

# Texas Veterans Land Mortgage Program



## General Information

### ***All loans are subject to credit approval.***

The VLB will finance the LESSER of the following:

- 95% of the final agreed purchase price
- 95% of the appraised value of the land
- \$150,000

A minimum of five percent (5%) down payment is required. Any difference between the VLB's net financing amount and the purchase price is paid at closing.

### **IMPORTANT NOTICE:**

You must determine if the property condition will allow for your intended use and the seller has provided you all applicable disclosures.

- **PLATTING:** If the land is not in a recorded subdivision you should make sure that the transaction complies with city/county requirements and that tract will be eligible for public services such as utility connections, building and septic tank permits.
- **RESTRICTIVE OR PROTECTIVE COVENANTS, RESTRICTIONS:** Land sold in smaller tracts, particularly in subdivisions, is often subject to limitations on use or activities. For example, homes must be of a minimum size, hunting or the raising of livestock may be prohibited, or the owner must contribute to a fund to maintain roads and common areas or pay dues to a Property or Homeowners Association. If you buy land subject to covenants or restrictions, you will be responsible for complying with them, whether or not you knew about them. Please be sure you have read and understand any covenants or restrictions affecting the land you intend to purchase.

The tract must contain a minimum of one acre. If the tract is a "flag pole" shaped tract (access is over the pole portion, with the flag portion containing the usable area), then at least one acre has to be in the "flag" area.

Some of the typical closing expenses that must be paid by the seller and/or veteran purchaser at closing are:

- The standard premiums for an Owner's Title Insurance Policy and a Mortgagee's Title Insurance Policy
- Surveying costs (if new or updated survey is required)
- All expenses associated with clearing the title to the tract and establishing the status of the mineral estate, including the cost of obtaining copies of instruments in the chain of title (these are normally paid by the seller)
- Other usual fees of the title company that are standard to real estate transactions
- Down payment and any amount in excess of the final VLB loan amount (paid at closing)
- Optional - An additional title insurance premium so that the policy insures the survey description of the tract (it will be necessary to furnish the title company with an acceptable survey)

If you have any questions, the VLB is available to assist you Monday through Friday from 7:30 a.m. to 5:30 p.m., or call toll free in Texas at 1-800-252-8387. For assistance outside of Texas, please call 1-512-463-5060. Our Web site address is [vlb.texas.gov](http://vlb.texas.gov). Our mailing address is 1700 N. Congress Ave., Austin, Texas 78701-1496 or P.O. 12873, Austin, Texas 78711-2873.

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## ATTENTION

### Loan Applicants

Section 403.055 of the Government Code and Section 231.006-7 of the Family Code prohibits issuing state funds or granting state loans to persons who are delinquent in paying child support or other debts owed to the state, such as state taxes or a guaranteed student loan.

If any party to the proposed transaction is subject to these provisions, the loan may not be completed until the delinquent amounts have been paid or appropriate arrangements have been made. This prohibition extends to any business entity in which the delinquent debtor has at least a 25 percent interest.

# Texas Veterans Land Mortgage Program



## Checklist

The following items must be submitted to the Texas Veterans Land Board (VLB) to complete the processing of your loan application. An incomplete application packet will cause a delay in processing. Accordingly, you are encouraged to submit all of the listed items along with your completed original Farm and Ranch Contract. Check off each item as you assemble your application packet. If your application is not processed to completion, the VLB will refund any unused portion of the fees received by the VLB.

### 1. COMPLETED ORIGINAL:

- Farm and Ranch Contract (May be obtained from your real estate agent, or at <https://www.trec.state.tx.us/pdf/contracts/25-10.pdf>)

If the Title Company requires the original, VLB will accept a copy.

