender. Give each party a copy after signature. (Not required unless Lender requires)
 4. **Texas Home Equity Note** - All indicated parties must sign. Return original and two (2) certified copies to Lender. Give each Borrower a copy after signature.
 5. **Texas Home Equity Security Instrument** - All indicated parties must sign. File original in local Real Property records. Return two (2) certified copies to Lender. Give each Borrower a copy after signature.
 6. **Receipt of Copies** - All indicated parties must sign. Return original to Lender. Give Borrower a copy after signature.
 7. **Texas Home Equity Election Not to Rescind** - All indicated parties must sign this form, but only after three (3) business days have expired. On the fourth (4th) business day after closing, the parties, if they have elected not to rescind/cancel under either their federal Right to Cancel or their state Right to Rescind should return or fax this Election Not to Rescind to the Settlement Agent. This may not be dated or signed prior to the fourth (4th) business day after closing.
- B. If applicable, documents referenced below are also enclosed. Obtain the required signatures and return originals to Lender. Give copy after signature to Borrower:
1. **Notice Concerning Extensions of Credit (Spanish Version)** - All indicated parties must sign. Return original to Lender. Give each Borrower a copy after signature.
 2. **Rural Homestead Affidavit** - All indicated parties must sign this form and swear to the facts stated therein. Return original to Lender. Give each Borrower a copy after signature.
 3. **Acknowledgment Regarding Voluntary Repayment of Existing Debt** - All indicated parties must sign this form. Return original to Lender. Give Borrower a copy after signature.
 4. **Discount Point Acknowledgment** - All indicated parties must sign this form. Return original to Lender. Give each Borrower a copy after signature.
 5. **Affidavit of Milk Production on Homestead Property** - All Property owners, their spouses and any borrowers must sign this form and must swear to the facts stated therein. Return original to Lender. Give each Borrower a copy after signature.
 6. **Certificate From Originating Lender Regarding Compliance** - All indicated parties must sign. Return original to Lender.

SECTION II: ADDITIONAL REQUIREMENTS

- A. The following conditions must be satisfied prior to execution of the documentation:
1. **Survey** - Obtain a survey according to the requirements of the Master Closing Instructions. Determine that said description matches the Property description used in the loan documents.
 2. **Appraisal** - Attach to the Acknowledgment Regarding Fair Market Value of Homestead Property before Borrower's execution, a copy of the appraisal as provided to the settlement agent. Give Borrower a copy with a copy of appraisal.
 3. **Hazard Insurance** - Obtain a copy of the existing insurance policy. Determine if it is a comprehensive Texas Homeowners Form – B policy. If the existing policy is due to expire within 60 days of closing, you must also provide a paid receipt for next year's premium.
 4. **Insured Closing Letter** - Provide Insured Closing Letter to Lender according to Texas Title Insurance Procedural Rules.

B. The following conditions must be satisfied after funding:

1. **Title Insurance** - According to Procedural Rule P-44, add Equity Loan Mortgage Endorsement (T-42) to the Mortgagee Policy. Make no deletions thereto. Add subparagraph (f) of paragraph 2 to the Equity Loan Mortgage Endorsement (T-42) as allowed by Procedural Rule P-44.
2. **Title Insurance (Supplemental Coverage Endorsement)** - According to Procedural Rule P-47, add Equity Loan Mortgage Endorsement (T-42.1) to the Mortgagee Policy. Make no deletions thereto. The requirements for the Equity Loan Mortgage Endorsement (T-42.1) are as follows:
 - i. **Receipt of Closing Instructions Signature Before Specified Date:** Settlement Agent acknowledges receipt of this Addendum, the Supplemental Closing Instructions and the Master Closing Instructions prior to the execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note which is being executed at the office of the title insurance company. Settlement Agent shall not allow any Borrower, Owner or Owner's Spouse to execute any loan document before the date indicated on the Texas Home Equity Note.
 - ii. **Loan Proceeds Disbursement Before Fourth (4th) Day:** Settlement Agent shall not disburse funds before the fourth (4th) business day after closing.
 - iii. **Election Not to Rescind:** All indicated parties must have executed the Texas Home Equity Election Not to Rescind. This form may not be dated or signed prior to the fourth (4th) business day after closing.
 - iv. **Document Copies:** Settlement Agent shall give Borrower/Owner copies of the final loan application and all documents related to the extension of credit which Borrower/Owner signs at closing and provide the same on the date that the Borrower/Owner executed the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby.
 - v. **Settlement Statement (RESPA Loans) or Closing Statement (Non-RESPA Loans):** Settlement Agent shall fax or send fee and charge disclosure or settlement statement to the Lender for approval prior to execution of the Texas Home Equity Security Instrument and the Texas Home Equity Note secured thereby. Settlement Agent shall not collect or disburse any fees not shown on the final settlement statement prepared by the title insurance company and approved by Lender.
 - vi. **Blanks in an Instrument:** Settlement Agent shall ensure there are no blanks left to be filled in (other than signature lines, if any, for execution by Lender) in the following instruments when executed by Borrower/Owner:
 - (a) any instrument prepared by the Settlement Agent or title insurance company; (b) the Acknowledgment Regarding Fair Market Value of Homestead Property; (c) the Texas Home Equity Security Instrument; (d) the Texas Home Equity Note; and (e) any affidavits of compliance with Section 50(a)(6), Article XVI, of the Texas Constitution including but not limited to the Texas Home Equity Affidavit and Agreement, Rural Homestead Affidavit (if applicable), and Affidavit of Milk Production on Homestead Property (if applicable).
 - vii. **Attachment of Appraisal or Evaluation:** Settlement Agent shall attach the appraisal or evaluation of the fair market value of the Property to the Written Acknowledgment Regarding Fair Market Value of Homestead Property.
 - viii. **Signature of Acknowledgment of Fair Market Value:** Settlement Agent shall ensure execution of the Acknowledgment Regarding Fair Market Value of Homestead Property by Borrower/Owner on the date of closing at the office of Settlement Agent or title insurance company.
 - ix. **No Land In Excess of Homestead Allotment:** Borrower/Owner and Owner's Spouse (if any) must swear to each of the matters stated in the Texas Home Equity Affidavit and Agreement or Settlement Agent receives a satisfactory surveyor's certificate of letter from a Texas Licensed Registered Professional Surveyor or a computation of the acreage made pursuant to a software program stating the exact amount of acreage or square footage of the land and whether or not the land is located within the boundaries of an incorporated municipality.

- x. **No Other Land with a Home Equity Mortgage:** Borrower/Owner and Owner's Spouse (if any) must execute and swear to each of the matters stated in the Texas Home Equity Affidavit and Agreement. The Property (as shown on Schedule A) shall not have been subject to a mortgage (executed by owner) securing an extension of credit made pursuant to Subsection (a)(6) of Section 50, Article XVI of the Texas Constitution that was closed within one year prior to loan closing.

RECEIPT OF CLOSING INSTRUCTIONS

SUBJECT TO ANY LIMITATIONS IMPOSED BY PROCEDURAL RULE P-35 OF THE BASIC MANUAL OF TITLE INSURANCE IN THE STATE OF TEXAS, THE UNDERSIGNED AS AUTHORIZED AGENT FOR SETTLEMENT AGENT HEREBY ACKNOWLEDGES RECEIPT OF AND AGREES TO FOLLOW ALL OF THE TERMS CONTAINED IN THIS ADDENDUM TO THE SUPPLEMENTAL CLOSING INSTRUCTIONS, THE COMMITMENT FOR TITLE INSURANCE ISSUED FOR THIS LOAN AND THE MASTER CLOSING INSTRUCTIONS WHICH ARE INCORPORATED HEREIN BY REFERENCE PRIOR TO THE REQUEST FOR LOAN FUNDING, UNLESS OTHERWISE AUTHORIZED HEREIN. THIS ACKNOWLEDGMENT DOES NOT OTHERWISE IMPLY A CERTIFICATION OR GUARANTY OF FACT, INSURANCE COVERAGE OR CONCLUSION OF LAW.

SETTLEMENT AGENT:

**(ORIGINAL SIGNATURE, NOT STAMP,
REQUIRED AS A CONDITION OF FUNDING.)**

By: _____
(Settlement Agent Signature)

Texas Notice of Penalties for Making False or Misleading Written Statement

Loan # 123456

Warning:

Intentionally or knowingly making a materially false or misleading written statement to obtain property or credit, including a mortgage loan, is a violation of Section 32.32, Texas Penal Code, and, depending on the amount of the loan or value of the property, is punishable by imprisonment for a term of 2 years to 99 years and a fine not to exceed \$10,000.

I/we, the undersigned home loan applicant(s), represent that I/we have received, read, and understand this notice of penalties for making a materially false or misleading written statement to obtain a home loan.

I/we represent that all statements and representations contained in my/our written home loan application, including statements or representations regarding my/our **identity, employment, annual income, and intent to occupy the residential real property** secured by the home loan, are true and correct as of the date of loan closing.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by **John Doe and Jane Doe**.

Notary Public
Printed Name: _____
My commission expires: _____

**THIS IS AN EXTENSION OF CREDIT AS DEFINED BY SECTION 50(a)(6)
ARTICLE XVI OF THE TEXAS CONSTITUTION**

**THIS EXTENSION OF CREDIT HAS A VARIABLE RATE OF INTEREST AS AUTHORIZED
BY SECTION 50(a)(6)(O), ARTICLE XVI OF THE TEXAS CONSTITUTION**

Texas Home Equity Line of Credit Agreement and Promissory Note

Borrower's Name and Address:

**John Doe and wife, Jane Doe
555 Simple Road
Fort Worth, TX 76137**

Property (the "Property"):

**555 Simple Road
Fort Worth, TX 76137**

Lender's Name and Address:

**ABC Bank
2310 W Interstate 20, 100
Arlington, TX 76017**

| | | |
|------------------------------------|-----------------------------------|--|
| Date: May 12, 2012 | Initial Advance: \$0.00 | Maturity Date: May 17, 2037 |
| Line of Credit: \$65,000.00 | Minimum Advance: \$4000.00 | Billing Cycle: Monthly |
| | Draw Period: 120 Months | First Payment Date: June 17, 2012 |
| | RepaymentPeriod:180 Months | |

- 1. GENERAL TERMS AND DEFINITIONS.** This home equity line of credit is an extension of credit as defined by Sections 50(a)(6) and 50(t) of Article XVI of the Texas Constitution. This is the Agreement establishing your rights and obligations in connection with your home equity line of credit.

In this Agreement, many of the terms we use have special meanings:

- (a) "You," "your" and "yours" means each and all Borrowers who sign this Agreement.
- (b) "We," "us" and "our" means Lender, and its successors and assigns.
- (c) "Account" means the Line of Credit Account established by this Agreement.
- (d) "Billing Cycle" means the period of time normally covered by periodic billing statements and includes such period of time even when a statement is not sent because there is otherwise no balance in your Account for that period.
- (e) "Credit Limit" means the maximum amount of principal shown above that we will ordinarily allow you to owe us at any time under this Agreement.
- (f) "Credit Line Checks" means the checks used to access the Line of Credit funds during the Draw Period.
- (g) "Draw Period" means the period of time shown above during which you can receive advances under this Agreement.
- (h) "Initial Advance" means the amount of money we will require you to accept as an advance to open the Account.

- (i) "Line of Credit" means the home equity line of credit offered by us to you pursuant to the terms of this Agreement.
- (j) "Loan Account Balance" means the sum of the unpaid principal of advances made under your Line of Credit, plus unpaid but earned finance charges, plus any costs, expenses, and fees that are due.
- (k) "Maturity Date" for the Line of Credit is **May 17, 2037**. On this date, subject to the limitations provided herein, you promise to pay any remaining Loan Account Balance.
- (l) "Minimum Advance" means the smallest amount of money we will advance to you under this Agreement. Section 50(t)(2), Article XVI of the Texas Constitution requires that any single advance be in an amount of not less than \$4000.00.
- (m) "Minimum Payment" means the minimum payment you must make on the Line of Credit, as reflected on each periodic billing statement Lender will deliver to you for each Billing Cycle.
- (n) "Plan" refers collectively to this Agreement and the Account.
- (o) "Repayment Period" means the period of time shown above during which you must repay the outstanding balance of your Account, with accrued interest, in substantially equal successive installments, but may not request further advances. The Repayment Period begins at the end of the Draw Period, and ends on the earlier of the Maturity Date or the date when final payment of the Loan Account Balance has actually been made.

This is a line of credit which we are making available to you to obtain loans up to the Credit Limit on the terms and conditions contained in this Agreement. You will be able to obtain such advances from time to time, and in such amounts that we may advance and re-advance to you up to the Credit Limit, subject to the terms of this Agreement.

2. **PROMISE TO PAY; CREDIT LIMIT.** You promise to pay to Lender, or order, the total of all funds which are advanced and re-advanced to you from time to time under this Agreement, plus interest thereon, as set forth below. You also promise to pay Lender, or order, all other amounts, fees, costs and charges you are responsible for under this Agreement and that are permitted or not prohibited by applicable law. You must repay the entire outstanding Loan Account Balance, plus all accrued interest and any fees and charges due and payable on the Account, on or before the Maturity Date shown above in accordance with the terms of this Agreement. In the event all such sums are not paid on or before the Maturity Date, then interest shall continue to accrue on the Loan Account Balance using the same method of calculating your interest rate as set forth below.

Your Credit Limit is set forth at the beginning of this Agreement. You agree not to allow the principal amount that you owe on the Account to exceed the Credit Limit. If you do exceed the Credit Limit, you will repay the excess immediately.

3. **SECURITY.** All amounts due under the Account are secured by a security instrument (the "Security Instrument") on the Property. You agree to pay all amounts due from you, and otherwise perform all covenants and obligations required of you, under the Security Instrument. If it becomes necessary for us to advance funds to you beyond the Credit Limit to protect our security interest, those amounts in excess of the Credit Limit will be owed by you and will be secured by the Security Instrument. The Security Instrument and this Agreement are related documents and a default under one document will be treated as a default under the other document. To the extent permitted by applicable law, the lien of the Security Instrument will continue and will have the same priority of claim if, with your consent, we extend, amend, modify or substitute this Agreement. In the event of such extension, modification or substitution, you agree to execute any additional documents necessary to accomplish the action being taken.

4. **LOAN ADVANCES.** We are not obligated to advance any funds to you under this Agreement until: (a) the Security Instrument: (i) has been reviewed by us for accuracy and completeness, (ii) has been recorded in the appropriate land records of the jurisdiction in which the Property is located, and (iii) constitutes a valid lien on the Property with no other encumbrances on the Property other than those specifically agreed to by us in writing; and (b) any applicable right of rescission has expired without exercise of that right.

After these conditions have been satisfied, you may obtain advances on your Account by exercising one of the following methods:

using the Credit Line Checks. You may only write Credit Line Checks during the Draw Period, and only for amounts equal to or greater than the Minimum Advance amount shown above, subject to your Credit Limit.

requesting an advance directly from us. You may only request such advances during the Draw Period, and only for amounts equal to or greater than the Minimum Advance amount shown above, subject to your Credit Limit. You may not use a credit card, debit card, preprinted solicitation check or similar device to obtain an advance.

During the Draw Period, you may draw upon your Account, within the Credit Limit, until it is terminated or unless additional advances are otherwise prohibited, as provided below or by applicable law. We will not honor any requests for an advance received by us following the expiration of the Draw Period, regardless of whether you issue such request for an advance during the Draw Period. We are not required to honor any request for any advance or draw that would cause your outstanding indebtedness to exceed your Credit Limit. If we do make the advance, it does not mean that your Line of Credit has been increased. We may require you to repay the amount over your Line of Credit at once.

After your Line of Credit has been established and any initial advance has been extended, all subsequent advances shall be subject to Lender approval pursuant to Sections 50(t)(2), 50(t)(5) and 50(t)(6) of Article XVI of the Texas Constitution. Advances requested while the outstanding balance of your Line of Credit is greater than 50% of the fair market value of the Property as determined on the date your Line of Credit is established, if applicable, are prohibited by Texas Constitution, Article XVI, Section 50(t)(6).

5. **VARIABLE RATE.** The interest rate is variable, and the **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) and the periodic payment may change. The **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) includes interest only and no other costs.
6. **INITIAL INTEREST RATE.** Until **May 17, 2017** (the "Initial Rate Period"), the daily periodic rate of **FINANCE CHARGE** is **0.00890411**, which corresponds to an **ANNUAL PERCENTAGE RATE** of **3.250%**. The periodic rate and corresponding **ANNUAL PERCENTAGE RATE** described above are the initial rates assessed under this Agreement, and are based on the Index and Margin (defined below) used for later rate adjustments. Ask us for the current Index value, Margin, discount, and **ANNUAL PERCENTAGE RATE**. After you open this Line of Credit, rate information will be provided on periodic billing statements that we send you.
7. **SUBSEQUENT INTEREST RATE.**
(A.) DRAW PERIOD. After the Initial Rate Period and until the end of the draw period, your **ANNUAL PERCENTAGE RATE** may change and your interest rate and Minimum Payment may increase. Beginning **May 17, 2017**, the **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic

rate) will equal the value of an "Index" as of the last publication date of the Index preceding the start of the Billing Cycle plus a "Margin" of **Zero and One Half** percentage points (**0.500%**) **rounded to the nearest 1/8 of one percent (0.125%)**. The "Index" is the rate published in The Wall Street Journal under the designation "Money Rates" and shown as "prime rate" or "base rate on corporate loans posted by at least 75% of the nation's 30 largest banks," or substantially similar words.

