

Friday, September 13, 2024

Bulletin #2024-TX-001

NOTICE TO ALL TEXAS ORIGINATORS

Property Taxes in Texas

FLC Bank has updated Texas property tax qualifications and escrow requirements as follows:

Qualification

- Whenever possible, FLC Bank will use the latest Market Value from the appraisal district for the latest available year multiplied by the latest tax millage rates available.
- No CAP Exemption can be applied on purchase loan transactions as CAP exemptions do not apply to new owners.
- If the borrower qualifies for Homestead Exemption and there is a county tax estimator available, FLC Bank will apply these calculations.
 - If there is no tax estimator, the worst-case scenario will be used.
 - Homestead exemption will be used on primary residences whether the current owner has this exemption or not.

New Construction

If no Market Value based on the full improvements plus land is available from the appraisal district FLC Bank will use the value given on the appraisal instead of the Market Value and use the qualification process above. Industry-standard calculations will be used to apply homestead exemption whenever a tax estimator is not available.

Escrows

- Escrows will be based on the lower of the qualifying figures or actual taxes.
- Payment shock letter is required to be signed by borrower/s at closing when using lower figures for escrows.

These updates are effective immediately.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).