### 2. COMPLETED ORIGINALS OF THE FOLLOWING FORMS:

- Uniform Residential Loan Application (1003)
- Veteran's Declaration of Eligibility
- Information Disclosure Authorization

### 3. Proof of Income

If Currently Employed: copy of most recent pay statement to cover one month period

If Social Security, Disability, and/or Retirement Income: copy of Award Letter, or 1099

If Self Employed: signed tax returns (including all schedules) for the most recent two years, and a year-to-date profit and loss statement and balance sheet

### 4. LEGAL DESCRIPTIONS OF THE TRACT AS FOLLOWS:

**Please note:** A copy of field notes of an existing survey may be used (as long as the survey is for the same tract being purchased and the field notes include the surveyor's signature and seal). **If a new survey is required, do not order and submit it until after the loan is approved.** (See attached Survey Requirements for VLB Tracts.)

- Field notes description of the tract, and field notes of any access easements (if the tract is not on a public road)

**OR**

- For Tracts in a recorded subdivision using Lot & Block descriptions, a full-size, legible, complete copy of the recorded subdivision plat is required

If available, please include a survey plat that shows the tract, access easement, improvements, etc.

### 5. COPY OF ANY PROPERTY OR DEED RESTRICTIONS (usually furnished by the title company)

6. **Eligibility Requirements**

- At least 18 years of age
- A Bona fide and legal resident of Texas on the date of application and meet the following requirements

**Service Requirements**

- An active duty military member
- A member of the Texas National Guard
- A reserve component military member having completed 20 qualifying years for retirement
- A Veteran having served at least 90 active duty days unless discharged sooner due to service connected disability and not discharged dishonorably
- A surviving spouse of a Veteran listed as missing in action or whose death was service connected

**Please note:** If you do not have a DD-214, you may request one at [www.archives.gov/veterans/military-service-records](http://www.archives.gov/veterans/military-service-records)

7. **DOWN PAYMENT:** At least five percent (5%) of the purchase price must be paid at closing to the closing agent.

8. **FEE DUE WITH APPLICATION**

- \$75.00 Contract Service Fee
- \$250.00 Appraisal Fee for each noncontiguous tract appraised

**FEE DUE AT CLOSING**

- \$63.00 Tax Service Fee
- \$25.00 Servicing Set Up Fee
- Prepaid Interest (amount to be determined)
- Tax Reserve (amount to be determined)

9. **DIFFERENCE MONEY,** if applicable. The difference between the final agreed purchase price and the loan amount in the VLB loan commitment must be paid at closing to the closing agent.

**Title Insurance Commitment Request Items**

The VLB requires a Mortgagee's Title Insurance Policy with the VLB as the insured in first lien position with no secondary liens, and an Owner's Title Insurance Policy with the veteran and spouse (if any) as the insured.

Please order a title commitment from the closing agent of your choice prior to mailing your application to the VLB. Your application should be mailed to the VLB immediately after you have submitted your request to the closing agent. **Copies** of the following should be submitted to the closing agent:

- Farm and Ranch Contract
- Property Description
- Closing Agent Letter

Please review a copy of the Owner's Title Insurance Commitment prior to the final closing of the transaction. You should also review any revisions or updates to that Owner's Title Insurance Commitment.

**IMPORTANT TAX NOTICE:** Property that is presently under either an open land or agricultural exemption can be assessed rollback taxes upon sale or change in use. Not only is the tax exemption canceled and the taxes raised, but additional taxes and interest for the previous three to five years can also become due. Though you, the purchaser, did not own the land for the previous years, you can be liable for taxes from prior years. (see Paragraph 13 of the Farm and Ranch Contract). You may wish to contact the taxing authorities to determine if the property is presently subject to any exemption and if the present sale will trigger a rollback.

Please note that taxes will be escrowed with your monthly payment.

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## Veteran's Declaration of Eligibility

I hereby declare that the following is true:

1. Veteran: \_\_\_\_\_ (print)
2. Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_
3. Address: \_\_\_\_\_
4. Email Address: \_\_\_\_\_
5. Spouse: \_\_\_\_\_ (print) (Whether joining as borrower or not)

### IMPORTANT:

Are you currently a member of a Reserve or National Guard Unit, or still subject to recall as a member of the Selected Reserve or Individual Ready Reserve (IRR)?  Yes  No

