**Mortgage Documents**

**Texas Home Equity Fixed/Adjustable Rate Rider – 30-Day Average SOFR – Single-Family – Fannie Mae/Freddie Mac UNIFORM INSTRUMENT (Form 3142.44)**

**Type of Instrument Instrument Revision Date**

Rider 07/2021

**Instrument Last Modified Summary Page Last Modified**

N/A N/A

**Printing Instructions**

The PDF document must be printed on letter size paper, using portrait format.

**Use This Document For**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| State | Lien Type | Product Type | Property Type | Occupancy Type |
| **Texas** | **First** | **ARM ‑‑ Plans 4927, 4928, and 4929 (Texas Section 50(a)(6) mortgages only)** | **All, except cooperatives** | **All** |

**Required Changes**

The following changes MUST always be made to this document:

None

**Authorized Changes**

The following changes MAY be made to this document at the lender’s option or MUST be made under certain circumstances only:

1. Lenders MAY include at the bottom of each page “initial lines” on which borrowers may insert their initials to acknowledge that all pages of the document are present. If these lines are added, lenders MUST require the borrowers to initial the lines on each page of the document.
2. Lenders MAY adjust cross-references to section, paragraph, or page numbers, if needed to reflect changes in section, paragraph, or page numbers that result from adding, modifying, or deleting certain language in accordance with another authorized change.

**Other Pertinent Information**

Any special instructions related to preparation of this document, use of special signature forms, required riders or addenda, etc. are discussed below.

1. Lenders should insert in the first blank of the first sentence in Section 4(D). Limits on Interest Rate Changes an interest rate that is equal to the sum of the initial start rate for the mortgage and the applicable first interest rate adjustment change limit (which is 2% for ARM Plan 4927 and 5% for ARM Plans 4928 and 4929). Then, in the second blank of the sentence, lenders should insert an interest rate that is equal to the initial start rate for the mortgage less the applicable first interest rate adjustment change limit (which is 2% for ARM Plan 4927 and 5% for ARM Plans 4928 and 4929). However, if this difference is less than the specified mortgage margin, lenders should insert the specified mortgage margin in the second blank of the first sentence. Lenders should insert in the first blank in the last sentence an interest rate that is equal to the sum of the initial start rate for the mortgage and the applicable lifetime interest rate adjustment cap (which is 5% for ARM Plans 4927, 4928 and 4929). Then, in the second blank of the sentence, lenders should insert an interest rate that is equal to the specified mortgage margin.
2. **Note:** Unlike other standard fixed-period ARMs, the Texas Sec. 50(a)(6) fixed-period ARMs are not assumable after the initial adjustment period - they are due on sale for the entire term of the loan.