



**Cornerstone**  
HOME LENDING, INC.  
Correspondent Lending Division

**TO: Correspondent Lenders**

**FROM: Angela Breidenbach, Operations Manager**

**DATE August 27, 2013**

**RE: TEXAS CASH OUT HOME EQUITY LOANS – 3% FEES**

Due to a recent ruling by the Texas Supreme Court, **the following fees must now be included in the 3% calculation on all Texas Cash Out Home Equity Loans (Primary Residence).**

- Origination Fees
- Loan Discount Fees (not allowed per CHL policy)
- Appraisal Fee
- Credit Report
- Tax Service Fee
- Flood Certification
- **Per Diem Interest**
- Title Services and Lender's Title Insurance
- Mortgage Insurance Premium
- Broker fees
- Attorney fees
- Government recording charges
- Transfer Taxes
- Miscellaneous expenses of the transaction
- Lender Credits

**This is effective immediately**, and is required even if fees are paid outside of closing (P.O.C).

The following items may be **excluded**:

- Hazard Insurance
- Flood Insurance
- Owner's Title Insurance Coverage
- Escrow items

**\*\*The per diem interest has been added due to new guidance from the Texas Supreme Court.**

As always, your business is greatly appreciated. If you have questions regarding this, or any other issue, we can be reached as follows: [abreidenbach@houseloan.com](mailto:abreidenbach@houseloan.com) or (505)814-7784, [jposen@houseloan.com](mailto:jposen@houseloan.com) or (505)814-7788.