*If yes, indicate which. (Give name of unit and location, if applicable.)*

\_\_\_\_\_

### Service Era:

- |                                  |                                                         |                                    |
|----------------------------------|---------------------------------------------------------|------------------------------------|
| <input type="checkbox"/> WWII    | <input type="checkbox"/> Desert Storm                   | <input type="checkbox"/> Peacetime |
| <input type="checkbox"/> Korean  | <input type="checkbox"/> Operation Enduring Freedom     | <input type="checkbox"/> Other     |
| <input type="checkbox"/> Vietnam | <input type="checkbox"/> (Afghanistan)                  |                                    |
|                                  | <input type="checkbox"/> Operation Iraqi Freedom (Iraq) |                                    |

I hereby declare that I am applying to purchase a tract of land under the Texas Veterans Land Mortgage Program as a qualified veteran or unmarried surviving spouse of a qualified veteran under the provisions of the Texas Veterans Land Act.

Singular includes the plural and vice versa.

\_\_\_\_\_  
Signature Veteran Purchaser

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature Spouse

Date: \_\_\_\_\_

# Texas Veterans Land Mortgage Program



## Survey and Legal Description Requirements for Texas Veterans Land Board Tracts

**NOTE TO SELLER OR VETERAN: PLEASE FORWARD A COPY OF THESE REQUIREMENTS TO YOUR PROFESSIONAL LAND SURVEYOR WHEN ORDERING A NEW SURVEY OF THE PROPERTY TO BE FINANCED THROUGH THE VETERANS LAND BOARD (VLB) PROGRAM.**

**NOTICE TO SURVEYORS:** All professional surveying services provided for use in the purchase of land through the VLB Land Program must fully comply with the current *Professional Land Surveying Practices Act and the Standards of Responsibility and Rules of Conduct, Professional and Technical Standards (Texas Administrative Code, Title 22, Part 29, Chapters 661 - 665)*. The VLB will not approve a survey that does not meet these requirements. General Land Office (GLO) survey staff can be reached at **512-463-3493** for questions regarding survey information review. No restrictions may be placed on the survey plat or metes and bounds description which would limit or prohibit the VLB or veteran purchaser from copying and/or using the field notes in this transaction in any future transaction involving the surveyed tract and the VLB and veteran purchaser.

**NOTICE TO VETERANS, SELLERS AND REAL ESTATE AGENTS:** Under certain circumstances Texas statutes require the owner of a tract of land dividing said land into smaller parcels to follow a formal subdivision platting process. It is the responsibility of the owner/seller of the property to legally plat the property if required. If platting is required, the VLB must be provided with a copy of the final approved recorded plat. If the property is not in a recorded subdivision and will be described by field notes, it is recommended that you obtain written verification from the city/county that states that the property is not in violation of their subdivision requirements.

### **REQUIRED LEGAL DESCRIPTION OF THE TRACT AS FOLLOWS:**

**FIELD NOTES** - A tract of land that is not all of a lot in a city/county approved and recorded subdivision must be described by a metes and bounds description (field notes). The description may be an original document or a copy; it must describe the subject tract being purchased; it must be legible; it must meet all *Professional Land Surveying Practices Act and the Standards of Responsibility and Rules of Conduct, Professional and Technical Standards (Texas Administrative Code, Title 22, Part 29, Chapters 661 - 665)* requirements and, it must bear the surveyor's signature and seal.

If there is a companion "survey plat" available, please include it with the field notes.

**OR**

**LOT AND BLOCK** - A lot/tract in a city/county approved and recorded subdivision shall be described by a Lot and Block, and either of the following provided:

1. A **full size, clearly legible, complete** copy of the recorded subdivision plat must be provided. The subdivision plat must be signed and sealed by the surveyor and/or engineer, and signed by the Commissioner's Court, County Clerk and Owner Also it must show the right-of-way dedication and all courses, distances and curve data for all lot lines for each lot. No significant deficiencies, errors, or ambiguities as to tract boundaries may exist on the recorded plat, or;

2. A **clearly legible, complete** copy of a Lot/Block survey plat must be provided. On the face of the survey plot there shall be a certification signed and sealed by the surveyor, proper reference to recorded Subdivision Plat i.e. lot/block, subdivision name and recording information, proper monumentation (found or set), street right-of-way and/or access noted and all courses, distances and curve data for all lot lines must be shown. No significant deficiencies, errors, or ambiguities as to lot boundaries may exist.

