



AMERICAN LAND TITLE, LLC

DEFINITION: House, Condominium, Townhouse, Permanently Installed Mobile Home.

URBAN: The homestead of a family or a single adult person, not otherwise entitled to a homestead, shall consist of not more than TEN ACRES of land which may be in one or more contiguous lots, together with any improvements thereon.

RURAL: For a family - not more than 200 acres, which may be in one or more parcels, with the improvements thereon. For a single adult person - not otherwise entitled to a homestead, not more than 100 acres, which may be in one or more parcels, with the improvements thereon.

IF A HOMESTEAD IS CONSIDERED TO BE RURAL - at the time of designation, the property is not served by municipal utilities and fire and police protection.

PURPOSE: The Texas Homestead Law was created for the primary purpose of securing for a family or a single adult person, not otherwise entitled to a homestead, a place for a home, shelter and the earning of a livelihood from the claims of all creditors EXCEPT THE HOLDERS OF LIENS FOR PURCHASE MONEY, TAXES AND HOME IMPROVEMENT LOANS. No other liens are valid including payments for federal taxes, owelty liens, home equity loans and reverse mortgages.

HOW YOU DECLARE A HOMESTEAD: Upon the purchase of a new home, you must call the appraisal district of the county in which you reside and request that they mail you the necessary forms for "Declaring Your Homestead." You must be the owner on January 1 of the year you are claiming the Homestead Exemption. You must provide a copy of your driver's license or state-issued identification card and a copy of your vehicle registration receipt. The addresses on those documents must match the address of the home on which the exemption is being sought. Those without vehicles must submit a notarized affidavit certifying that and must present a copy of a current utility bill with the same address.

ABANDONMENT OF A HOMESTEAD: If a homestead claimant is married, a homestead cannot be abandoned without the consent of the claimant's spouse. When the parties purchase a new homestead, it is generally clear that an abandonment has occurred. A new homestead must be acquired to abandon the former homestead.

PRETENDED SALE AND LEASE OF HOMESTEAD PROPERTY: Any sale of homestead property that is less than the appraised fair market value wherein the buyer of the property executes a lease of the property to the seller at lease payments exceeding fair rental value of property is considered to be a loan with all payments made from the seller to the buyer in excess of the sales price considered to be interest subject of the usury statute as found in Article 5069.01 et seq.

Such a transaction is also considered a deceptive trade practice. An exception to this rule applies to the sale of a family homestead to a parent, step-parent, grandparent, child, step-child, brother, half-brother, sister, half-sister, or grandchild of an adult member of the family. Title insurance is not available on any sale and leaseback of homestead property.

an agent for



FIRST NATIONAL TITLE
INSURANCE COMPANY