



**OLD REPUBLIC**  
National Title Insurance Company

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# Bulletin

**To:** All Agents, Direct Operations & Attorneys in the State of Texas  
**From:** David W. Rhodes, Sr. Underwriting Counsel  
**Date:** August 24, 2007  
**Re:** Ad Valorem Taxes—Agricultural Use

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The Legislature enacted a new statute which prohibits the classification of land as "Agricultural Use" for tax purposes if the land secures a home equity loan on January 1, 2008. This would prevent a borrower from removing the Agricultural Use exemption from the property, obtaining a home equity loan and then re-designating the property as agricultural after the loan is closed.

This is a direct response to the Marketic case where the Court refused to allow a home equity foreclosure where the borrower re-classified the property as Agricultural Use after the loan closing. That Court held that it was the classification of the property at the time of the foreclosure that controlled, not at the time of the making of the loan.

### **Underwriting Guidelines:**

- Continue to follow the procedures set out in the Underwriting Bulletin dated January 29, 2007 until **January 1, 2008**.

Any questions concerning this Bulletin should be directed to the Legal Department.

### **Underwriting Counsel**

David Rhodes  
Steve Streiff

### **Administration**

Kindra Wessel  
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