

## VOLUNTARY LIENS

CESP	CAEP	Topic/Issue
X	X	<b>DEFINITION OF LIEN</b>
X	X	<ul style="list-style-type: none"> <li>A claim or charge on the property of an individual to provide security for the payment of a debt, obligation, or duty.</li> </ul>
X	X	<b>TITLE AND LIENS</b>
	X	<ul style="list-style-type: none"> <li>Texas is a Lien Theory state as opposed to a Title Theory state</li> </ul>
X	X	<ul style="list-style-type: none"> <li>A lien secures an obligation</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Note = Evidence of a promise to pay – the obligation</li> </ul>
X	X	<b>VOLUNTARY LIENS</b>
X	X	<ul style="list-style-type: none"> <li>Voluntary liens defined (contractual lien)</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Types of Voluntary Liens</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Deed of Trust/Mortgage</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Mechanic's Lien Contract</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Deed of Trust to Secure Assumption</li> </ul>
X	X	<ul style="list-style-type: none"> <li>UCC Financing Statement</li> </ul>
X	X	<b>LIEN PRIORITY</b>
X	X	<ul style="list-style-type: none"> <li>Established by</li> </ul>
	X	<ul style="list-style-type: none"> <li>Recording</li> </ul>
	X	<ul style="list-style-type: none"> <li>Statutory or constitutional mandate</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Contractual</li> </ul>
X	X	<ul style="list-style-type: none"> <li><i>f</i> By terms of the lien document itself</li> </ul>
X	X	<ul style="list-style-type: none"> <li><i>f</i> By separate or subsequent document(s) or events</li> </ul>
X	X	<ul style="list-style-type: none"> <li>... Vendor's Lien</li> </ul>
X	X	<ul style="list-style-type: none"> <li>... Homeowner Association Lien for Unpaid Assessments</li> </ul>
X	X	<ul style="list-style-type: none"> <li>... Subordination Agreement</li> </ul>
X	X	<ul style="list-style-type: none"> <li>... Subrogation to rights of a prior lienholder</li> </ul>
X	X	<b>VALID LIENS ON HOMESTEAD PROPERTY</b>
X	X	<ul style="list-style-type: none"> <li>Purchase</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Improvements</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Refinance of lien for ad valorem taxes</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Owely</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Refinance of Federal Tax Lien</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Home Equity</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Reverse Mortgage</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Conversion of personal property lien on manufactured housing unit</li> </ul>

## **VOLUNTARY LIENS**

X	X	<b>SATISFACTION OF DEBT</b>
X	X	<ul style="list-style-type: none"> <li>In a lien theory state, when the debt is satisfied, it is released by a Release of Lien</li> </ul>
	X	<ul style="list-style-type: none"> <li>In a title theory state, when the debt is satisfied, the property is reconveyed by a Reconveyance document</li> </ul>
X	X	<ul style="list-style-type: none"> <li>If the debt is satisfied by another lender, the lien may be transferred to the new lender by an Assignment or Transfer of Lien</li> </ul>
X	X	<b>Curative Actions</b>
X	X	<ul style="list-style-type: none"> <li>Full or Partial Release</li> </ul>
X	X	<ul style="list-style-type: none"> <li>Assignment</li> </ul>
X	X	<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Missing Assignments</li> </ul> </li> </ul>
X	X	<ul style="list-style-type: none"> <li>MERS</li> </ul>