#### **ACCESS EASEMENTS:**

Easements necessary for access to/from the subject tract to/from a public road must be clearly shown on the subdivision plat together with the dedication of said easement(s) to the public or to the owners of lots/tracts in the subdivision. The width of the easement with its courses and distances must be shown.

**If the tract is not in a recorded subdivision and does not abut/adjoin a public road, a perimeter metes and bounds or centerline description (field note) of an access easement must be provided.**

For the purpose of these requirements, the term "public road" means any dedicated public roadway, designated to be within the county road system, state or federal highway, or City Street. The Access Easement description must contain the information cited previously in this document and:

- be a minimum of **60** feet wide or meet the county road width requirements for a public road, **whichever is greater**;
- connect with both the tract and a public road with specific references to each other in all descriptions;
- clearly define the designation of a public road; and
- if multiple easements are used, each segment must connect with and contain the calls to the segment(s) to which it connects.

A right-of-way or access easement crossing a tract must be:

- described by metes and bounds in a manner that its location and acreage may be determined;
- referenced in the metes and bounds description of the subject tract or shown on the subdivision plat.

#### **ADDITIONAL REQUIREMENTS:**

- **The VLB will not approve a survey of a tract unless it contains at least one acre, excluding any portion beneath a dedicated public roadway or navigable waterway or is subject to frequent inundation or is otherwise unusable.** It is the responsibility of the veteran and the seller to ensure the tract meets this one-acre minimum.
- "Flag Lot" shaped tracts must contain 1.0 acres in the main body of the tract, excluding the "staff/pole"
- The mathematical closure of any survey plat or field note description shall be no less than 1:10,000. Essential curve data (i.e. chord bearing, chord, arc, and radius) must be supplied for closure calculations.
- Field notes, when required, must reference the parent deed in the chain of title and tie to a corner of the parent tract.
- The survey must also be acceptable to the title company.

# Texas Veterans Land Mortgage Program



## Information Disclosure Authorization

To Whom It May Concern:

I/We hereby authorize you to release to the Texas Veterans Land Board or its assignees the following information for the purpose of verifying:

- Employment history: dates, title, income, hours, etc.
- Banking and savings accounts of record
- Mortgage loan rating(s), balances, etc.
- Direct loan rating(s) or revolving charge accounts
- Any information deemed necessary in connection with a Consumer Credit Report for transactions which involve real estate

This information is for confidential use in compiling a credit file for a land loan.

A photographic or carbon copy of this authorization [being a valid copy of the signature(s) of the undersigned] may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt reply will help expedite my real estate transaction.

Thank you,

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Co-Borrower's Signature

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

The Veterans Land Board may contact me at my place of employment.

Borrower

Co-Borrower

Yes  No

Yes  No



# Texas Veterans Land Mortgage Program



## Closing Agent Letter

***To the veteran: This letter must be submitted to the closing agent of your choice along with a copy of the Farm and Ranch Contract and the property description as soon as possible.***

Dear Closing Agent:

Your company has been selected to close the transaction and provide the Owner's and Mortgagee's Title Insurance Policies. More detailed fee information will be included with your closing instructions at a later date.

Because we are committed to processing our land loans as quickly as possible, please forward to the Texas Veterans Land Board (VLB) the original title commitment along with copies of all recorded restrictions and exception documents as soon as possible. The mortgagee's policy must insure that the VLB has a valid first lien on the property with no secondary financing or additional liens. Enclosed is a copy of the Farm and Ranch Contract with the legal description of the tract.

The veteran must be furnished a copy of the title insurance commitment (and any revisions or updates) and should not close the transaction without reviewing these.

**If the seller named in the Farm and Ranch Contract is not in title, please furnish us a copy of the proposed deed to the Seller. We must approve any exceptions or reservations recited in that deed.**

If you do not anticipate being able to complete this initial assignment within the next three weeks, please notify us immediately. Please do not refer this assignment to any other title company or attorney without written authorization from the VLB.

Sincerely,

Texas Veterans Land Board  
1-800-252-8387