

## Underwriting Bulletin: UNTX-2022-001

Date: February 9, 2022  
To: All Texas Agents  
From: FNTI Underwriting Department  
RE: **Home Equity Loans Closing Location**

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Home equity loans under the Texas Constitution are required to be closed only in the office of the lender, an attorney, or a title company. In November of 2020, a new administrative rule (Texas Administrative Code Title 7, Section 153.15) attempted to clarify these location guidelines. A home equity loan must be closed at the permanent physical address or branch office of the lender, attorney, or title company. The closing may occur in any area located at the permanent physical address of the lender, attorney, or title company (e.g., indoor office, parking lot). These changes were to accommodate outdoor closings as long as those occur on the permanent physical address of the lender, attorney or title company.

**If a mobile notary is used and the documents are executed at any location besides a Texas title company or fee attorney office, subparagraph (f) must be omitted from the T-42 endorsement.**

For insuring purposes, Procedural Rule P-44.C.1 provides that the subparagraph (f) coverage can only be provided in the T-42 endorsement when the documents (including any Power of Attorney to be used) are executed at the office of a title company. The relevant portion of the rule reads as follows:

*The Company may add subparagraph (f) to paragraph 2 of the Equity Loan Mortgage Endorsement (T-42) if it considers the risk insurable, provided that the following requirements are met:*

*The promissory note secured by the insured mortgage and the insured mortgage must be executed by the borrower(s)/grantor(s) at the office of a title company and the insured mortgage must be acknowledged by the borrower(s)/grantor(s) at the office of a title company. For purposes of this subparagraph C(1), "the office of a title company" shall mean the leased or owned Texas office location(s) of: (a) a title insurance company; or, (b) a direct operation; or, (c) a title insurance agent; or, (d) an attorney conducting the attorney's business in the name of a title insurance company or direct operation or title insurance agent where the attorney and the attorney's bona fide employees who close transactions are licensed as escrow officers as provided in Article 9.42.C, Texas Insurance Code.*

Should you have any questions about the closing location, please contact underwriting prior to closing.

*This Underwriting Bulletin becomes a part of the principles and practices with which you are to comply under the terms of your Underwriting Agreement with First National Title Insurance Company. Should the content of this bulletin address the closing and escrow function, this information should be considered a directive and part of the principles and practices if non-compliance would result in liability to FNTI under either the insured closing service letter or policy of title insurance notwithstanding that the Underwriting Agreement does not include the closing and escrow functions of your agency.*