The **ANNUAL PERCENTAGE RATE** may change on the **Seventeenth** day of **May, 2017** and on that day **every twelve months** thereafter during the draw period ("Change Date") and the rate will be effective until the ensuing Change Date. The **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) will not change more than once each Billing Cycle. An increase in the Index will result in an increase in the **FINANCE CHARGE** and corresponding **ANNUAL PERCENTAGE RATE**, which may have the effect of increasing your Minimum Payment. A decrease in the Index will have the opposite effect of an increase. If the Index changes more frequently than the **ANNUAL PERCENTAGE RATE** is scheduled to change, we will always use the Index in effect on the day we adjust the **ANNUAL PERCENTAGE RATE** to determine the new **ANNUAL PERCENTAGE RATE**. In such a case, we will ignore any changes in the Index that occur between **ANNUAL PERCENTAGE RATE** adjustments.

(B.) REPAYMENT PERIOD. After the Draw Period and until the Maturity Date, your **ANNUAL PERCENTAGE RATE** may change and your interest rate and Payment may increase annually. Beginning **May 17, 2017**, the **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) will equal the value of an "Index" as of the last publication date of the Index preceding the start of the Repayment Period plus a "Margin" of **Zero and One Half** percentage points (**0.500%**) **rounded to the nearest 1/8 of one percent (0.125%)**. The "Index" is the rate published in The Wall Street Journal under the designation "Money Rates" and shown as "prime rate" or "base rate on corporate loans posted by at least 70% of the nation's 10 largest banks," or substantially similar words.

The **ANNUAL PERCENTAGE RATE** may change annually, (every 12 months) during the term of this Agreement ("Change Date") and the rate will be effective until the ensuing Change Date. The **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) will not change more than once each 12 months. An increase in the Index will result in an increase in the **FINANCE CHARGE** corresponding **ANNUAL PERCENTAGE RATE**, which may have the effect of increasing your Payment. A decrease in the Index will have the opposite effect of an increase. If the Index changes more frequently than the **ANNUAL PERCENTAGE RATE** is scheduled to change, we will always use the Index in effect on the day we adjust the **ANNUAL PERCENTAGE RATE** to determine the new **ANNUAL PERCENTAGE RATE**. In such a case, we will ignore any changes in the Index that occur between **ANNUAL PERCENTAGE RATE** adjustments.

Your maximum **ANNUAL PERCENTAGE RATE** will be **9.250%**. Except for this **9.250%** "cap," there is no limit on the amounts by which the **ANNUAL PERCENTAGE RATE** may increase or decrease on any Change Date or over the life of the Line of Credit.

If the Index becomes unavailable, we will select a new index (and, if necessary, a new margin) that will result in an **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) that is substantially similar to the rate in effect at the time the original Index became unavailable.

- 8. CALCULATION OF FINANCE CHARGES.** You agree to pay a periodic **FINANCE CHARGE** (which we will refer to as "interest") on your Account based on the **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) derived in accordance with Sections 6 and 7. The **FINANCE**

CHARGE begins to accrue on the day that your Account has been debited for each advance, and continues to so accrue until the day the outstanding Loan Account Balance is paid in full.

To determine the **FINANCE CHARGE** for a Billing Cycle, we apply a daily periodic rate of **FINANCE CHARGE** to the balance of your Loan Account Balance each day ("Daily Balance") during the Billing Cycle. To determine the daily periodic rate, we divide the **ANNUAL PERCENTAGE RATE** (corresponding to a daily periodic rate) in effect for the Billing Cycle by 365 (366 during leap years). To obtain the Daily Balance, we take the unpaid balance of your Account at the beginning of each day, add any new advances and other debits, except late charges, credit insurance premiums and returned check fees, and subtract payments or credits and unpaid finance charges. This results in your daily principal balance for each day in the Billing Cycle. We then determine the **FINANCE CHARGE** for each day by multiplying the Daily Balance for such day by the daily periodic rate. These daily finance charges are added together to obtain the total periodic **FINANCE CHARGE** for the period covered by the Billing Cycle.

9. ADDITIONAL FINANCE CHARGES. You agree to pay us the following additional **FINANCE CHARGES** at the time this Line of Credit is established:

- See attached Fee Schedule.

10. MONTHLY PAYMENTS.

(A.) DRAW PERIOD. Each month, we will send you a periodic statement applicable to your Account. You must pay us at least the Minimum Payment indicated on the periodic statement by the date indicated on the statement. If, however, the unpaid balance in your Account is less than the Minimum Payment, your Minimum Payment will be equal to the balance in your Account. The Minimum Payment will include (a) late charges and any other charges authorized by this Agreement, including, without limitation, any permissible expenses or advances incurred by us under the Security Instrument; (b) accrued but unpaid interest for prior Billing Cycles; and (c) an amount equal to the amount by which your Account Balance exceeds your Credit Limit.

You can pay off all or any part of what you owe at any time. However, so long as you owe any amount, you must continue to make the Minimum Payment. During the Draw Period the Minimum Payment will not reduce the principal outstanding on your Line of Credit.

(B.) REPAYMENT PERIOD. On the day this Line of Credit enters the Repayment Period you must begin to repay the unpaid and outstanding Loan Account Balance in the manner described in this Section. You must repay this amount in substantially equal periodic installments with interest at the then-current **ANNUAL PERCENTAGE RATE**, as set forth in Section 7 of this Agreement. The periodic Minimum Payment will be an amount that would be sufficient to repay the unpaid and outstanding Loan Account Balance in full over the applicable Repayment Period. In addition, the Minimum Payment will include late charges and other charges authorized by this Agreement, including, without limitation, any expenses or advances incurred by us under the Security Instrument.

The amount of the periodic Minimum Payment may change on each Change Date as a result of changes in the **ANNUAL PERCENTAGE RATE** in accordance with Section 7 of this Agreement.

11. APPLICATION OF PAYMENTS. We will apply all payments which we receive from you in the following order to pay (a) amounts due under the Security Instrument to secure the amounts advanced under your Account and to protect our security; (b) any escrow payments, if we require such payments

under the Security Instrument; (c) any late charges; (d) accrued and unpaid finance charges; and (e) any unpaid principal balance.

12. PREPAYMENT. You may repay all or any part of your outstanding Loan Account Balance, at any time, without penalty. During the Draw Period, any amounts that you repay will subsequently be available to you for advances, subject to your Credit Limit, Minimum Advance requirements and other limitations contained in this Agreement. However, so long as you owe any amount you must continue to make your periodic Minimum Payment. Even if the entire outstanding Loan Account Balance has been repaid, the Account will remain open for future advances during the Draw Period, until you instruct us in writing to close the Account. The Security Instrument will remain in effect for all such future advances under your Account.

13. ADDITIONAL REPAYMENT TERMS. If you fail to make a payment, we may, but are not required to, advance money to you to make the payment. All of the terms of this Agreement would apply to such an advance.

You can pay off all or part of what you owe at any time. However, so long as you owe any amount you must continue to make your periodic Minimum Payment. Even if you pay more than the Minimum Payment, this does not affect your obligation to pay at least the Minimum Payment on subsequent payment due dates.

14. CHANGING THE INDEX OF THIS AGREEMENT. If this is a variable rate plan, we may change the Index and Margin if the original Index described in this Agreement is no longer available. Any new index will have a historical movement similar to the original Index, and, together with a new margin, will result in an interest rate substantially similar to the rate in effect at the time the original Index became unavailable.

If we are required to send notice of a change in terms, we will send the notice to your address listed in this Agreement.

15. ADDITIONAL CHARGES. You agree to pay the following additional charges pursuant to your Line of Credit:

- Late Fee. A late charge on any payment not paid within **15** days of the payment due date of **5.000%** of the payment;
- Returned Check Fee. For any check that you have issued in connection with this Plan that is returned dishonored, a fee of **\$25.00** or the maximum amount that may be collected under applicable law, whichever is greater.
- See attached Fee Schedule.

16. INSURANCE.
Property insurance is is not required on the Property.
Flood insurance is is not required on the Property.

You must maintain on the Property a homeowner's policy of casualty and liability insurance and flood insurance, if applicable, in such amount(s) and for such period(s) of time as we may require. To open

your Account, you must provide us with written proof, such as a current certificate of insurance, showing the required insurance coverage on the Property, as well as an endorsement of such policy in favor of us. In addition, the policy must require that your insurance company provide us with at least fifteen (15) days written notice of any change in insurance coverage or of cancellation of your policy. We may refuse to honor checks or to make other advances or transfers of funds under the Account until we receive satisfactory evidence with respect to these items. You may purchase insurance from anyone you want who is acceptable to us. The Security Instrument more fully describes your insurance obligations.

Pursuant to Texas law, we are required to give you the following notice: You have entered into a credit agreement that requires you to maintain insurance for the Property. As part of this Agreement, you are required to: (a) keep the Property insured against damage in the amount the Lender specifies; (b) purchase the insurance from an insurer that is authorized to do business in this state or is an eligible surplus lines insurer; (c) name us as the party to be paid under the policy in the event of a loss; and (d) if required, deliver to us a copy of the policy and proof of the payment of premiums. If you fail to meet any requirement listed above, we may obtain Collateral Protection Insurance on your behalf and at your expense. Upon notice to you as required by applicable law, the amount of such Collateral Protection Insurance will be added to your Loan Account Balance and will be subject to the terms of this Agreement.

17. **TERMINATION AND ACCELERATION.** You will be in default of this Agreement, and we can terminate your Account and require immediate payment of the entire outstanding Loan Account Balance, plus accrued interest and other charges if any of the following occur: (a) you engage in fraud or material misrepresentation in connection with any phase of this Line of Credit; (b) you fail to meet the repayment terms of this Agreement for any outstanding balance; or (c) your action or inaction adversely affects the Property, our security interest or any other right that we have in the Property, including, but not limited to: (i) failure to maintain required insurance on the Property; (ii) the sale, transfer, conveyance, or encumbrance of the Property in violation of the Security Instrument; (iii) failure to maintain the Property, or use of the Property in a destructive or illegal manner; (iv) commission of waste; (v) failure to pay taxes on the Property or otherwise act or fail to act and thereby cause a lien to be filed against the Property that is senior to the lien of the Security Instrument; (vi) your death, if you are solely obligated under this Agreement, or if the death of one of several Borrowers under this Agreement causes our security to be adversely affected; (vii) the Property is taken through eminent domain; (viii) a judgment is filed against you and subjects you and the Property to action that adversely affects our interest; (ix) a prior lienholder forecloses on the Property and as a result, our interest is adversely affected; or (x) you move out of the dwelling and our security interest is thereby adversely affected.

The Security Instrument also describes how and under what conditions you may be required to make immediate payment of the entire outstanding Loan Account Balance, plus accrued interest and other charges you owe under this Agreement. Some of those conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 17, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate

payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

- 18. REMEDIES.** We may terminate your Line of Credit, require you to pay the entire outstanding Loan Account Balance in one payment and charge you any other fees related to the collection of the amount owing if you are in default in any manner described above. If you fail to pay the Loan Account Balance after notice and demand thereof, and as required by applicable law, we may foreclose the Security Instrument and sell the Property. We can elect to exercise or delay enforcement of any of our rights under this Agreement and/or the Security Instrument without losing any such rights. If we elect not to exercise or enforce any of our rights, such election shall not be deemed a waiver of any of those rights.
- 19. SUSPENSION OF CREDIT AND REDUCTION OF CREDIT LIMIT.** Subject to any limitations that may be imposed by applicable law, we may temporarily prohibit you from obtaining additional advances or reduce your Credit Limit during any period in which: (a) the value of the dwelling that secures this Line of Credit declines significantly below the dwelling's appraised value for purposes of this Plan; (b) we reasonably believe you will not be able to fulfill the repayment obligations because of a material change in your financial circumstances; (c) you are in default of any material obligation of this Agreement, or the Security Instrument securing this Agreement; (d) a government action prevents us from imposing the Annual Percentage Rate provided for in this Agreement; (e) the priority of our security interest is adversely affected by a government action to the extent that the value of the security interest is less than 120% of the Line of Credit; (f) the Annual Percentage Rate corresponding to the daily periodic rate reaches the maximum rate allowed under this Agreement; (g) we have been notified by a regulatory agency that continued advances constitute an unsafe and unsound business practice; or (h) the total outstanding balance exceeds an amount equal to fifty percent (50%) of the fair market value of the Property as determined on the date this Line of Credit is established.

In the event that we suspend your right to additional advances or reduce your Line of Credit, we will send you notice of our decision to do so at the address listed in this Agreement as required by applicable law. If we have based our decision to suspend or reduce your credit privileges on an assessment of your financial condition or performance under this Plan and you believe that your situation has changed, you must request that we re-evaluate your situation in order to reinstate your privileges.

- 20. FINANCIAL AND CREDIT INFORMATION.** You will promptly provide us with personal financial information, including a financial statement, if we should request it for the purpose of reviewing your Account or updating your credit file. We may request such information from time to time, whether or not we have reason to believe that there are any problems with your Account or with your creditworthiness. Any advances or transfers made under the Account are made in reliance upon the information that you provide us, which you represent and warrant to us is true and accurate as of the date such information is given. You authorize us to make or have made any credit inquiries we feel are necessary. You also authorize the person or agencies to whom we make these inquiries to supply us with the information we request.

- 21. COLLECTION COSTS AND EXPENSES.** If you default on this Agreement, and we must take steps to collect amounts you owe us under this Agreement or to protect the lien of the Security Instrument or the security of the Property, we will have the right to be paid back by you for all of our costs and expenses in enforcing this Agreement to the extent not prohibited by applicable law, including Section 50(a)(6), Article XVI of the Texas Constitution. Those expenses include, for example, reasonable attorneys' fees. You understand that these expenses are not contemplated to be incurred in connection with maintaining or servicing this Line of Credit.
- 22. GOVERNING LAW AND ENFORCEABILITY.** This Agreement shall be governed by the laws of the State of Texas and any applicable federal law, except that Texas Finance Code Chapter 346 (which regulates certain revolving credit accounts) does not apply to this Agreement. In the event of any conflict between the Texas Constitution and other applicable law, it is the intent that the provisions of the Texas Constitution shall be applied to resolve the conflict. In the event of a conflict between any provision of this Agreement and applicable law, the applicable law shall control to the extent of such conflict and the conflicting provisions contained in this Agreement shall be modified to the extent necessary to comply with applicable law. All other provisions in this Agreement will remain fully effective and enforceable. If any part of this Agreement is determined to be invalid, then we may enforce the remainder of this Agreement as if the invalid provision did not exist.

If this written Agreement is subject to regulation by the Office of Consumer Credit Commissioner, then the following information is provided:

**OFFICE OF CONSUMER
CREDIT COMMISSIONER
2601 NORTH LAMAR
AUSTIN, TEXAS 78705-4207
(512) 936-7600
1-800-538-1579**

- 23. TERMINATION OF AGREEMENT.** Your Account will automatically terminate on the earlier of the Maturity Date shown above or on the date we give you notice of the termination as the result of an occurrence of a default (as described in Section 17). Upon termination of the Account, the entire Loan Account Balance then outstanding, with accrued interest and any fees and charges owing on the Account, will be due and payable in full on that date. You can terminate this Agreement by written notice of termination of this Agreement and a request for a discharge of the Security Instrument mailed or delivered to us at any time. Your notice of termination will be effective on the first business day after we receive it and the entire principal balance outstanding on your Account, plus interest accrued thereon, together with fees and charges owing on the Account, will be due and payable in full on that date.
- 24. JOINT AND SEVERAL LIABILITIES; TERMINATION OF ACCOUNT.** Subject to the limitation of personal liability described below, each person who signs this Agreement is responsible for ensuring that all of your promises and obligations in this Agreement are performed, including the payment of the full amount owed. Any person who takes over these obligations is also so responsible.

You understand that Section 50(a)(6)(C), Article XVI of the Texas Constitution provides that this Agreement is given without personal liability against each owner of the Property described above and against the spouse of each owner unless the owner or spouse obtained this Line of Credit by actual fraud. This means that, absent such actual fraud, we can enforce our rights under this Agreement solely against the Property described above and not personally against any owner of such Property or the spouse of an

owner.

If this Line of Credit is obtained by such actual fraud, you will be personally liable for the payment of any amounts due under this Agreement. This means that a personal judgment could be obtained against you if you fail to perform your responsibilities under this Agreement, including a judgment for any deficiency that results from our sale of the Property for an amount less than is owing under this Agreement.

If not prohibited by Section 50(a)(6)(C), Article XVI of the Texas Constitution, this Section shall not impair in any way our right to collect all sums due under this Agreement or prejudice our right as to any promises or conditions of this Agreement.

