



**OLD REPUBLIC**  
National Title Insurance Company

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# Bulletin

**To:** All Agents, Direct Operations & Attorneys in the State of Texas  
**From:** David W. Rhodes, Sr. Underwriting Counsel  
**Date:** December 14, 2007  
**Re:** New Guidelines for Home Equity Loans

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As a result of recently passed legislation and approval of a constitutional amendment this November, home equity lending has changed. Effective January 1, 2008, property that secures a home equity loan cannot be placed on the tax rolls with an Agricultural Use designation. This means that borrowers will not be able to remove their "Ag Use" designation, obtain a home equity loan and then re-designate their property as Ag on the tax rolls.

This is a response to the Marketic case in which a lender was prevented from foreclosing their home equity loan where the property was re-classified as "Ag Use" after the loan closing. **This bulletin replaces those underwriting guidelines in the bulletin dated January 29, 2007, and is effective January 1, 2008.**

#### **Underwriting Guidelines**

- Determine prior to closing that subject property does not have a designation for "Agricultural Use" on the tax rolls.

Any questions concerning this Bulletin should be directed to the Legal Department.

#### **Underwriting Counsel**

David Rhodes  
Steve Streiff

#### **Administration**

Kindra Wessel  
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