

Texas is a Homestead State



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. A homestead is considered to be rural, if 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, owelty of partition, refinance of a lien against a homestead, work or labor for repairs or improvements, extensions of credit, reverse mortgages, or conversion and refinance of a personal property lien on a mobile home.

HOW YOU DECLARE A HOMESTEAD:

A new law effective January 1, 2022, provides property-tax relief by allowing homebuyers to file for homestead exemptions on the date they purchase the property, provided it is their primary residence. Previously, new homeowners had to wait until the following year to file for the exemption.

HOW TO FILE?

VERIFY that the property's ownership change is reflected on the tax rolls by contacting your county appraisal-district office. **DOWNLOAD** the *Application for Residential Homestead Exemption* form from your appraisal district's website. Complete it, then follow the mailing instructions specific to your county.

ABANDONMENT, SALE, OR ENCUMBRANCE 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. A homestead cannot be sold or encumbered without the consent of both spouses regardless of which spouse is on title.

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 to 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.