25. **NOTICES.** Unless applicable law requires a different method, any notice or statement that must be given to you under this Agreement will be given by delivering it or by mailing it by first class mail to you at the Property address or at a different address if you give us a notice of your different address.

Any notice that must be given to us under this Agreement will be given by delivering it or by mailing it by first class mail to us at our address stated above or at a different address if I am given a notice of that different address. However, if the purpose of the notice is to notify us of failure to comply with our obligations under this Line of Credit, or noncompliance with any provisions of the Texas Constitution applicable to extensions of credit as defined by Sections 50(a)(6) and 50(t), Article XVI of the Texas Constitution, then notice by certified mail is required.

26. **REPRESENTATIONS AND WARRANTIES.** You represent and warrant to us that the information contained in the loan application, in each material respect, was true at the time the loan application was completed. You represent and warrant to us that the terms of any existing deed of trust, mortgage, or security deed on the Property permit us to enter into this Agreement and that the loans secured by such existing deed of trust, mortgage, or security deed are current in all material respects and are not in default.

27. **TAX DEDUCTIBILITY.** You acknowledge that we (including our employees and representatives) do not make any representations or warranties to you about the tax consequences of you establishing or using this Line of Credit (including the deductibility of interest or fees), and we will not be liable if interest or fees are not deductible. You should consult a tax advisor regarding the deductibility of interest, charges, and fees under this Agreement.

28. **BILLING ERRORS.** Your rights and responsibilities with regard to billing errors are explained in the document under the heading "YOUR BILLING RIGHTS," which is attached to this Agreement.

29. **LOAN CHARGES.** All agreements between us are expressly limited so that any interest, loan charges or fees (other than interest) collected or to be collected from you, any owner or the spouse of any owner of the Property in connection with the origination, evaluation, maintenance, recording, insuring or servicing of the Line of Credit shall not exceed, in the aggregate, the highest amount allowed by applicable law.

If a law, which applies to this Line of Credit and which sets maximum loan charges, is finally interpreted so that the interest, loan charges or fees collected or to be collected in connection with this Line of Credit exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from you which exceeded permitted limits will be refunded to you. We will make this refund by making a payment to you. **Our payment of any such refund will extinguish any right of action you might have arising out of such overcharge.**

It is our express intention to structure this Line of Credit to conform to the provisions of the Texas Constitution applicable to extensions of credit as defined by Sections 50(a)(6) and 50(t), Article XVI of the Texas Constitution. If, from any circumstance whatsoever, any promise, payment, obligation or provision of this Agreement, the Security Instrument or any other loan document involving this Line of Credit transcends the limit of validity prescribed by applicable law, then such promise, payment, obligation or provision shall be reduced to the limit of such validity or eliminated as a requirement, if necessary for compliance with such law, and such document shall be reformed by our written notice to you without the necessity of your execution of any new amendment or new document.

The provisions of this Section 29 shall supersede any inconsistent provision of this Agreement or the Security Instrument.

30. **ASSIGNS.** This Agreement shall be binding upon you and each of your heirs, executors, administrators, successors and assigns, subject to the limitations on selling, transferring or otherwise conveying the Property contained in this Agreement and the Security Instrument.
31. **WAIVERS.** You and any other person who has obligations under this Agreement waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require us to demand payment of amounts due. "Notice of Dishonor" means the right to require us to give notice to other persons that amounts due have not been paid.
32. **NO ORAL AGREEMENTS. THIS AGREEMENT CONSTITUTES A "WRITTEN LOAN AGREEMENT" PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, IF SUCH SECTION APPLIES. THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

By executing this Agreement, you acknowledge that you have read this Agreement and that you agree to its terms and conditions. You also acknowledge that each person owning an interest in the Property has received a copy of this Agreement and two copies of the Notice of Right to Cancel, if applicable.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS DOCUMENT MUST BE EXECUTED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

ABC Bank

By: _____

If all or a majority of the negotiations between the Note Holder and the Borrower were conducted in the Spanish language, please initial the following statement evidencing receipt of the Loan Information form:

RECIBI LA FORMA INFORME DE PRESTAMO

Borrower(s) Initials: _____

Your Billing Rights Regarding Your Open Line of Credit (Home Equity Loan)

KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act and Truth-in-Lending (Truth-in-Lending).

Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us [on a separate sheet] at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, described the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

ABC Bank

FEE SCHEDULE

ADDITIONAL FINANCE CHARGES

| <u>Description</u> | <u>To</u> | <u>Amount</u> |
|----------------------|-----------------------|---------------|
| Loan Origination Fee | ABC Bank | \$500.00 |
| Flood Certification | Flood Co. | \$13.00 |
| Document preparation | PeirsonPatterson, LLP | \$150.00 |

ADDITIONAL OTHER CHARGES

| <u>Description</u> | <u>To</u> | <u>Amount</u> |
|--------------------|----------------------|---------------|
| Appraisal Fee | ABC Bank | \$375.00 |
| Credit Report | Experian | \$25.00 |
| Title examination | Texas Title | \$162.38 |
| Recording fees | Tarrant County Clerk | \$90.00 |

After recording please mail to:

**Some Texas Bank
Ambra Costner
2310 West Interstate 20
Arlington, TX 76017**

_____[Space Above This Line for Recording Data]_____

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**THIS IS AN EXTENSION OF CREDIT AS DEFINED BY SECTIONS 50(a)(6),
ARTICLE XVI OF THE TEXAS CONSTITUTION.**

**Texas Home Equity Line of Credit
Security Instrument
(Securing Future Advances)
(First Lien)**

Loan # 123456

This Security Instrument is not intended to finance Borrower's acquisition of the Property.

Borrower has established a line of credit ("Home Equity Line of Credit") with Lender as evidenced by Borrower's Home Equity Line of Credit Agreement and Promissory Note dated the same date as this Security Instrument, and all extensions, modifications, replacements and substitutions thereof (collectively, the "Agreement"). Lender has agreed to make advances to Borrower under the terms of the Agreement. Such advances shall be of a revolving nature and may be made, repaid and remade from time to time. Borrower and Lender contemplate a series of advances to be secured by this Security Instrument. The total outstanding principal balance owing at any one time under the Agreement (not including charges and collection costs which may be owing from time to time) shall not exceed **Sixty Five Thousand and 00/100** (U.S. **\$65,000.00**) plus interest thereon (the "Credit Limit"). That sum is referred to in the Agreement as the Credit Limit. The entire indebtedness under the Agreement, if not paid earlier, is due and payable on **May 17, 2037** or on such later date as may be permitted by Lender in writing, or at such earlier date in the event such indebtedness is accelerated in accordance with the terms of the Agreement and/or this Security Instrument.

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 10, 12, 17, 19, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 15.

(A) "Security Instrument" means this document, which is dated **May 12, 2012**, together with all Riders to this document.

(B) "Borrower" is **John Doe and wife, Jane Doe**. Borrower is the grantor under this Security Instrument.

Texas Home Equity Line of Credit Security Instrument (First Lien)

(C) **“Lender”** is **ABC Bank** . Lender is a **national bank** organized and existing under the laws of **Texas**. Lender’s address is **2310 West Interstate 20, Arlington, TX 76017**. Lender includes any holder of the Agreement and/or the Account who is entitled to receive payments under the Agreement. Lender is the beneficiary under this Security Instrument.

(D) **“Trustee”** is **Michael H. Patterson** . Trustee’s address is **2310 Interstate 20 W, Suite 100, Arlington, TX 76017**.

(E) **“Agreement”** means the Texas Home Equity Line of Credit Agreement and Promissory Note signed by Borrower and dated **May 12, 2012**. The Agreement states Lender has agreed to make advances to Borrower under the terms of the Agreement, such advances to be of a revolving nature. The total outstanding principal balance owing at any one time under the Agreement (not including charges and collection costs which may be owing from time to time under the Agreement) shall not exceed the Credit Limit of **Sixty Five Thousand and 00/100 Dollars** (U.S. **\$65,000.00**) plus interest. Borrower has promised to pay the total outstanding balance in Periodic Payments and to pay the entire debt in full not later than **May 17, 2037**.

(F) **“Property”** means the property that is described below under the heading “Transfer of Rights in the Property.”

(G) **“Account”** means the debt evidenced by the Agreement and any other charges due under the Agreement, and all sums due under this Security Instrument, plus interest.

(H) **“Extension of Credit”** means the debt evidenced by the Home Equity Line of Credit Agreement and Promissory Note, as defined by Section 50(a)(6), and 50(t) Article XVI of the Texas Constitution and all the documents executed in connection with the debt.

(I) **“Riders”** means all riders to this Security Instrument that are executed by Borrower. The following riders are to be executed by Borrower [check box as applicable]:

- Texas Home Equity Condominium Rider
- Texas Home Equity Planned Unit Development Rider
- Manufactured Home Rider

(J) **“Applicable Law”** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) **“Community Association Dues, Fees, and Assessments”** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) **“Electronic Funds Transfer”** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) **“Escrow Items”** means those items that are described in Section 3.

(N) **“Miscellaneous Proceeds”** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) **“Periodic Payment”** means the amount due from Borrower to Lender each month for (i) principal and/or interest then due under the Agreement, and all late charges and other charges provided herein or authorized by the Agreement, plus (ii) any amounts under Section 3 of this Security Instrument.

(P) **“RESPA”** means the Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.) and its

implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to the escrow account requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Agreement and the Account do not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Agreement and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (a) the prompt repayment of the Account evidenced by the Agreement, and all extensions and modifications of the Agreement, with interest thereon at the rate provided in the Agreement; (b) the payment of all other sums due under the Agreement, with interest thereon at the rate provided in the Agreement, (i) advanced to protect the security of this Security Instrument, (ii) incurred by Lender in connection with the enforcement of its rights under this Security Instrument and/or the Agreement, and/or (iii) required to be paid as set forth herein or in the Agreement; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and/or the Agreement.

For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described Property located in the **County** [Type of Recording Jurisdiction] Of **Tarrant** [Name of Recording Jurisdiction]:

Being all that certain tract or parcel of land situated in Tarrant County Texas, and being out of and a part of the X.Y.Z. Survey and also being a part of the A.B.C. 15 acre tract in said Survey and being the West one-half of Block No. 111, as surveyed out of the East side of said A.B.C 15 acre tract of land in said Survey by X.Y.Z. Survey Tarrant County Surveyor of Tarrant County, Texas, made July 1, 1999, and surveyed in the blocks numbered one to ten and the tract of land herein conveyed being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof.

which currently has the address of

**555 Simple Road
Fort Worth, TX 76137**
("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property"; provided however, that the Property is limited to homestead property in accordance with Section 50(a)(6)(H), Article XVI of the Texas Constitution.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, and Late Charges. Borrower shall pay when due the principal of and interest on, the debt evidenced by the Agreement and any late charges due under the Agreement. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Agreement and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Agreement or this Security Instrument is returned to Lender

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unpaid, Lender may require that any or all subsequent payments due under the Agreement and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Agreement or at such other location as may be designated by Lender in accordance with the notice provisions in Section 14. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Extension of Credit current. Lender may accept any payment or partial payment insufficient to bring the Extension of Credit current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payment in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Extension of Credit current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Agreement immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Agreement and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

1. Application of Payments or Proceeds. Unless required by Applicable Law, payments will be applied in accordance with the terms of the note.

Any application of payments, insurance proceeds or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, or the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Agreement, until the Account is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; and (c) premiums for any and all insurance required by Lender under Section 5. These items are called "Escrow Items." At origination or at any time during the term of the Extension of Credit, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 14 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan

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Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than twelve monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than twelve monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Extension of Credit.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Extension of Credit. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Extension of Credit, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability

and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the rate set forth in the Agreement from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 21 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Agreement or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Agreement or this Security Instrument, whether or not then due.

6. Occupancy. Borrower now occupies and uses the Property as Borrower's Texas homestead and shall continue to occupy the Property as Borrower's Texas homestead for at least one year after the date of this Security Instrument, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a

single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Home Equity Line of Credit Application. Borrower's actions shall constitute actual fraud under Section 50(a)(6)(c), Article XVI of the Texas Constitution and Borrower shall be in default and may be held personally liable for the debt evidenced by the Agreement and this Security Instrument if, during the home equity line of credit application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Agreement, the Account or this Security Instrument, or any other action or inaction that is determined to be actual fraud. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as a Texas homestead, the representations and warranties contained in the Texas Home Equity Affidavit and Agreement, and the execution of an acknowledgment of fair market value of the property as described in Section 27.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9. No powers are granted by Borrower to Lender or Trustee that would violate provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution or other Applicable Law.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the rate set forth in the Agreement from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in

writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding which is not commenced as a result of Borrower's default under other indebtedness not secured by a prior valid encumbrance against the homestead, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

12. Joint and Several Liability; Security Instrument Execution; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any

person who signs this Security Instrument, but does not execute the Agreement: (a) is signing this Security Instrument only to mortgage, grant and convey the person's interest in the Property under the terms of this Security Instrument and to comply with the requirements of Section 50(a)(6)(A), Article XVI of the Texas Constitution; (b) is not obligated to pay the sums secured by this Security Instrument and is not to be considered a guarantor or surety; (c) agrees that this Security Instrument establishes a voluntary lien on the homestead and constitutes the written agreement evidencing the consent of each owner and each owner's spouse; and (d) agrees that Lender and Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of the Agreement.

Subject to the provisions of Section 17, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 19) and benefit the successors and assigns of Lender.

13. Extension of Credit Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Extension of Credit is subject to a law which sets maximum Extension of Credit charges, and that law is finally interpreted so that the interest or other Extension of Credit charges collected or to be collected in connection with the Extension of Credit exceed the permitted limits, then: (a) any such Extension of Credit charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender will make this refund by making a payment to Borrower. The Lender's payment of any such refund will extinguish any right of action Borrower might have arising out of such overcharge.

14. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail (but, by certified mail if the notice is given pursuant to Section 19) to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

15. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the laws of Texas. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Agreement conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Agreement which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include

corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word “may” gives sole discretion without any obligation to take any action.

16. Borrower’s Copies. Borrower shall be given at the time this Extension of Credit is made, a copy of all documents signed by Borrower related to the Extension of Credit.

17. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 17, “Interest in the Property” means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender’s prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 14 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower’s Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower’s right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses, insofar as allowed by Section 50(a)(6), Article XVI of the Texas Constitution, incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys’ fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender’s interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender’s interest in the Property and rights under this Security Instrument, and Borrower’s obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer’s check or cashier’s check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 17.

19. Sale of Agreement and Account; Change of Loan Servicer; Notice of Grievance; Lender’s Right-to-Comply. The Agreement and the Account or a partial interest in the Agreement and the Account (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the “Loan Servicer”) that collects Periodic Payments due under the Agreement and this Security Instrument and performs other mortgage loan servicing obligations under the Agreement, the Account, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Agreement and the Account. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Agreement and the Account is sold and thereafter the Extension of Credit is serviced by a Loan Servicer other than the purchaser of the Agreement and the Account, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Agreement and the Account purchaser unless otherwise

provided by the Agreement and the Account purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 14) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. For example, Section 50(a)(6)(Q)(x), Article XVI of the Texas Constitution, generally provides that a lender has 60 days to comply with its obligations under the extension of credit after being notified by a borrower of a failure to comply with any such obligation. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 21 and the notice of acceleration given to Borrower pursuant to Section 17 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 19.

It is Lender's and Borrower's intention to conform strictly to provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6) and 50(t), Article XVI of the Texas Constitution.

All agreements between Lender and Borrower are hereby expressly limited so that in no event shall any agreement between Lender and Borrower, or between either of them and any third party, be construed not to allow Lender 60 days after receipt of notice to comply, as provided in this Section 19, with Lender's obligations under the Extension of Credit to the full extent permitted by Section 50(a)(6) and 50(t), Article XVI of the Texas Constitution. Borrower understands that the Extension of Credit is being made on the condition that Lender shall have 60 days after receipt of notice to comply with the provisions of Section 50(a)(6), Article XVI of the Texas Constitution. As a precondition to taking any action premised on failure of Lender to comply, Borrower will advise Lender of the noncompliance by a notice given as required by Section 14, and will give Lender 60 days after such notice has been received by Lender to comply. Borrower will cooperate in reasonable efforts to effectuate any compliance. Except as otherwise required by Applicable Law, only after Lender has received said notice, has had 60 days to comply, and Lender has failed to comply, shall all principal and interest be forfeited by Lender, as required by Section 50(a)(6)(Q)(x), Article XVI of the Texas Constitution in connection with failure by Lender to comply with its obligations under this Extension of Credit.

In the event that, for any reason whatsoever, any obligation of Borrower or of Lender pursuant to the terms or requirements hereof or of any other loan document shall be construed to violate any of the provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6) and 50(t), Article XVI of the Texas Constitution, then any such obligation shall be subject to the provisions of this Section 19, and the document may be reformed, by written notice from Lender, without the necessity of the execution of any amendment or new document by Borrower, so that Borrower's or Lender's obligation shall be modified to conform to the Texas Constitution, and in no event shall Borrower or Lender be obligated to perform any act, or be bound by any requirement which would conflict therewith.

