

## Wholesale Lock Policy

### Lock Desk Hours

- Lock desk is open from 8:00 AM to 4:00 PM PST daily.
- New locks may be requested from 8:00 AM to 7:00 PM PST. However, any locks requested outside normal lock desk hours will not be processed until next business day.
  - If a lock is requested in off-hours it will be subject to market movement. If pricing worsens the broker or AE will have the option to cancel the lock to go back to float (request must be made same day to avoid re-lock policy). If pricing improves, improvements will be reflected on the lock confirmation.

### Rate Lock Process

- All locks will be requested via the broker's TPO login. Once a rate and price are selected, the request will be submitted to the lock desk where the lock will be confirmed once completed.

### Rate Lock Confirmation

- A loan is not considered locked or changed until an updated confirmation is distributed to the requestor.

### Standard Lock Periods

- Lock Periods available are 15, 30, 45, and 60 day periods. 15 day locks are only available to loans that are in final conditions status.

### Pre-Lock & Suspended Loan Lock Policy

- Loans that enter a suspended status will have 10 calendar days to be approved before lock is cancelled.
- Loans that are pre-locked will have 10 calendar days to be submitted before lock is cancelled.

### Change Requests

- Change requests will be submitted to the account manager. Once a loan is updated, the lock desk will be notified to update the lock with any changes, including pricing updates.

### Lock Extension

- A loan must be funded prior to expiration of the lock.
- Locks may be extended a maximum of 30 days or 2 extensions – whichever comes first. Any locks that are allowed to expire will be subject to Re-lock.
- Extensions must be requested via e-mail to lock desk before close on day of expiration (4:00 PM PST).

### Relock Policy

- Relocks requested on loans that have been expired for up to 45 days are subject to the Relock

Policy.

- 1) Relocks receive worst case pricing and 0.250 re-lock fee.
  - 2) By default, Relocks receive the same lock period as the previous lock.
  - 3) Worst case pricing will compare the original price to the current market price, taking the lower of the two.
  - 4) Any prior costs or fees will carry over to the new lock (Extensions, etc.).\*
- A loan is eligible for current market once the lock has been expired for 46 days.

**Program/Product Changes**

- Any active locks that change programs or products will be treated as relocks. Please refer to the Relock Policy above for details.\*

**Float Down/ Renegotiation**

- Float Down requests will not be accepted. Exception requests can be made in writing to management if the market has improved by 100 basis points or more.

**Cancelled/Withdrawn/Declined/Expired**

- Lock cancellation requests must be made before end of business day. Any requests made after this time period will treat the lock as expired and subject to relock.
- If a loan is withdrawn or declined, the lock will be cancelled.

**Property Change/ Address:**

- A change of property address on an existing lock will be treated the same as cancelling a lock.
- Locks cannot be requested on loans without a property address.

**Duplicate Locks:**

- Locks requested on new loans that already exist in the system will be denied or cancelled in favor of the existing lock.

**Worst Case Pricing Defined:**

- Worst case pricing will compare the original base price to the current market base price for the same term & time period. Any prior lock extension or relock fees will be applied to the new relock once worst case pricing is established. Loan level price adjustments will be determined based on the current loan information and current rate sheet adjustors.

**Fee Buyout Option**

- A broker may buyout their funding and underwriting fee via a Fee Buyout Option on the lock. Fee Buyout Option adjustments are based on total loan amount. Please refer to the rate sheet for adjustments.

**Prepayment Penalties**

- Prepayment penalties are required on all non-owner occupancy Non-QM loans. They may be reduced or bought out at a cost in the form of an adjustment. In the cases where a prepayment

\*Exception requests must be made in writing to management.



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penalty is bought out entirely (No Prepay), a 1.5-point discount will be charged as best case pricing. This pricing also applies to loans in states where a prepayment penalty is not allowed.