

022-19
09-17-2019

Texas 50(a)(6) and 50(a)(4) Appraisal Requirements

EFFECTIVE DATE: 09-17-2019

Please be advised that a Property Inspection Waiver (PIW) or Automated Collateral Evaluation (ACE) is not permitted for a Texas 50(a)(6) and 50(a)(4) loan. A full appraisal is required on all Texas 50(a)(6) and 50(a)(4) loans, regardless of the Automated Underwriting System (AUS) findings.

Currently, the Texas Constitution requires that the loan amounts for the 50(a)(6) and 50(a)(4) loans do not exceed 80% of the fair market value of the property, which is determined by an appraisal or similar valuation.