All agreements between Lender and Borrower are expressly limited so that any interest, Extension of Credit charge or fee collected or to be collected (other than by payment of interest) from Borrower, any owner or the spouse of any owner of the Property in connection with the origination, evaluation, maintenance, recording, insuring or servicing of the Extension of Credit shall not exceed, in the aggregate, the highest amount allowed by Applicable Law.

It is the express intention of Lender and Borrower to structure this Extension of Credit to conform to the provisions of the Texas Constitution applicable to Extensions of Credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution. If, from any circumstance whatsoever, any promise, payment, obligation or provision of the Agreement, this Security Instrument or any other loan document involving this Extension of Credit transcends the limit of validity prescribed by Applicable Law, then any promise, payment, obligation or provision shall be reduced to the limit of such validity, or eliminated as a requirement if necessary for compliance with such law, and such document may be reformed by written notice from Lender without the necessity of the execution of any new amendment or new document by Borrower.

Lender's right-to-comply as provided in this Section 19 shall survive the payoff of the Extension of Credit. The provision of this Section 19 will supersede any inconsistent provision of the Agreement or this Security Instrument.

20. Hazardous Substances. As used in this Section 20: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge; (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance; and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

21. Events of Default; Acceleration; Remedies. The occurrence of any one or more of the following events shall, at the election of Lender, constitute an "Event of Default," and shall entitle Lender to terminate the Agreement and the Account and accelerate the indebtedness secured hereby: (a) any Borrower engages in fraud or material misrepresentation, whether by action or omission, in connection with any phase of the Agreement; (b) Borrower fails to meet the repayment terms set forth in the Agreement; or (c) Borrower's action or inaction adversely affects the Property or Lender's security interest, including, but not limited to, Borrower's actions or omissions that constitute "Events of Default" under the Agreement, or Borrower's failure to perform any material covenants or agreements contained in this Security Instrument.

Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 17 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Insofar as allowed by Section 50(a)(6), Article XVI of the Texas Constitution, Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 21, including, but not limited to, court costs,

reasonable attorneys' fees and costs of title evidence.

The lien evidenced by this Security Instrument may be foreclosed upon only by a court order. Lender may, at its option, follow any rules of civil procedure promulgated by the Texas Supreme Court for expedited foreclosure proceedings related to the foreclosure of liens under Section 50(a)(6), Article XVI of the Texas Constitution ("Rules"), as amended from time to time, which are hereby incorporated by reference. The power of sale granted herein shall be exercised pursuant to such Rules, and Borrower understands that such power of sale is not a confession of judgment or a power of attorney to confess judgment or to appear for Borrower in a judicial proceeding.

22. Power of Sale. It is the express intention of Lender and Borrower that Lender shall have a fully enforceable lien on the Property. It is also the express intention of Lender and Borrower that Lender's default remedies shall include the most expeditious means of foreclosure available by law. Accordingly, Lender and Trustee shall have all the powers provided herein except insofar as may be limited by the Texas Supreme Court. To the extent the Rules do not specify a procedure for the exercise of a power of sale, the following provisions of this Section 22 shall apply, if Lender invokes the power of sale. Lender or Trustee shall give notice of the time, place and terms of sale by posting and filing the notice at least 21 days prior to sale as provided by Applicable Law. Lender shall mail a copy of the notice of sale to Borrower in the manner prescribed by Applicable Law. Sale shall be made at public venue. The sale must begin at the time stated in the notice of sale or not later than three hours after that time and between the hours of 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale. In the event of any conflict between such procedure and the Rules, the Rules shall prevail, and this provision shall automatically be reformed to the extent necessary to comply.

Trustee shall deliver to the purchaser who acquires title to the Property pursuant to the foreclosure of the lien a Trustee's deed conveying indefeasible title to the Property with covenants of general warranty from Borrower. Borrower covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, court costs and reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Property is sold pursuant to this Section 22, Borrower or any person holding possession of the Property through Borrower shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession or other court proceeding.

23. Release. Within a reasonable time after termination and full payment of the Extension of Credit, Lender shall cancel and return the Agreement to the owner of the Property and give the owner, in recordable form, a release of the lien securing the Extension of Credit or a copy of an endorsement of the Agreement and assignment of the lien to a lender that is refinancing the Extension of Credit. Owner shall pay only recordation costs. **OWNER'S ACCEPTANCE OF SUCH RELEASE, OR ENDORSEMENT AND ASSIGNMENT, SHALL EXTINGUISH ALL OF LENDER'S OBLIGATIONS UNDER SECTION 50(a)(6), ARTICLE XVI OF THE TEXAS CONSTITUTION.**

24. Non-Recourse Liability. Lender shall be subrogated to any and all rights, superior title, liens and equities owned or claimed by any owner or holder of any liens and debts outstanding immediately prior to execution hereof, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

Subject to the limitation of personal liability described below, each person who signs this Security Instrument is responsible for ensuring that all of Borrower's promises and obligations in the Agreement and this Security Instrument are performed.

Borrower understands that Section 50(a)(6)(C), Article XVI of the Texas Constitution provides that the Agreement is given without personal liability against each owner of the Property and against the spouse of each

Texas Home Equity Line of Credit Security Instrument (First Lien)

owner unless the owner or spouse obtained this Extension of Credit by actual fraud. This means that, absent such actual fraud, Lender can enforce its rights under this Security Instrument solely against the Property and not personally against the owner of the Property or the spouse of an owner.

If this Extension of Credit is obtained by such actual fraud, then, subject to Section 12, Borrower will be personally liable for the payment of any amounts due under the Agreement or this Security Instrument. This means that a personal judgment could be obtained against Borrower, if Borrower fails to perform Borrower's responsibilities under the Agreement or this Security Instrument, including a judgment for any deficiency that results from Lender's sale of the Property for an amount less than is owing under the Agreement, thereby subjecting Borrower's other assets to satisfaction of the debt.

If not prohibited by Section 50(a)(6)(C), Article XVI of the Texas Constitution, this Section 24 shall not impair in any way the lien of this Security Instrument or the right of Lender to collect all sums due under the Agreement and this Security Instrument or prejudice the right of Lender as to any covenants or conditions of the Agreement and this Security Instrument.

25. Proceeds. Borrower has not been required to apply the proceeds of the Extension of Credit to repay another debt except a debt secured by the Property or debt to another lender.

26. No Assignment of Wages. Borrower has not assigned wages as security for the Extension of Credit.

27. Acknowledgment of Fair Market Value. Lender and Borrower have executed a written acknowledgment as to the fair market value of Borrower's Property on the date the Extension of Credit is made.

28. Substitute Trustee; Trustee Liability. All rights, remedies and duties of Trustee under this Security Instrument may be exercised or performed by one or more trustees acting alone or together. Lender, at its option and with or without cause, may from time to time, by power of attorney or otherwise, remove or substitute any trustee, add one or more trustees, or appoint a successor trustee to any Trustee without the necessity of any formality other than a designation by Lender in writing. Without any further act or conveyance of the Property the substitute, additional or successor trustee shall become vested with the title, rights, remedies, powers and duties conferred upon Trustee herein and by Applicable Law.

Trustee shall not be liable if acting upon any notice, request, consent, demand, statement or other document believed by Trustee to be correct. Trustee shall not be liable for any act or omission unless such act or omission is willful.

29. Acknowledgment of Waiver by Lender of Additional Collateral. Borrower acknowledges that Lender waives all terms in any of Lender's loan documentation (whether existing now or created in the future) which (a) create cross default; (b) provide for additional collateral; and/or (c) create personal liability for any Borrower (except in the event of actual fraud), for the Extension of Credit. This waiver includes, but is not limited to, any (a) guaranty; (b) cross collateralization; (c) future indebtedness; (d) cross default; and/or (e) dragnet provisions in any loan documentation with Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS DOCUMENT MUST BE EXECUTED AT THE OFFICE OF LENDER, AN ATTORNEY AT LAW OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

YOU MAY, WITHIN 3 DAYS AFTER CLOSING, RESCIND THIS EXTENSION OF CREDIT WITHOUT PENALTY OR CHARGE.

Signature Date
John Doe

Signature Date
Jane Doe

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name: _____
My commission expires: _____

After Recording Please Return To:
Some Texas Bank
Ambra Costner
2310 West Interstate 20
Arlington, TX 76017

_____ [To Be Recorded With Security Instrument. Space Above This Line for Recording Data] _____
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Texas Home Equity Line of Credit Affidavit and Agreement

(Do not sign this Texas Home Equity Line of Credit Affidavit and Agreement until you have executed an Acknowledgment Regarding Fair Market Value, and received and reviewed the Texas Home Equity Line of Credit Agreement and Promissory Note and the Texas Home Equity Line of Credit Security Instrument.)

Loan # 123456

State of **TEXAS**

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **John Doe and wife, Jane Doe** and on oath such individual, or each of them, swears that the following statements are true:

I. REPRESENTATIONS AND WARRANTIES:

A. I am a borrower named in the Texas Home Equity Line of Credit Agreement and Promissory Note (the "Agreement") or the owner or spouse of an owner of the property described in the Texas Home Equity Line of Credit Security Instrument (the "Security Instrument" which term includes any riders to the Texas Home Equity Line of Credit Security Instrument), both bearing date of **May 12, 2012**, evidencing and securing an extension of credit as defined by Section 50(a)(6) and 50(t), Article XVI of the Texas Constitution (the "Extension of Credit") and providing for a lien on the following described property (the "Property") located in **Tarrant** County, Texas:

Being all that certain tract or parcel of land situated in Tarrant County Texas, and being out of and a part of the X.Y.Z. Survey and also being a part of the A.B.C. 15 acre tract in said Survey and being the West one-half of Block No. 111, as surveyed out of the East side of said A.B.C 15 acre tract of land in said Survey by X.Y.Z. Survey Tarrant County Surveyor of Tarrant County, Texas, made July 1, 1999, and surveyed in the blocks numbered one to ten and the tract of land herein conveyed being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof.

which has the address of:

555 Simple Road
Fort Worth, TX 76137
("Property Address").

The Property includes all incidental rights in and to the Property including all improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions are included as well as any interest in a planned unit development, condominium project, homeowners' association or equivalent entity owning or managing common areas or facilities associated with the Property. All of the foregoing is referred to herein as the Property, provided however that the Property is limited to homestead property in accordance with Section 50(a)(6)(H), Article XVI of the Texas Constitution.

The Property does not include any additional real or personal property not included within the definition of homestead in accordance with applicable law including but not limited to Sections 41.002(a), (b), and (c) of the Texas Property Code which provide:

§ 41.002 Definition of Homestead

- (a) If used for the purposes of an urban home or as both an urban home and a place to exercise a calling or business, the homestead of a family or a single, adult person, not otherwise entitled to a homestead, shall consist of not more than 10 acres of land which may be in one or more contiguous lots, together with any improvements thereon.
- (b) If used for the purposes of a rural home, the homestead shall consist of:
 - (1) for a family, not more than 200 acres, which may be in one or more parcels, with the improvements thereon; or
 - (2) for a single, adult person, not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements thereon.
- (c) A homestead is considered to be urban if, at the time the designation is made, the property is:
 - (1) located within the limits of a municipality or its extraterritorial jurisdiction or a platted subdivision; and
 - (2) served by police protection, paid or volunteer fire protection, and at least three of the following services provided by a municipality or under contract to a municipality: (A) electric; (B) natural gas; (C) sewer; (D) storm sewer; and (E) water.

B. I understand that the lender making the Extension of Credit is **ABC Bank** (the "Lender").

C. The undersigned includes all owners and spouses of owners of the Property and all borrowers named in the Agreement.

D. The Extension of Credit is secured by a voluntary lien on the Property created under a written agreement with the consent of all owners and all spouses of owners, and execution of this Texas Home Equity Line of Credit Affidavit and Agreement is deemed evidence of such consent.

E. The 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 Property, does not exceed eighty percent (80%) of the fair market value of the Property on the date the Extension of Credit is made.

F. Neither the Lender nor any other party has required any additional collateral (real or personal property), other than the Property described in the Security Instrument, to secure the Extension of Credit.

G. The Property is not designated for agricultural use as of the date of closing as provided by statutes governing property tax, unless such Property is used primarily for the production of milk.

H. The Extension of Credit is the only loan made pursuant to Section 50(a)(6) and 50(t), Article XVI of the Texas Constitution that will be secured by the Property at the time the Extension of Credit is funded.

I. The Agreement and Security Instrument have not been signed before the twelfth (12th) day after

the later of the date the owner of the Property submitted a loan application to the Lender, or the Lender's representative for the Extension of Credit, or the date that the Lender, or the Lender's representative provided the owner with a copy of the Notice Concerning Extensions of Credit defined by Section 50(a)(6), Article XVI of the Texas Constitution (the "Notice").

J. The Agreement and Security Instrument have not been signed before one business day after the date the owner of the Property received a copy of the loan application if not previously provided and a final itemized disclosure of the actual points, interest costs, and charges that would be charged at closing or a bona fide emergency or other good cause exists and the owner of the Property hereby consents to the Lender providing or modifying such final itemized disclosure on the date of the signing of the Agreement and Security Instrument and execution of this Texas Home Equity Line of Credit Affidavit and Agreement is deemed evidence of such consent.

K. If I am an owner of the Property, I received the Notice in English. If the discussions with the borrowers named in the Agreement were conducted primarily in a language other than English, the borrowers named in the Agreement received from Lender, or Lender's representative, before closing, an additional copy of the Notice translated into the written language in which the discussions were conducted.

L. The Extension of Credit is being closed, that is I am signing the loan documents, at the office of the Lender, an attorney at law, or a title company.

M. It has been at least one year since the closing date of any other extension of credit made pursuant to Section 50(a)(6), Article XVI of the Texas Constitution secured by the Property unless this Extension of Credit is a refinance of a prior extension of credit pursuant to Section 50(a)(6), Article XVI of the Texas Constitution, and is being made to cure the failure of any lender or holder of the prior Extension of Credit to comply with its obligations under the prior extension of credit (referred to here as a cure refinance); (ii) the prior extension of credit was a cure refinance, in which case it has been at least one year since the closing date of the most recent extension of credit prior to a cure refinance; or (iii) I, on my oath, requested an earlier closing due to a declared state of emergency.

N. No owner of the Property has been required to apply the proceeds of this Extension of Credit to repay another debt, except a debt that is secured by the Property or owed to another lender.

O. No owner of the Property has been required to assign wages as security for the Extension of Credit.

P. No owner of the Property has signed an instrument in which applicable blanks relating to substantive terms of agreement were left to be filled in. There are no blanks relating to substantive terms of agreement in this Texas Home Equity Line of Credit Affidavit and Agreement, the Agreement, or the Security Instrument.

Q. No owner of the Property has signed a confession of judgment or given a power of attorney to the Lender or to a third person to confess judgment or to appear for any owner of the Property in a judicial proceeding.

R. To the best of my knowledge and belief, all owners of the Property, after receiving copies of the loan application and all documents signed by them at closing, will sign a receipt acknowledging the delivery of such copies.

S. I have been notified in the Security Instrument of the right of the owner and the spouse of any owner to rescind the Extension of Credit without penalty or charge within three (3) days after the closing.

T. The Lender and each owner of the Property have signed a written acknowledgment as to the fair market value of the Property on the date the Extension of Credit is made.

U. The Property is not being purchased with any part of the proceeds of the Extension of Credit.

V. Unless Lender otherwise agrees in writing, all borrowers named in the Agreement shall occupy the Property as their homestead pursuant to the terms of the Security Instrument.

W. I understand that the Extension of Credit is not a form of open-end account that may be debited from time to time or under which credit may be extended from time to time unless it is a home equity line of credit as defined by Section 50(t) Article XVI of the Texas Constitution. Lender, at its option, may make monetary advances to protect the Property (i.e., pay real estate taxes, hazard insurance payments, etc.) in accordance with the Security Instrument.

X. I understand that the Agreement, Security Instrument, and this Texas Home Equity Line of Credit Affidavit and Agreement define the terms of the Extension of Credit and are to be construed as an entirety.

II. AGREEMENT PROVISIONS:

A. No Personal Liability in the Absence of Actual Fraud. I understand that pursuant to Section 50(a)(6)(C), Article XVI of the Texas Constitution, the Extension of Credit is without recourse for personal liability against each owner of the Property and the spouse of each owner and that Lender and its successors and assigns can enforce the promises and obligations in the Agreement and the Security Instrument solely against the Property, unless an owner or spouse of an owner obtains the Extension of Credit by actual fraud.

B. Inducement and Reliance. I understand that my execution of this Texas Home Equity Line of Credit Affidavit and Agreement is made to induce Lender and its successors and assigns to make or purchase the Extension of Credit, and that Lender and its assigns will rely on it as additional consideration for making or purchasing the Extension of Credit. I also understand that each of the statements made in the Representations and Warranties Section is material and will be acted upon by the Lender and its assigns, and that if such statement is false or made without knowledge of the truth, the Lender and its assigns will suffer injury.

