



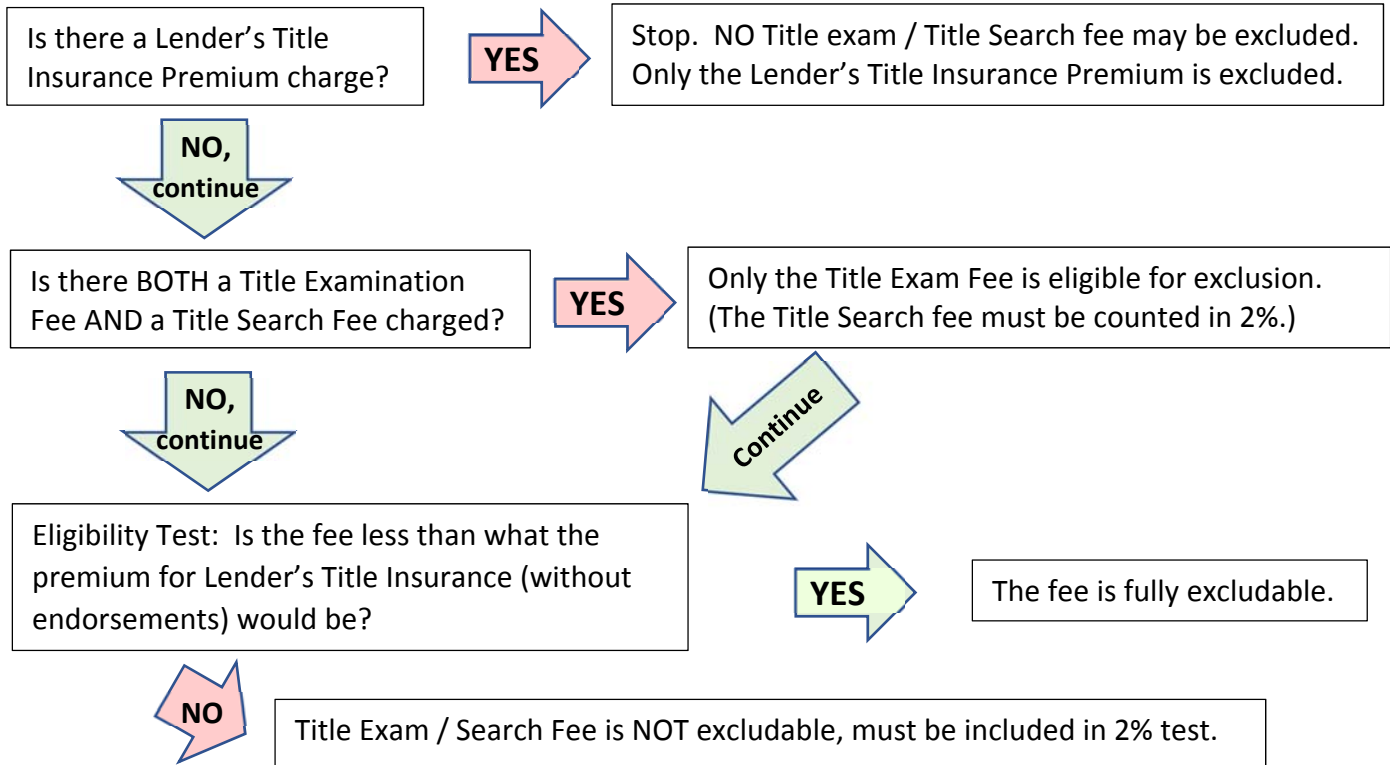
## Texas 2% Cheatsheet

Assume all fees are included in the 2% test unless exempted.

<b><u>Fees that are ALWAYS exempt</u></b>	
<b>Type of Fee</b>	<b>Example</b>
Aggregate Adjustment	
Escrow account deposit	Any items deposited to escrow
Lender's title insurance	Lender's Title Policy
Optional charges	Owner's Title Policy (typically optional on a TX HE) Any other charge not required by the lender
Title endorsements applicable to the loan	Endorsements Endorsements T42 / T42.1 Endorsements Enviro Protection T36 Planned Unit Development T17 Restrictions, Encroachments, Minerals T19 Tax Amendment T30 Not Yet Due and Payable Tax Deletion
Upfront homeowner's insurance	Flood, windstorm, hazard insurance
Upfront property taxes	City / county prop tax. Current or delinquent

<b><u>Fees that are CONDITIONALLY exempt</u></b>	
<b>Type of Fee</b>	<b>Condition</b>
Appraisal Fee	Must be performed by a third-party appraiser (i.e not an employee of lender), and only the fee for the true, actual appraisal is excluded. See flowchart.
<b><u>Bona Fide</u></b> discount points	Discount points must reduce the rate in order to be "Bona Fide". If they do <b><u>NOT</u></b> reduce the rate, include in 2% test. Also, if they do not reduce the rate, per Reg Z, they shouldn't be disclosed as "Points". Consult compliance for details.
HOA fees and dues	Exclude all fees and dues <b><u>except</u></b> the required HOA cert in Section B.
Survey	Any type of survey may be excluded, <b><u>as long as</u></b> it was performed by a state registered or licensed surveyor.
Title Examination / Title Search	Only one can be excluded, and only if no title insurance charged. See flowchart.

## Title Examination / Title Search Flow Chart



## Appraisal Flow Chart