C. Remedies in the Event of Actual Fraud. If any owner of the Property, or the spouse of an owner, obtains the Extension of Credit by actual fraud, then each owner, spouse of each owner and all borrowers named in the Note agree to indemnify and save Lender and its successors and assigns harmless against any loss, costs, damages, attorneys' fees, expenses and liabilities which Lender may incur or sustain in connection with such actual fraud and any court action arising therefrom and will pay the same upon demand. In addition, the borrowers named in the Note may become personally liable for repayment of the Extension of Credit.

D. Opportunity for Lender to Comply. It is agreed that, except as required by law, the Lender or any holder of the Agreement for the Extension of Credit shall not forfeit any principal or interest on the Extension of Credit by reason of failure by Lender or holder to comply with its obligations under the Extension of Credit, unless the Lender or holder fails to correct the failure to comply not later than the 60th day after the borrower notifies the Lender or holder of its failure to comply.

E. Tax Advice. It is agreed that it is the borrower's responsibility to determine any and all aspects of tax considerations related to the Extension of Credit. I have not relied on any tax advice provided by Lender or Lender's representatives. It is my responsibility to seek and obtain independent tax advice.

F. Default. I understand that if there is a default in the payment of any note secured by any prior valid lien or in any of the covenants of any prior deed of trust or security instrument, then the Agreement secured by the Security Instrument at the option of the Lender shall at once become due and payable.

G. Evidence of Payments. I agree upon Lender's written request to provide evidence of the payment of any taxes, assessments, hazard and flood insurance, and to provide any information necessary to determine whether the obligations under any prior deed of trust or security instrument are being performed.

III. STATEMENT UNDER OATH

I hereby swear under oath that the representations and warranties referred to and set forth in Section I above are true and correct. I understand that this Texas Home Equity Line of Credit Affidavit and Agreement is part of the Extension of Credit documentation.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS TEXAS HOME EQUITY LINE OF CREDIT AFFIDAVIT AND AGREEMENT MUST BE EXECUTED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY BY ALL OWNERS OF THE PROPERTY, SPOUSES OF OWNERS, AND BORROWERS NAMED IN THE AGREEMENT. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

ADVISORY NOTICE

ALL STATEMENTS IN THE FOREGOING TEXAS HOME EQUITY LINE OF CREDIT AFFIDAVIT AND AGREEMENT ARE MADE UNDER OATH. IF ANY SUCH STATEMENT IS MADE WITH KNOWLEDGE THAT SUCH STATEMENT IS FALSE, THE PERSON MAKING SUCH FALSE STATEMENT MAY BE SUBJECT TO CIVIL AND CRIMINAL PENALTIES UNDER APPLICABLE LAW, MAY BE PERSONALLY LIABLE ON THE AGREEMENT AND MAY CAUSE ALL OTHER BORROWERS NAMED IN THE AGREEMENT TO BE PERSONALLY LIABLE ON THE AGREEMENT.

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Designation of Homestead Affidavit
(for Use in Issuing Coverage Under
Paragraphs 1(i), (j) & (k), Endorsement 42.1)

Loan # 123456

BEFORE ME, the undersigned authority, on this day personally appeared **John Doe and wife, Jane Doe** (whether one or more hereinafter referred to as "Affiant"), known to me to be a creditable person(s) and of lawful age, who after having been by me first duly sworn, deposed and upon oath stated:

1. That Affiant now resides upon, uses and claims, and designates as Affiant's sole and only legal homestead, whether residential or business, the following real property:

Being all that certain tract or parcel of land situated in Tarrant County Texas, and being out of and a part of the X.Y.Z. Survey and also being a part of the A.B.C. 15 acre tract in said Survey and being the West one-half of Block No. 111, as surveyed out of the East side of said A.B.C 15 acre tract of land in said Survey by X.Y.Z. Survey Tarrant County Surveyor of Tarrant County, Texas, made July 1, 1999, and surveyed in the blocks numbered one to ten and the tract of land herein conveyed being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof.

- a. That certain tract hereinafter referred to as "The Property" more commonly known as **555 Simple Road, Fort Worth, TX 76137** and more particularly described above.
- b. Any other land claimed as homestead by Affiant which is described below.

_____ (1) None (insert 'N/A' in blank if not checked).
_____ (2) That certain tract more particularly described on Exhibit B. (inset 'N/A' in blank if not checked).

- 2. That all of The Property is the homestead of Affiant.
- 3. That no portion of The Property is non-homestead.
- 4. That The Property; and the real estate, if any, described in Paragraph 1b., above, are the only land claimed as homestead by Affiant and located in the **Tarrant** County, Texas, for tax or any other purposes.
- 5. That any business operated by the Affiant, if any, and situated upon land owned or leased by the Affiant is not currently subject to an extension of credit pursuant to Subsection (a)(6) of Section 50, Article XVI, Texas Constitution, (hereinafter a "Home Equity Lien"), nor has a Home Equity Lien describing any real estate in this county and claimed by me as homestead, whether business, or residential and whether previously paid off or released, or not, been closed within one year prior to the date of this Affidavit.
- 6. That the residence, owned or leased by the Affiant, if any, at which the Affiant lives is not currently subject to a Home Equity Lien, nor has a Home Equity Lien, describing any real estate in this county and claimed by me as homestead, whether business or residential, and whether paid off or released or note,

been closed within one year prior to the date of this Affidavit.

Affiant understands that **Texas Title**, by and through its issuing agent is to issue its Mortgagee Policy of title insurance insuring the validity of a lien on The Property executed by me to **ABC Bank** as lender. Affiant understands that **Texas Title** and its issuing agent are relying upon, and accept as true, the representations made in this affidavit. Affiant further hereby indemnifies and holds harmless **Texas Title** and its issuing agent from and for all liability, costs and attorney fees, it may incur as a result of its: (i) release upon this affidavit; or (ii) issuance of a policy or policies of title insurance, either now or in the future, describing The Property or any part thereof, and providing coverage based upon any matter set forth herein.

Executed this _____ day of _____, _____.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Designation of Homestead Affidavit (For Use in Issuing Coverage Under Paragraph 1(i), (j), & (k), Endorsement 42.1) Texas Home Equity Line of Credit Affidavit and Agreement

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Notice of Right to Cancel (Open-End Credit - When Opening an Account)

Loan # 123456

Your Right To Cancel. We have agreed to establish an open-end credit account for you, and you have agreed to give us a mortgage, lien or security interest on/in your home as security for the account. You have a legal right under federal law to cancel the account, without cost, within three (3) business days from whichever of the following events occurs last:

1. the opening date of your account which is **May 12, 2012**; or
2. the date you received your Truth-in-Lending disclosures; or
3. the date you received this notice of your right to cancel the account.

If you cancel the account, the mortgage, lien or security interest on/in your home is also cancelled. Within twenty (20) days of receiving your notice, we must take the steps to reflect the fact that the mortgage, lien or security interest on/in your home has been cancelled. We must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

How To Cancel: If you decide to cancel the account you may do so by notifying us in writing at:

**ABC Bank
2310 W Interstate 20, 100, Arlington, TX 76017**

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one (1) copy of this notice no matter how you notify us because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of, **May 15, 2012** (or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I Wish To Cancel: (Only one Consumer's Signature is required to effect a cancellation.)

_____ Date: _____
(Borrower)

Receipt of Notice: The undersigned hereby represents and warrants that I have an ownership interest in the property. I hereby acknowledge that the transaction identified on the face of this Notice was consummated and that I have received one (1) copy of the federal Truth in Lending disclosure and two (2) copies of this Notice on the date my signature on the Security Instrument was acknowledged.

Signature Date
John Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Election Not to Cancel
(Open-End Credit - When Opening an Account)**

Loan # 123456

I Do Not Wish to Cancel: (Do not sign the following until after time for cancellation has expired). The undersigned hereby certifies that more than three (3) business days have elapsed since the latest of the events listed below.

1. the opening date of your account which is **May 12, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received this notice of your right to cancel the account.

The undersigned has not exercised his/her right to cancel.

Signature

Date

John Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Notice of Right to Cancel (Open-End Credit - When Opening an Account)

Loan # 123456

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You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

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(Borrower)

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Signature Date
John Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Election Not to Cancel
(Open-End Credit - When Opening an Account)**

Loan # 123456

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2. the date you received your Truth-in-Lending disclosures, or
3. the date you received this notice of your right to cancel the account.

The undersigned has not exercised his/her right to cancel.

Signature

Date

John Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Notice of Right to Cancel (Open-End Credit - When Opening an Account)

Loan # 123456

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You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

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Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Election Not to Cancel
(Open-End Credit - When Opening an Account)**

Loan # 123456

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1. the opening date of your account which is **May 12, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received this notice of your right to cancel the account.

The undersigned has not exercised his/her right to cancel.

Signature

Date

Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Notice of Right to Cancel (Open-End Credit - When Opening an Account)

Loan # 123456

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You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within twenty (20) calendar days of your offer, you may keep it without further obligation.

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I Wish To Cancel: (Only one Consumer's Signature is required to effect a cancellation.)

_____ Date: _____
(Borrower)

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Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Election Not to Cancel
(Open-End Credit - When Opening an Account)**

Loan # 123456

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1. the opening date of your account which is **May 12, 2012**; or
2. the date you received your Truth-in-Lending disclosures, or
3. the date you received this notice of your right to cancel the account.

The undersigned has not exercised his/her right to cancel.

Signature

Date

Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Notice of Right to Rescind

Loan # 123456

- (1) **Your Right To Rescind:** You are entering into a transaction which will result in a security interest in your Property. The owner of the Property and any spouse of the owner may under Texas law rescind this transaction, without penalty or charge, within three (3) days after the loan is made.
- (2) **How To Rescind:** If you decide to rescind this transaction, you may do so by notifying us in writing at:

ABC Bank
2310 W Interstate 20, 100
Arlington, TX 76017

You may use this notice to rescind by dating and signing below. Keep one (1) copy of this notice because it contains important information about your rights. If you rescind by mail or telegram, you must send the notice no later than midnight of the third day following the date the loan is made. If you send or deliver your written notice to rescind some other way, it must be delivered to the above address no later than that time.

I Wish To Rescind: (Only one Property Owner's signature is required to effect a rescission.)

Signature Date
John Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

- (3) **Receipt of Notice:** The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the Property. We hereby acknowledge that the transaction on the fact of this Notice was consummated and that we have each received one copy of this Notice on the **Twelfth** day of **May, 2012**.

Signature Date
John Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

Notice of Right to Rescind and Election Not to Rescind (State) - Borrower 1

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Notice of Right to Rescind

Loan # 123456

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2310 W Interstate 20, 100
Arlington, TX 76017

You may use this notice to rescind by dating and signing below. Keep one (1) copy of this notice because it contains important information about your rights. If you rescind by mail or telegram, you must send the notice no later than midnight of the third day following the date the loan is made. If you send or deliver your written notice to rescind some other way, it must be delivered to the above address no later than that time.

I Wish To Rescind: (Only one Property Owner's signature is required to effect a rescission.)

Signature Date
John Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

- (3) **Receipt of Notice:** The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the Property. We hereby acknowledge that the transaction on the fact of this Notice was consummated and that we have each received one copy of this Notice on the **Twelfth** day of **May, 2012**.

Signature Date
John Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Election Not to Rescind

Loan # 123456

I/We Do Not Wish to Rescind: (Do not sign this document until after time for rescission has expired).
The undersigned hereby certifies that more than three (3) days have elapsed since my/our loan has been made.
I/We acknowledge receiving copies of all documents signed by the Owner related to the loan from Lender (or a settlement agent on behalf of Lender), at the time the loan was made.

The undersigned has not exercised his/her right to rescind.

Signature

Date

John Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Texas Home Equity
Election Not to Rescind**

Loan # 123456

I/We Do Not Wish to Rescind: (Do not sign this document until after time for rescission has expired).
The undersigned hereby certifies that more than three (3) days have elapsed since my/our loan has been made.
I/We acknowledge receiving copies of all documents signed by the Owner related to the loan from Lender (or a settlement agent on behalf of Lender), at the time the loan was made.

The undersigned has not exercised his/her right to rescind.

Signature

Date

John Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Notice of Right to Rescind

Loan # 123456

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Arlington, TX 76017

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I Wish To Rescind: (Only one Property Owner's signature is required to effect a rescission.)

Signature Date
Jane Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

- (3) **Receipt of Notice:** The undersigned hereby represents and warrants that I/we am the only person(s) with an ownership interest in the Property. We hereby acknowledge that the transaction on the fact of this Notice was consummated and that we have each received one copy of this Notice on the **Twelfth** day of **May, 2012**.

Signature Date
Jane Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Notice of Right to Rescind

Loan # 123456

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Signature Date
Jane Doe

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Signature Date
Jane Doe

[Sign Originals Only]

(Owner/Owner's Spouse/Borrower)

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Texas Home Equity
Election Not to Rescind**

Loan # 123456

I/We Do Not Wish to Rescind: (Do not sign this document until after time for rescission has expired).
The undersigned hereby certifies that more than three (3) days have elapsed since my/our loan has been made.
I/We acknowledge receiving copies of all documents signed by the Owner related to the loan from Lender (or a settlement agent on behalf of Lender), at the time the loan was made.

The undersigned has not exercised his/her right to rescind.

Signature

Date

Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Election Not to Rescind

Loan # 123456

I/We Do Not Wish to Rescind: (Do not sign this document until after time for rescission has expired).
The undersigned hereby certifies that more than three (3) days have elapsed since my/our loan has been made.
I/We acknowledge receiving copies of all documents signed by the Owner related to the loan from Lender (or a settlement agent on behalf of Lender), at the time the loan was made.

The undersigned has not exercised his/her right to rescind.

Signature

Date

Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Flood Insurance Coverage Subject to Possible Change

Loan # 123456

If your property is or becomes zoned for required flood insurance and we assign, sell or transfer the servicing of your mortgage loan, your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.

Acknowledged by Borrower(s) this **Twelfth** day of **May, 2012**.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Texas Home Equity
Acknowledgment Regarding
Voluntary Repayment of Existing Debt**

Loan # 123456

I acknowledge that I am voluntarily repaying existing debt owed to Lender from the proceeds of my home equity loan. Lender is not requiring me to apply the proceeds of my home equity loan to any existing debt except debt secured by my homestead or debt to another lender. I acknowledge that I have the right to receive the home equity loan proceeds and not pay off or reduce other existing debt to Lender.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Acknowledgement of Texas HELOC Disclosures

Loan # 123456

- 1) Borrower acknowledges that at time of loan application Borrower received a:
 - A) Home Equity Line of Credit Program Disclosure;
 - B) Home Equity Line of Credit Brochure – “Putting Your Home on the Line”;
 - C) Notice Concerning Extensions of Credit.

- 2) Borrower acknowledges that at least one business day before this loan was closed all owners of the Property received a final itemized disclosure (“Initial Preclosing Disclosure”) of the actual fees, points, interest, costs, and charges that were charged at closing.

- 3) If there is any variance to the Initial Preclosing Disclosure and the actual fees, points, interest, costs and charges that were charged at closing which were indicated on the subsequent disclosure then:
 - A) the annual percentage rate of interest in the loan is within .125 per cent on regular transactions and .25 per cent on irregular transactions, as defined in 12 C.F.R. 226.22, of the Initial Preclosing Disclosure;
 - B) the actual disclosed fees, costs, points and charges on the date of closing do not vary from the Initial Preclosing Disclosure by more than the greater of:
 - (i) \$100 of the amount charged at closing or
 - (ii) .125 per cent of the principal amount of the equity loan at closing; or
 - C) one or more items described in (A) or (B) of this paragraph is less than the disclosed rate or amount on the Initial Preclosing Disclosure/loan agreement;
 - D) we consider the variance to be good cause not to delay this closing by another business day. We consent to this deminimus (small) variance.

Signature **John Doe** Date

Signature **Jane Doe** Date

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Acknowledgment Regarding
Fair Market Value of Homestead Property**
(Pursuant to Section 50(a)(6)(Q)(ix), Article XVI of the Texas Constitution)

Loan # 123456

I, the undersigned Owner, acknowledge that I am an Owner of the property (the "Homestead Property"), which will secure an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution.

The Lender and I acknowledge that on the date the extension of credit is made, the fair market value of the Homestead Property is **\$130,000.00**.

I understand that Lender is relying on this written acknowledgment regarding the fair market value of the Homestead Property ("Acknowledgment") as a condition of making the extension of credit and I have no knowledge, or reason to believe, that the fair market value of the Homestead Property stated in this Acknowledgment is incorrect.

I further acknowledge that the undersigned includes all owners of the Property.

When this Acknowledgment is executed by more than one person, the instrument shall read as if pertinent verbs, nouns and pronouns were changed correspondingly, and reference to any gender shall include either gender, all as the case may be.

["X" if applicable] The fair market value indicated herein is the value estimated in the appraisal which was prepared in accordance with state or federal requirements applicable to this extension of credit.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THE EXTENSION OF CREDIT MUST BE CLOSED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

ABC Bank

By: _____

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

**Affidavit of Milk Production
on Homestead Property**
(Pursuant to Section 50(a)(6)(I), Article XVI of the Texas Constitution)

Loan # 123456

State of **TEXAS**

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **John Doe and wife, Jane Doe** and on oath such individual, or each of them, swears that the following statements are true:

(Capitalized terms in this Affidavit of Milk Production on Homestead Property shall have the same meanings as in the Security Instrument.)

I. REPRESENTATIONS AND WARRANTIES:

A. I am a borrower of the Extensions of Credit or the owner or spouse of an owner of the property described in the Security Instrument, (including any riders to the Security Instrument), bearing a date of **May 12, 2012**, evidencing and securing an extension of credit as defined by Section 50(a)(6), Article XVI of the Texas Constitution and providing for a lien on the following described Property located in **Tarrant** County, Texas:

Being all that certain tract or parcel of land situated in Tarrant County Texas, and being out of and a part of the X.Y.Z. Survey and also being a part of the A.B.C. 15 acre tract in said Survey and being the West one-half of Block No. 111, as surveyed out of the East side of said A.B.C 15 acre tract of land in said Survey by X.Y.Z. Survey Tarrant County Surveyor of Tarrant County, Texas, made July 1, 1999, and surveyed in the blocks numbered one to ten and the tract of land herein conveyed being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof.

which currently has the address of

**555 Simple Road
Fort Worth, TX 76137**

The Property includes all incidental rights in and to the Property including all improvements now or hereafter erected on the Property, and all easements, appurtenances, and fixtures now or hereafter a part of the Property. All replacements and additions are included as well as an interest in a planned unit development, condominium project, homeowners' association or equivalent entity owning or managing common areas or facilities associated with the Property. All of the foregoing is referred to herein as the Property, provided however that the Property is limited to homestead property in accordance with Section 50(a)(6)(H), Article XVI of the Texas Constitution.

The Property does not include any additional real or personal property not included within the definition of "Homestead" in Sections 41.002(a), (b), and (c) of the Texas Property Code which provide:

§ 41.002 Definition of Homestead

(a) If used for the purposes of an urban home or as both an urban home and a place to exercise a calling or

business, the homestead of a family or a single, adult person, not otherwise entitled to a homestead, shall consist of not more than 10 acres of land which may be in one or more contiguous lots, together with any improvements thereon.

(b) If used for the purposes of a rural home, the homestead shall consist of:

(1) for a family, not more than 200 acres, which may be in one or more parcels, with the improvements thereon; or

(2) for a single, adult person, not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements thereon.

(c) A homestead is considered to be urban if, at the time the designation is made, the property is:

(1) located within the limits of a municipality or its extraterritorial jurisdiction or a platted subdivision; and

(2) served by police protection, paid or volunteer fire protection, and at least three of the following services provided by a municipality or under contract to a municipality: (A) electric; (B) natural gas; (C) sewer; (D) storm sewer, and (E) water.

B. I understand that the Lender making the Extension of Credit is **ABC Bank**.

C. The undersigned includes all owners and spouses of the Property and all borrowers named in the Extension of Credit.

D. THE PROPERTY IS DESIGNATED FOR AGRICULTURAL USE AS PROVIDED BY STATUTES GOVERNING PROPERTY TAX, BUT SUCH PROPERTY IS USED PRIMARILY FOR THE PRODUCTION OF MILK.

II. AGREEMENT PROVISIONS:

A. No Personal Liability in the Absence of Actual Fraud. I understand that pursuant to Section 50(a)(6)(C), Article XVI of the Texas Constitution, the Extension of Credit is without recourse for personal liability against each owner of the Property and the spouse of each owner and that Lender and its successors and assigns can enforce the promises and obligations in the Extension of Credit and the Security Instrument solely against the Property, unless an owner or spouse of an owner obtains the Extension of Credit by actual fraud.

B. Inducement and Reliance. I understand that my execution of this Affidavit is made to induce Lender and its successors and assigns to make or purchase the Extension of Credit and that Lender and its successors and assigns will rely on it to make or purchase the Extension of Credit. I also understand that each of the statements made in the Representations and Warranties Section is material and will be acted upon by the Lender and its assigns, and that if such statement is false or made without knowledge of the truth, the Lender and its assigns will suffer injury.

C. Remedies in the Event of Actual Fraud. If any owner of the Property, or the spouse of an owner, obtains the Extension of Credit by actual fraud, then each owner, spouse of each owner and all borrowers named in the Extension of Credit agree to indemnify and save Lender and its successors and assigns harmless against any loss, costs, damages, attorneys' fees, expenses and liabilities which Lender may incur or sustain in connection with such actual fraud and any court action arising therefrom and will pay the same upon demand. In addition, the borrowers named in the Extension of Credit may become personally liable for repayment of the Extension of Credit.

D. Opportunity for Lender to Comply. It is agreed that the Lender or any holder of the Extension of Credit shall not forfeit any principal or interest on the Extension of Credit by reason of failure by Lender or holder to comply with its obligations under the Extension of Credit, if the Lender or holder timely performs Lender's or holder's obligations to cure any such failure to comply as provided in Section 50(a)(6)(Q)(x), Article XVI of the Texas Constitution.

III. STATEMENT UNDER OATH

I/We hereby swear under oath that the representations and warranties referred to and set forth in Section I above are true and correct. I/We understand that this Affidavit is part of the loan documentation. When this Affidavit is executed by only one person, it shall read as if pertinent verbs, nouns, and pronouns were changed accordingly.

DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THIS AFFIDAVIT MUST BE EXECUTED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY BY ALL OWNERS OF THE PROPERTY, SPOUSES OF OWNERS, AND BORROWERS NAMED IN THE EXTENSION OF CREDIT. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

ADVISORY NOTICE

ALL STATEMENTS IN THE FOREGOING AFFIDAVIT ARE MADE UNDER OATH. IF ANY SUCH STATEMENT IS MADE WITH KNOWLEDGE THAT SUCH STATEMENT IS FALSE, THE PERSON MAKING SUCH FALSE STATEMENT MAY BE SUBJECT TO CIVIL AND CRIMINAL PENALTIES UNDER APPLICABLE LAW AND MAY BE PERSONALLY LIABLE ON THE EXTENSION OF CREDIT AND MAY CAUSE ALL OTHER BORROWERS NAMED IN THE EXTENSION OF CREDIT TO BE PERSONALLY LIABLE ON THE EXTENSION OF CREDIT.

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Attorney Representation Notice

Loan # 123456

This Attorney Representation Notice (“Notice”) is entered into between PeirsonPatterson, LLP (“We”, “our” or “us”) and John Doe and wife, Jane Doe (“you” or “your” whether one or more), herein referred to as “Borrower”.

LOAN DOCUMENTATION. PeirsonPatterson, LLP (We”, “us” or “our”) has prepared the legal instruments involved in this loan using information supplied by the Lender and other third parties. We have acted only on behalf of the Lender. We and the Lender have not assisted or rendered legal advice to Borrower with respect to the loan or the Property securing it or the documents executed in connection with it. If Borrower has any questions about the meaning of any document or Borrower’s legal rights, Borrower should retain personal legal counsel for advice in this transaction.

DESCRIPTION OF LEGAL SERVICES PERFORMED. We may have prepared all or part of the following legal instruments affecting title to the Property: Deed (if a purchase transaction), Note, Security Instrument and Assignment of Lien (if requested).

DISCLAIMER OF REPRESENTATION OR WARRANTY. We have not conducted a title search on the Property, and make no representation or warranty about condition of the title, access to the Property or any other matters that might be revealed from Borrower’s examination of a survey, title information, or the Property itself. **Borrower is cautioned to make sure the Deed delivered to Borrower conveys what Borrower has contracted to purchase.**

DATA SUPPLIED BY LENDER. The disclosure calculations and fee data have been supplied by the Lender. We make no representations regarding the value of the Property, conformance with any limitations on fees, waiting periods or any other matters outside our control.

RESPONSIBILITY FOR PAYMENT OF FEES. As part of Borrower’s obligation to pay the expenses of the Lender in connection with the preparation of the legal documentation, Borrower agrees to pay directly to us at loan closing, the amount indicated on the Attorney Invoice, unless Lender has noted otherwise in their closing instructions.

BASIS FOR FEE. The document preparation fee charged by us is based on a per transaction charge rather than an hourly fee. This fee is intended to provide fair compensation for our services, taking into consideration the time and labor required, the complexities of the questions involved, and the skill required to perform the services. Other considerations include our expertise in the complexities of the real estate practice, the necessary overhead associated with the rendering of the services and our assumption of risk in the rendering of the services. There has been no charge made for any disclosures or information required by the Real Estate Settlement and Procedures Act, the Truth-in-Lending Act or the Homeowners’ Protection Act.

NOTICE TO BORROWER REGARDING DEED PREPARATION. We represent Lender and only Lender in this transaction. If we have prepared a draft deed, it has been at the request of Lender. Borrower is advised to consult its legal counsel with any questions before signing the draft deed. We have provided the draft deed as a convenience. **IF THE DRAFT DEED WE PREPARED IS USED, BORROWER (OR ITS ATTORNEY) SHOULD REVIEW AND AMEND IT, IF NECESSARY, TO MAKE CERTAIN THAT IT IS CONSISTENT**

Attorney Representation Notice

WITH THE SALES CONTRACT AND CORRECTLY REFLECTS THE CONDITION OF TITLE FOR THE PROPERTY AND THE OBLIGATIONS OF THE PARTIES TRANSFERRING RIGHTS TO REAL PROPERTY, AND IF APPLICABLE RESERVING CERTAIN RIGHTS, FOR EXAMPLE MINERAL INTEREST, IS AN INHERENTLY COMPLEX MATTER AND CONTEMPLATES THE INVOLVEMENT OF ATTORNEYS. IF APPLICABLE, THE DEED SHOULD BE AMENDED TO REFLECT ANY MINERAL OR OTHER RESERVATION. BE CERTAIN THAT THE DEED EXPRESSES THE INTENT OF SELLER AND BORROWER. Another deed, or amendments to the draft deed, must be reviewed and approved by us prior to its execution.

Borrower hereby acknowledges receiving and reading a copy of this Notice and affirms the accuracy of the statements contained herein.

BORROWER(S):

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Authorization to Request Advance Against Home Equity Line of Credit

Loan # 123456

By signing below, the above named Borrower agrees that this Home Equity Line of Credit shall be governed by the terms and conditions set forth in the Home Equity Line of Credit Agreement and Promissory Note. Borrower hereby authorizes the "Authorized Signatories" listed below by way of [check one or both]:

Written Draw Requests

Credit Line Checks. Borrower requests to provide Borrower checks to make draws against Borrower's Texas Home Equity Line of Credit Borrower has with Lender.

to request advances against this Home Equity Line of Credit if such Written Draw Request or Credit Line Check is signed by [check one]:

- All of the below listed "Authorized Signatories."
- Any one of the below listed "Authorized Signatories."

AUTHORIZED SIGNATORIES

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Signature
John Doe

Date

Signature
Jane Doe

Date

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Borrower Affidavit

Loan # 123456

I/We the undersigned Borrower(s) for and in consideration of the above referenced Lender attest that, since the date of my/our original loan application:

1. I/we have not incurred any additional debt obligations and all debt information stated on the original loan application is the only debt I/we have and the credit balances and payments have not increased.

2. The status of my/our employment has not changed; all employment information stated on the original loan application remains true and accurate; and I/we have not received any notifications from my/our employer(s) indicating a change in my/our employment and/or income status.

DATED effective this _____ day of _____.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Borrower's Closing Affidavit

Loan # 123456

Before me, the undersigned authority duly authorized to take acknowledgements and administer oaths, personally appeared the above referenced Borrower(s) who, upon being duly sworn depose and says as follows:

Words used in this Affidavit are defined below. Words in the singular mean and include the plural and vice versa.

"Borrower" is **John Doe and wife, Jane Doe**

"Lender" is **ABC Bank**, and its successors or assigns.

"Loan" means the debt evidenced by the Note and all sums due under the Security Instrument.

"Note" means the promissory note(s) dated **May 12, 2012**, signed by Borrower in favor of Lender.

"Property" means the property commonly known as **555 Simple Road, Fort Worth, Texas 76137**.

"Security Instrument" means the Deed of Trust/Mortgage/Security Deed/Security Instrument signed by Borrower in favor of Lender, securing payment of the Note.

"Settlement Agent" is **Texas Title**.

BEFORE ME, the undersigned authority, on this day, personally appeared Borrower, known to me to be the person whose name is subscribed below and after being duly sworn by me did each on his or her oath state the following:

1. **OCCUPANCY STATUS.** [Check applicable box.]

- Primary Residence.** The Property is/will be Borrower's primary residence. This means at least one (1) Borrower who executes the Note and Security Instrument will take title to and occupy the Property. The Property is now occupied as Borrower's primary residence or will be occupied as Borrower's primary residence no later than sixty (60) days after this date or the date the Property shall first become ready for occupancy as a habitable dwelling. That Borrower shall continue to occupy the Property as that Borrower's primary residence for at least one (1) year after the execution of the Loan documentation unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond that Borrower's control. Furthermore, all bills for utilities, water, and/or sewerage are in that Borrower's name.

If applicable,

Borrower(s) will not occupy the Property, nor allow any others to occupy the Property, until construction is complete and municipal approvals have been issued, if required, and Lender gives written consent following final inspection. Borrower(s) will not store any item in or on the Property, or allow others, that is not related to the construction of improvements on the Property.

Borrower(s) hereby certify that upon completion the Property will be Borrower's principal residence. This means at least one of the Borrowers who executes the Note and Security Instrument has title to and upon completion, shall occupy the Property. Borrower shall continue to occupy the Property as Borrower's principal residence for at least one year after completion of the improvements unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld or unless extenuating circumstances exist which are beyond Borrower's

control.

BORROWER(S) ACKNOWLEDGE THAT THIS OCCUPANCY AFFIDAVIT IS GIVEN AS A MATERIAL INDUCEMENT TO CAUSE LENDER TO MAKE A LOAN TO BORROWER(S) AND THAT ANY FALSE STATEMENTS, MISREPRESENTATIONS OR MATERIAL OMISSIONS SHALL CONSTITUTE A BREACH OF THE BORROWER(S) OBLIGATION TO LENDER AND THAT ALL THE PROVISIONS OF THE MORTGAGE/DEED OF TRUST INDENTURE CONCERNING DEFAULT IN THE NOTE WILL THEREUPON BE IN FULL FORCE AND EFFECT.

- Secondary Residence.** The Property is/will be Borrower's secondary residence. A secondary residence is a single-family property that is currently or will be occupied by at least one (1) Borrower in addition to that Borrower's primary residence. **The property will not be income-producing.**
- Investment Property.** The Property is/will be investment property. The Property will not be occupied or claimed as a primary or secondary residence by any Borrower, and may produce revenue. Each Borrower now owns, resides, uses, and claims another property or properties as a primary residential or homestead.
2. **FINANCIAL STATUS.** Borrower understands that Lender is granting the Loan based on the representations made in the Loan application given by Borrower to Lender. Borrower hereby certifies that all statements related to the Loan application, including but not limited to, financial, marital, and employment status, have not changed, and to the best of Borrower's knowledge, will not change in the foreseeable future. If the Property is being purchased by Borrower, the funds for down payment and closing costs are being paid from the source stated on the Loan application. There is no secondary financing in this transaction that has not been disclosed to Lender. Borrower certifies that if the Loan application states that other real estate was to be sold, that such transaction has taken place and Borrower no longer has title to that real estate. If the Property is currently owned by Borrower, Borrower certifies that there are no delinquent state, county, city, school, water district, utility district, or other governmental taxes or assessments due or owing against the Property and that no tax suit has been filed by any state, county, municipality, water district, utility district, or other governmental agency for taxes or assessments levied against Borrower which have not been disclosed in writing to Lender. Borrower also certifies that there are no unpaid paving or utility assessments or delinquent owner association dues. There are no suits filed by or pending against Borrower in any federal or state court which have not been disclosed in writing to Lender.
3. **PROPERTY ACCEPTANCE.** Borrower acknowledges that the Property and all of its improvements, fixtures, appliances, and other parts are in good and satisfactory working order and in the conditions contracted for. If the Property is new construction, Borrower finds that the improvements erected on the Property have been completed substantially in accordance with the plans and specifications. If this is the purchase of an existing dwelling, Borrower has accepted the condition thereof, and all terms of the sales contract (including any required repairs and inspections) have been met. If the Property is or will be initial construction, Borrower will sign an affidavit of completion once Borrower finds the improvements are completed substantially in accordance with the plans and specifications and to Borrower's satisfaction and that the terms of the contract between Borrower and the contractor have been fully carried out. The matters acknowledged in this paragraph are to the best of Borrower's knowledge and belief, and nothing in this Affidavit is to be construed as a waiver of any claims, damages, causes of action, or rights under any warranty, expressed or implied, against any party other than Lender.
4. **SURVEY.**

If a Survey is required then, Borrower hereby certifies that Borrower has received, reviewed, and approved a copy of the survey which is incorporated herein by reference and has signed or initialed and dated same for identification purposes. Borrower is aware of the indicated encroachments, protrusions, easements, limitations, access, dimensions, and/or other conditions shown on the survey. In consideration of Lender making the Loan to Borrower, Borrower hereby indemnifies and holds Lender harmless from any claims, costs, damages, causes of action, and expenses in any way arising as a result of the Property condition or any matters indicated in the survey.

If a current Survey is acceptable then, since the date of the survey provided by Borrower, which survey has been signed or initialed and dated for identification purposes, Borrower certifies and represents that no improvements or structural changes or additions to the Property have been made. Borrower is aware of the indicated encroachments, protrusions, easements, limitations, access, dimensions, and/or other conditions shown on the survey. In consideration of Lender making the Loan to Borrower, Borrower hereby indemnifies and holds Lender harmless from any claims, costs, damages, causes of action, and expenses in any way arising as a result of the Property condition or any matters indicated in the survey.

If a Survey is not required then, Borrower understands that a current survey is not required by Lender for this transaction, however, if Borrower desires, Borrower may have a current survey made. Borrower represents to Lender that Borrower understands that a survey would indicate existing encroachments, protrusions, easements, limitations, access, dimensions, or other conditions.

Borrower represents to Lender that Borrower has not received from any third party any notice or claim of any limitation of the use and enjoyment of the Property not indicated by the most recently obtained survey.

5. **TITLE INSURANCE.** If Title Insurance is required by Lender, Borrower certifies that Settlement Agent has provided Borrower with a copy of the Commitment for Title Insurance and that Borrower has reviewed and consents to all of the exceptions to title which would appear in an Owner's Title Policy for the Property.

In consideration of Lender making the Loan to Borrower, Borrower hereby indemnifies and holds Lender harmless from any claims, costs, damages, causes of action and expenses in any way arising as a result of the Property condition and performance under any contract of sale between Borrower and any Seller of the property, or any matters indicated as exceptions stated in the Commitment for Title Insurance, and the Owner's and Mortgagee's Title Insurance Policies.

6. **HOLD HARMLESS.** Borrower has been made aware of the following specific conditions affecting the Property and does hereby indemnify and hold harmless Lender from any claims, costs, damages, causes of action, and expenses in any way arising from the following conditions or other matters:

ACKNOWLEDGMENT OF RECEIPT

Borrower acknowledges that this Borrower's Closing Affidavit is given as a material inducement to cause Lender to make the Loan to Borrower. Borrower understands that it is illegal to provide false information in an application for a mortgage loan. Mortgage fraud is punishable by up to 30 years in federal prison or a fine up to \$1,000,000 or both under the provisions of title 18, United States Code, Sec. 1001, et seq. The agreements and covenants contained herein shall survive the closing of this Loan transaction.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Disclosure of Right to Receive a Copy of an Appraisal

Loan # 123456

| | |
|---|---|
| Applicant(s) name(s) / Address(es) ("You", "Your") John Doe and wife, Jane Doe 555 Simple Road Fort Worth, TX 76137 | Lenders name / Address ("We", "Us") ABC Bank 2310 W Interstate 20, 100 Arlington, Texas 76017 |
|---|---|

DATE: **May 12, 2012**

Under the Equal Credit Opportunity Act (ECOA) you have the right to receive a copy of the appraisal report used in connection with your application for credit. If you wish to receive a copy, please follow the instructions provided below.

We must hear from you no later than 90 days after we notify you about the action taken on your loan application (the credit decision). If you withdraw your application before we take action, we must hear from you no later than 90 days after you withdraw your application.

To request a copy of the appraisal report, you must contact us by writing to us at the address provided above. Please provide us with the following information at the time you make your request:

- The names of the applicant(s)
- The date of your application
- The address of the appraised property
- The address to which we should send the copy of the report

The ECOA requires that we mail or deliver a copy of the appraisal report promptly (generally within 30 days) after we receive your request, receive the appraisal report, or receive reimbursement from you for the report, whichever occurs last.

Signature **John Doe** Date

Signature **Jane Doe** Date

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Document Correction Agreement

Loan # 123456

AGREEMENT TO CORRECT OR PROVIDE ADDITIONAL DOCUMENTATION OR FEES: In consideration of Lender disbursing funds for the closing of the Loan secured by the Property being encumbered, and regardless of the reason for any loss, misplacement, or inaccuracy in any loan documentation, Borrower(s) agrees as follows: That, should a document be lost or misplaced, misstated or inaccurately reflect the true and correct terms and conditions of the Loan, upon the request of the Lender (including persons acting on behalf of the Lender) or Settlement Agent, Borrower(s) will comply with Lender's request to execute, acknowledge, initial and deliver to Lender any documentation Lender deems necessary to replace or correct the lost, misplaced, misstated or inaccurate documents(s). Borrower's completed and accepted final application and any disclosure statements provided by Lender shall be evidence of Borrower's and Lender's intent regarding the agreed terms and conditions of the loan. If a replacement note is executed, the Lender hereby indemnifies the Borrower(s) against any loss associated with a demand on the original executed note. The documents Lender requests Borrower(s) to execute, acknowledge, initial and deliver pursuant to this Paragraph shall hereinafter be referred to as "Replacement Documents." Borrower(s) agrees to deliver the Replacement Documents within ten (10) days after receipt by Borrower(s) of a written request from Lender for such replacement. Borrower(s) also agrees that upon the request of the Lender (including persons acting on behalf of the Lender) or Settlement Agent, Borrower(s) will comply with Lender's reasonable request to supply additional documentation and/or to pay Lender any additional sums previously disclosed to Borrower(s) as a cost or fee associated with the Loan which for whatever reason was not collected at closing. The documents or fees Lender requests Borrower(s) to provide pursuant to this Paragraph shall hereinafter be referred to as "Additional Documents or Fees."

REQUEST BY LENDER: Any request by the Lender, (including persons acting on behalf of the Lender) or Settlement Agent for any Additional Documents or Fees shall be prima facie evidence of the necessity for same. A written statement from Lender, (including persons acting on behalf of the Lender) or Settlement Agent, addressed to Borrower(s) at the address indicated in the documentation shall be considered conclusive evidence of the necessity for said Additional Documents or Fees or corrections thereof.

FAILURE TO DELIVER REPLACEMENT OF ADDITIONAL DOCUMENTS OR FEES MAY CONSTITUTE DEFAULT: Borrower(s)'s failure or refusal to comply with the terms of the Lender's request may, at Lender's election, constitute a default under the note and/or mortgage/deed of trust and give Lender the option of declaring all sums secured by the loan documents immediately due and payable.

BORROWER LIABILITY: If Borrower(s) fails or refuses to execute, acknowledge, initial and deliver the Replacement Documents or provide the Additional Documents or Fees to Lender more than ten (10) days after being requested to do so by Lender, and understanding that Lender is relying on these representations, Borrower(s) agree(s) to be liable for any and all loss or damage which Lender sustains thereby including but not limited to all attorney's fees and costs incurred by Lender.

This Agreement shall inure to the benefit of Lender's successors and assigns and be binding upon the heirs, devisees, personal representatives, successors and assigns of Borrower(s).

Signature _____ Date _____
John Doe

Signature _____ Date _____
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Errors and Omissions Letter

Loan # 123456

May 12, 2012

Loan Amount: **\$65,000.00**

The signatures of each of the Borrowers in the spaces below are consent of the undersigned to the following agreement concerning the Loan.

If any one or more of the documents evidencing, governing, securing or otherwise pertaining to the Loan (the "Loan Documents") does not accurately reflect the terms of the Loan (either at the time or the origination thereof or at any time during the term thereof) due to (i) a mistake (including, without limitation, a miscalculation or other clerical error) by the Lender or its agents, employees, representatives successors or assigns and any one or more of the Borrowers' then, and in such event, each of the undersigned hereby agrees, within the period of time following a request therefore by the Lender a determined by the Lender pursuant to its reasonable discretion and so specified to sign or initial any one or more of the existing Loan Documents whether one or more new documents or take any other action whatsoever requested by the Lender to accurately reflect the terms of the Loan. Each of the undersigned hereby agrees and acknowledges that its failure or refusal to sign or initial any such documents or to take such other action requested by the Lender within such period of time following the request therefore by the Lender shall cause the Borrowers to be "in default" under the Loan Documents.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by **John Doe and Jane Doe**.

Notary Public
Printed Name: _____
My commission expires: _____

Errors and Omissions Letter

INITIAL ESCROW ACCOUNT WAIVER

Words used in this Waiver are defined below. Words in the singular mean and include the plural and vice versa.

“Borrower” is **John Doe and wife, Jane Doe**.

“Escrow Items” means: (a) taxes and assessments and other items which can attain priority over the Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all property insurance required by Lender; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums.

“Funds” means the sum included in Borrower’s periodic payment to provide for Escrow Items.

“Lender” is **ABC Bank**, and its successors or assigns.

“Loan” means the debt evidenced by the Note and all sums due under the Security Instrument.

“Mortgage Insurance” means insurance protecting Lender against the non-payment of, or default on, the Loan.

“Note” means the instrument evidencing the debt dated **May 12, 2012**, signed by Borrower in favor of Lender.

“Property” means the property commonly known as **555 Simple Road, Fort Worth, TX 76137**.

“Security Instrument” means the deed of trust/mortgage/security deed/security instrument signed by Borrower in favor of Lender, securing payment of the Note.

WHEREAS, Borrower is or will become indebted as evidenced by the Note and Security Instrument securing the Property;

WHEREAS, the Security Instrument provides that Borrower shall pay to Lender on the day periodic payments are due under the Note, until the Note is paid in full, the Funds for payment of Escrow Items;

WHEREAS, Lender is willing to waive payment of the Funds;

WHEREAS, Borrower has paid Lender the sum of associated with this Escrow Account Waiver;

NOW THEREFORE, in consideration of a promise from Borrower to pay the Escrow Items in full when due, Borrower and Lender agree that Borrower will pay Escrow Items when they become due and payable and remit receipts marked “paid” for the Escrow Items to Lender. Upon Borrower’s failure to remit paid receipts to Lender, Lender may require that Borrower’s periodic payments will immediately be increased to include the Funds for the Escrow Items to the extent and on the conditions required by applicable law; and this waiver will be of no further force and effect.

It is expressly understood that by entering into this Initial Escrow Account Waiver, Borrower shall personally and directly pay any and all Escrowed Items in addition to paying the periodic payments due under the Note. If Borrower wishes to establish an escrow account after closing their loan, they may contact the Servicer to whom they are making their payments.

It is expressly understood that by entering into this Initial Escrow Account Waiver, Lender does not waive or modify in any way any rights or remedies for default it may have under the Security Instrument, including specifically, without limiting the generality of this waiver, rights or remedies for default arising from untimely or incomplete payment of the Escrow Items, or any other matters to be paid or performed pursuant to the Security Instrument. Nothing in this waiver supersedes or limits the Lender’s right to revoke this Waiver, at any time, by notice given to the Borrower, as granted in the terms of the Security Instrument.

It is expressly understood that Borrower's failure to pay insurance premiums may result in Lender placement of insurance at a potentially higher cost to Borrower, including but not limited to, commission payments to the servicer and/or reduced coverage for Borrower of Lender-placed insurance.

It is further understood that no waiver by Lender or non-compliance by Borrower with the requirement for timely and complete payment of the Escrow Items will constitute more than a waiver of that single failure. As used herein, "timely and complete payment" means, as the context requires, payment so as to prevent delinquency, cancellation or lapse of coverage, or landlord default notice or remedies.

Borrower acknowledges receipt of this Waiver and understands its provisions.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Lender Address: **2310 W Interstate 20, 100, Arlington, TX 76017**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Fair Credit Reporting Act Notice
(Prior to Furnishing Negative Information to
Nationwide Consumer Reporting Agency)

Loan # 123456

Pursuant to the Fair Credit Reporting Act and Regulation V, we are required to provide you with the following information:

We may report information about your loan and/or account to credit bureaus. Late payments, missed payments, or other defaults on your loan and/or account may be reflected in your credit report.

ACKNOWLEDGMENT

I/We have read the above statement and acknowledge receiving a copy by signing and dating below.

Signature **John Doe** Date

Signature **Jane Doe** Date

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Loan Subsequent Refinance Limitations Notice

Loan # 123456

Article 16, Section 50 of the Texas Constitution provides various limitations to a borrower that wants to later refinance a Texas home equity loan. Among (including, but not limited to) those limitations are the following:

“One Year Between Home Equity Loans”. Section 50(a)(6)(M) provides that a Texas home equity loan can not be closed before...the first anniversary of the closing date of any other Texas home equity loan secured by the same homestead property.

“Once a Home Equity, Always a Home Equity”. Section 50(f) provides that a refinance of debt secured by the homestead, any portion of which is a Texas home equity loan may not be secured by a valid lien against the homestead unless the refinance of the debt is a Texas home equity loan.

Signature
John Doe

Date

Signature
Jane Doe

Date

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Hazard Insurance Information

[Settlement Agent to Complete and Execute]

Loan # 123456

Name of Insurance Company: _____

Name of Insurance Agent: _____

Address of Agent: _____

Phone Number: _____

Type of Insurance: _____

Paid Through Escrow: Yes/No Check No. _____

Amount of Coverage: _____

Amount of Annual Premium: _____

Date of Issuance of Policy: _____

Expiration Date of Policy: _____

The above-referenced new insurance policy and paid receipt for the first year premium (and signed installment note if applicable) is enclosed herewith.

Texas Title

By: _____
(Settlement Agent Signature)

MORTGAGE FRAUD IS INVESTIGATED BY THE FBI



Mortgage Fraud is investigated by the Federal Bureau of Investigation and is punishable by up to 30 years in federal prison or \$1,000,000 fine, or both. It is illegal for a person to make any false statement regarding income, assets, debt, or matters of identification, or to willfully overvalue any land or property, in a loan and credit application for the purpose of influencing in any way the action of a financial institution.

Some of the applicable Federal criminal statutes which may be charged in connection with Mortgage Fraud include:

- 18 U.S.C. § 1001 - Statements or entries generally
- 18 U.S.C. § 1010 - HUD and Federal Housing Administration Transactions
- 18 U.S.C. § 1014 - Loan and credit applications generally
- 18 U.S.C. § 1028 - Fraud and related activity in connection with identification documents
- 18 U.S.C. § 1341 - Frauds and swindles by Mail
- 18 U.S.C. § 1342 - Fictitious name or address
- 18 U.S.C. § 1343 - Fraud by wire
- 18 U.S.C. § 1344 - Bank Fraud
- 42 U.S.C. § 408(a) - False Social Security Number

Unauthorized use of the FBI seal, name, and initials is subject to prosecution under Sections 701, 709, and 712 of Title 18 of the United States Code. This advisement may not be changed or altered without the specific written consent of the Federal Bureau of Investigation, and is not an endorsement of any product or service.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Mortgage Fraud Warning

Lender: **ABC Bank**
Borrower: **John Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Name Affidavit

Loan # 123456

In reference to the above-described loan transaction, I the undersigned, and being named party in the loan documents for said transaction, on oath do swear that I am one and the same person as:

Signature Date
John Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **ABC Bank**
Borrower: **Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Name Affidavit

Loan # 123456

In reference to the above-described loan transaction, I the undersigned, and being named party in the loan documents for said transaction, on oath do swear that I am one and the same person as:

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **Jane Doe**.

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Notice of No Oral Agreements

Loan # 123456

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Receipt of Notice: The undersigned hereby represents and warrants that I/we have each received and read a copy of this Notice on or before the execution of the "Loan Agreement." "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, pursuant to which a financial institution loans or delays repayment of or agrees to loan or delay repayment of money, goods, or any other thing of value or to otherwise extend credit or make a financial accommodation.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Owner's Affidavit of Compliance
(Regarding Compliance with Provisions of Section 50(a)(6),
Article XVI, Texas Constitution)

Loan # 123456

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned persons(s), who, first being duly sworn according to law, upon oath depose and say:

We, the undersigned person or persons, are all the owners, or spouses of owners, of the above described Property, who occupy the property as our principal residence and homestead (the "Homestead Property"). We, or one or more of us, have made application with the Lender for an extension of credit commonly known as an "equity loan," as authorized by Section 50(a)(6), Article XVI, Texas Constitution, which equity loan will be secured by a lien on the Homestead Property (the "Loan"). We are all the Borrower(s) named in the certain promissory note (the "Note") and the certain mortgage, deed of trust, or other written agreement (the "Security Instrument") that evidence and secure the Loan, or spouses of Borrower(s) named in the security instrument only, both of which instruments are date the same day as this affidavit and are being executed by us contemporaneously with this affidavit and delivered to Lender in connection with the closing of the Loan this date. We are all of lawful age and are making each and every of the representations and statements set forth in this affidavit for the purpose of inducing the Lender to make the Loan and any assignee of the Lender to purchase the Loan:

| | |
|--------------------------------------|--|
| Voluntary Lien | 1. The Loan is an extension that is secured by a voluntary lien on the Homestead Property created under a written agreement with the consent of each owner and, if applicable, each owner's spouse; |
| No Agricultural Use | 2. The Homestead Property is not designated for agricultural use as provided by statutes governing property tax, or, if designated for agricultural use, the Homestead Property is used primarily for the production of milk; |
| 80% Loan to Value | 3. The Loan is of a principal amount that when added to the aggregate total of the outstanding balance of all other indebtedness secured by a valid encumbrance of record against the Homestead Property does not exceed 80 percent of the fair market value of the Homestead Property on this date; and, each of us has this day signed a separate written Acknowledgment as to the Fair Market Value of the Homestead Property that we believe to represent the true and correct value of the Homestead Property as of the date the Loan is made; |
| Constitutional Notice Received | 4. The Lender has provided each of us with a written notice on a separate instrument entitled "Notice Concerning Extensions of Credit Defined by Section 50(a)(6), Article XVI, Texas Constitution" as set forth in the constitution, the receipt of which notice we have each acknowledged by signing and dating a copy thereof; The written notice provided us was in the English language, but, if our discussions with the Lender were conducted primarily in a language other than English, the Lender has additionally provided us a copy of the notice before closing of the Loan that is translated into the written language in which our discussions were conducted. |

No Prohibited Terms or Provisions

No Other Equity Loans

Office Closing

Compliance With Timing Requirements

No Blanks

Copies Received

Other Debts to Lender

Other owners or undisclosed liens

5. The Note, Security Instrument, and related closing documents represent the entire agreement between Lender and Borrower with respect to the Loan and there exists no oral or unwritten agreements between us. No agreement of any kind (whether written or unwritten, expressed or implied) exists between Lender and Borrower by or under which terms or provisions prohibited by the constitution or laws of the State of Texas are imposed in connection with the Loan (including expressly no agreement of any kind that the Loan is, or will be, secured by any additional real or personal property other than the Homestead Property or that the Loan proceeds are, or will be, required to be applied to pay another debt except a debt secured by the Homestead Property or a debt to another lender).
6. The Loan is, or will be when closed this date, the only debt secured by the Homestead Property at the time the extension of credit is made, other than any debts secured on the Homestead Property that were made for another purpose authorize by the Texas Constitution. The Loan is, or will be when closed this date, therefore, the only equity loan secured by the Homestead Property of the type defined by Section 50(a)(6), Article XVI, Texas Constitution and the Loan is being closed on, or after, the first anniversary of the closing date of any other equity loan of that type secured by the same Homestead Property.
7. The Loan is being closed this date at the offices of the Lender, or, if not the offices of the Lender, at the offices of an attorney at law or title insurance company authorized by the Lender and not before:
 - a. the 12th day after the later of the date that we submitted an application to the Lender for the extension of credit or the date that the Lender provided us a copy of the written notice concerning equity loans described in paragraph 4, of this affidavit; and,
 - b. the first anniversary of the closing date of any other equity loan secured by the Homestead Property as described in paragraph 6 of this affidavit;
8. We have examined the Note, Security Instrument, and all other documents signed by us in connection with the Loan and verify that we did not sign any instrument in which blanks are left to be filled in, and that we each have been provided a copy of all documents signed by us related to the Loan and the Loan closing, including this affidavit;
9. We have not been asked or required by the Lender to apply the proceeds of the Loan to repay any other debt we may owe to the Lender except, if applicable, proceeds used to refinance an existing debt to the Lender that is secured by the Homestead Property. Should we elect after closing of the Loan to apply any part of the proceeds of the Loan to repay another debt to the Lender in whole or in part, we acknowledge that such payment will have been made voluntarily and not as a requirement of the Lender or as a condition of the Loan;
10. Other than us, there are no other persons and no entities that hold legal title to the Homestead Property. Except as we disclosed in our loan application to the Lender, there are no other encumbrances of record securing debt to anyone or any entity against the Homestead Property, including any second mortgages, home improvement liens or federal tax liens;

Constitutional
Right To
Rescind

Inducement
to Lender

Actual
Fraud

11. We acknowledge and understand that under the Texas Constitution any owner of the Homestead Property, and any spouse of any owner, may, within three (3) days after the execution of credit is made, rescind the loan without penalty or charge;

12. We acknowledge and understand that the representations and statements of fact contained in this affidavit are made under oath for the purpose of inducing the Lender to make an extension of credit of the type defined by Section 50(a)(6), Article XVI, Texas Constitution, that will be secured by a lien on our Homestead Property and that Lender is relying on the truth and accuracy of all such representations and statements of fact in its determination to make the extension of credit and to disburse Loan proceeds to us or to others for our account. We further acknowledge and understand that the knowing misrepresentation of a material fact, whether by assertion or omission, that is contained or set forth in our loan application, the Acknowledgment of Fair Market Value, this Affidavit of Compliance, or the Note, Security Instrument, or related documents signed by us in connection with the processing and closing of the Loan, and upon which the Lender has relied in its determination to make this extension of credit, may constitute actual fraud that would subject any owner, or the spouse of any owner, to recourse for personal liability to Lender to keep all the promises contained in the Note and Security Instrument, including the promise to personally pay the full amount due, in accordance with the provisions of Section 50(a)(6)(C), Article XVI, Texas Constitution.

CAUTION: THIS IS A SWORN STATEMENT. DO NOT SIGN THIS AFFIDAVIT UNLESS YOU HAVE READ IT AND, ON OATH, YOU BELIEVE IT TO BE TRUE AND ACCURATE. SIGN THIS AFFIDAVIT ONLY AFTER YOU HAVE SIGNED THE NOTE, SECURITY INSTRUMENT AND ALL OTHER LOAN DOCUMENTS.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

SUBSCRIBED AND SWORN TO BEFORE ME on the _____ day of _____, 20____ by **John Doe and Jane Doe.**

Notary Public
Printed Name of Notary: _____
My Commission Expires: _____

Owner's Affidavit of Compliance (1/98)

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Loan # 123456

SHORT LEGAL DESCRIPTION:

Being all that certain tract or parcel of land situated in Tarrant County Texas, and being out of and a part of the X.Y.Z. Survey and also being a part of the A.B.C. 15 acre tract in said Survey and being the West one-half of Block No. 111, as surveyed out of the East side of said A.B.C 15 acre tract of land in said Survey by X.Y.Z. Survey Tarrant County Surveyor of Tarrant County, Texas, made July 1, 1999, and surveyed in the blocks numbered one to ten and the tract of land herein conveyed being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof.

Property Tax Information

(This form must be typed)

TAX AUTHORITY:

TAX INFORMATION:

State and County

Name: _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Tax ID/Account No.: _____

Estimated Annual Tax: _____
Monthly Escrow Amount: _____
Taxes Paid Through: _____
Amount of Taxes Last Paid: _____
Discount Date: _____
Due Dates in Sequence: _____
Penalty Date: _____

City

Name: _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Tax ID/Account No.: _____

Estimated Annual Tax: _____
Monthly Escrow Amount: _____
Taxes Paid Through: _____
Amount of Taxes Last Paid: _____
Discount Date: _____
Due Dates in Sequence: _____
Penalty Date: _____

School

Name: _____
Address: _____
City: _____
State: _____
Zip: _____
Telephone: _____
Tax ID/Account No.: _____

Estimated Annual Tax: _____
Monthly Escrow Amount: _____
Taxes Paid Through: _____
Amount of Taxes Last Paid: _____
Discount Date: _____
Due Dates in Sequence: _____
Penalty Date: _____

Property Tax Information

TAX AUTHORITY:

TAX INFORMATION:

Municipal Utility

Name: _____
 Address: _____
 City: _____
 State: _____
 Zip: _____
 Telephone: _____
 Tax ID/Account No.: _____

Estimated Annual Tax: _____
 Monthly Escrow Amount: _____
 Taxes Paid Through: _____
 Amount of Taxes Last Paid: _____
 Discount Date: _____
 Due Dates in Sequence: _____
 Penalty Date: _____

Other

Name: _____
 Address: _____
 City: _____
 State: _____
 Zip: _____
 Telephone: _____
 Tax ID/Account No.: _____

Estimated Annual Tax: _____
 Monthly Escrow Amount: _____
 Taxes Paid Through: _____
 Amount of Taxes Last Paid: _____
 Discount Date: _____
 Due Dates in Sequence: _____
 Penalty Date: _____

“Estimated Annual Tax” amounts specified above are based upon the improved value of the Property (and without exemption(s) if the exemption(s) will no longer apply). If the Property is new construction (or subject to exemptions that will no longer apply), please place an “E” for Estimate beside the “Estimated Annual Tax: amount. If the Property is not occupied by the Borrower(s), please furnish the correct mailing address for the Borrower(s):

Texas Title

By: _____
 Settlement Agent

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Texas Home Equity Receipt of Copies

Loan # 123456

I/We each acknowledge that Lender (or a settlement agent on behalf of Lender), at the time the above referenced loan was made, provided each owner of the Property a copy of all documents signed by the owner related to the loan including, but not limited to, the following:

- 1) Notice Concerning Extensions of Credit - at application
- 2) Acknowledgment Regarding Fair Market Value
- 3) Texas Affidavit and Agreement
- 4) Texas Home Equity Note
- 5) Texas Home Equity Security Instrument (and any attached Riders)
- 6) Notice of Right to Rescind
- 7) All other documents required by Lender.
- 8) All documents required by any settlement agent, HUD-1 or HUD-1A Settlement Disclosure, Affidavit of Debts and Liens (Copy of signed documents containing no blanks.
- 9) All documents required by any others.
- 10) Final loan application.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

HUD-I Settlement Statement Addendum

Loan # 123456

I have carefully reviewed the HUD-I or HUD-IA Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have reviewed a copy of the HUD-I or HUD-IA Settlement Statement.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

The HUD-I or HUD-IA Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.

Texas Title

By: _____
Settlement Agent

Date

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details, see: Title 18 U.S. Code Sections 1001 and 1010.

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Collateral Protection Insurance Notice (Texas)

Loan # 123456

Pursuant to Texas law (Tex. Finance Code § 307.052), Lender is required to give the following notice at the time the credit agreement is executed.

You have entered into a credit agreement that requires you to maintain Collateral Protection Insurance for the above property. As part of this agreement, you are required to:

1. **Keep the collateral insured against damage in the amount the Lender specifies;**
2. **Purchase the insurance from an insurer that is authorized to do business in this state or an eligible surplus lines insurer;**
3. **Name Lender as the party to be paid under the policy in the event of a loss; and**
4. **If required by Lender, deliver to Lender a copy of the policy and proof of the payment of premiums.**

If you fail to meet any requirement listed above, Lender may obtain Collateral Protection Insurance on your behalf and at your expense.

ACKNOWLEDGMENT

I/We hereby acknowledge receipt of this Collateral Protection Insurance Notice and further acknowledge that I/we understand its provisions.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

**TEXAS HOME EQUITY ACKNOWLEDGMENT OF ADVANCE
COPY OF LOAN APPLICATION AND
FINAL ITEMIZATION OF FEES AND CHARGES**

Borrower(s): **John Doe and wife, Jane Doe**

Property: **555 Simple Road, Fort Worth, Texas
76137**

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

I acknowledge that I am the owner, or a spouse of an owner, of the property commonly known as: **555 Simple Road, Fort Worth, Texas 76137** (“Homestead Property”).

I acknowledge that I have received, at least one business day prior to the closing of the loan, a copy of my loan application if not previously provided and a final itemized disclosure of the actual fees, points, interest, costs, and charges that will be charged at closing. I further acknowledge that the copy of my loan application I have received may be, but is not necessarily, the “final loan application” that I will receive at closing pursuant to Section 50(a)(6)(Q)(v), Article XVI of the Texas Constitution.

I acknowledge that Lender is relying on this statement.

[DO NOT SIGN IF THERE ARE BLANKS LEFT TO BE COMPLETED IN THIS DOCUMENT. THE EXTENSION OF CREDIT MUST BE CLOSED AT THE OFFICE OF THE LENDER, AN ATTORNEY AT LAW, OR A TITLE COMPANY. YOU MUST RECEIVE A COPY OF THIS DOCUMENT AFTER YOU HAVE SIGNED IT.]

CAUTION: THIS IS A SWORN STATEMENT. DO NOT SIGN THIS AFFIDAVIT UNLESS YOU HAVE READ IT AND, ON OATH, YOU BELIEVE IT TO BE TRUE AND CORRECT. IF THE FEES AND CHARGES DISCLOSED TO YOU AT CLOSING TODAY DIFFER IN ANY WAY FROM THE FEES AND CHARGES EARLIER DISCLOSED TO YOU BEFORE THE DATE OF CLOSING, YOU MUST NOT SIGN THIS AFFIDAVIT AND YOU SHOULD ADVISE THE SETTLEMENT AGENT THAT YOU CANNOT SIGN IT.

Signature Date
John Doe

Signature Date
Jane Doe

[Sign Originals Only]

STATE OF TEXAS
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by
John Doe and Jane Doe.

Notary Public
Printed Name: _____
My commission expires: _____

Lender: **ABC Bank**
Borrower: **John Doe and wife, Jane Doe**
Property: **555 Simple Road, Fort Worth, Texas 76137**

Your Billing Rights Regarding Your Open Line of Credit (Home Equity Loan)

KEEP THIS NOTICE FOR FUTURE USE

Loan # 123456

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act and Truth-in-Lending (Truth-in-Lending).

Notify Us In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us [on a separate sheet] at the address listed on your bill. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone

Your Billing Rights Regarding Your Open Line of Credit (Home Equity Loan)

we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

ABC Bank

Settlement Agent:

Please complete Social Security Number(s) on each W-9 attached.

Thank you.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

| | | |
|---|---|---|
| Print or type See Specific Instructions on page 2. | Name (as shown on your income tax return) John Doe | |
| | Business name/disregarded entity name, if different from above | |
| | Check appropriate box for federal tax classification: <input checked="" type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ <input type="checkbox"/> Other (see instructions) ▶ | |
| | <input type="checkbox"/> Exempt payee | |
| | Address (number, street, and apt. or suite no.) 555 Simple Road | Requester's name and address (optional) |
| City, state, and ZIP code Fort Worth, TX 76137 | | |
| List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

| Social security number | | | | | | | | | |
|------------------------|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

| Employer identification number | | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|--|---|
| Interest and dividend payments | All exempt payees except for 9 |
| Broker transactions | Exempt payees 1 through 5 and 7 through 13. Also, C corporations. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 5 |
| Payments over \$600 required to be reported and direct sales over \$5,000 ¹ | Generally, exempt payees 1 through 7 ² |

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account ¹ |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor ² |
| 4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee ¹ The actual owner ¹ |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner ³ |
| 6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A)) | The grantor* |
| For this type of account: | Give name and EIN of: |
| 7. Disregarded entity not owned by an individual | The owner |
| 8. A valid trust, estate, or pension trust | Legal entity ⁴ |
| 9. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 10. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 11. Partnership or multi-member LLC | The partnership |
| 12. A broker or registered nominee | The broker or nominee |
| 13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B)) | The trust |

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

| | | |
|---|---|---|
| Print or type See Specific Instructions on page 2. | Name (as shown on your income tax return) Jane Doe | |
| | Business name/disregarded entity name, if different from above | |
| | Check appropriate box for federal tax classification: <input checked="" type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ <input type="checkbox"/> Other (see instructions) ▶ | |
| | <input type="checkbox"/> Exempt payee | |
| | Address (number, street, and apt. or suite no.) 555 Simple Road | Requester's name and address (optional) |
| City, state, and ZIP code Fort Worth, TX 76137 | | |
| List account number(s) here (optional) | | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

| Social security number | | | | | | | | | |
|------------------------|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

| Employer identification number | | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name/disregarded entity name” line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the “Name” line and any business, trade, or “doing business as (DBA) name” on the “Business name/disregarded entity name” line.

Disregarded entity. Enter the owner's name on the “Name” line. The name of the entity entered on the “Name” line should never be a disregarded entity. The name on the “Name” line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the “Name” line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the “Business name/disregarded entity name” line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the “Name” line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the “Name” line is an LLC, check the “Limited liability company” box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter “P” for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter “C” for C corporation or “S” for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the “Name” line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the “Name” line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|--|---|
| Interest and dividend payments | All exempt payees except for 9 |
| Broker transactions | Exempt payees 1 through 5 and 7 through 13. Also, C corporations. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 5 |
| Payments over \$600 required to be reported and direct sales over \$5,000 ¹ | Generally, exempt payees 1 through 7 ² |

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account ¹ |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor ² |
| 4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee ¹ The actual owner ¹ |
| 5. Sole proprietorship or disregarded entity owned by an individual | The owner ³ |
| 6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A)) | The grantor* |
| For this type of account: | Give name and EIN of: |
| 7. Disregarded entity not owned by an individual | The owner |
| 8. A valid trust, estate, or pension trust | Legal entity ⁴ |
| 9. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 10. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 11. Partnership or multi-member LLC | The partnership |
| 12. A broker or registered nominee | The broker or nominee |
| 13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B)) | The trust |

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**LAST PAGE
OF THE PACKAGE**