

## **RATE LOCK POLICIES AND PROCEDURES**

Interest rates are floating at the time of application which means they are subject to change as any time per market conditions. Daily rates are in effect during business hours of 8:00 AM PST to 4:00 PM PST, Monday through Friday.

As financial markets are subject to volatility, the release of pricing may be delayed, and or FlexPoint Inc dba Brokers First Funding reserves the right to suspend or adjust pricing as necessary to reflect market movement. Our policy is based on the day of the lock, unless otherwise noted.

The lock must be good through the disbursement of funds. If interest rates rise during that period, Brokers First Funding is obligated to honor the committed rate. Likewise, if interest rates fall during that period, the Broker must also honor the committed rate. The action of locking in a rate and price does not guarantee program eligibility or underwriting approval of the subject loan. Locks are not transferable and are associated with the borrower AND the property. Brokers should make every effort to close all loans locked at Brokers First Funding. It is also important that Brokers actively manage their locked pipelines and cancel any locked loan that has been withdrawn by the borrower or denied.

### **LOCK DESK HOURS**

Locks will be accepted after the pricing is released in the morning through 4:00 PM PST and lock requests may be made through PriceMyLoan (PML). The ability to lock will be restricted after 4:00 PM PST until the next pricing release.

The Lock Desk is staffed from 8:00 AM PST to 5:00 PM PST, Monday through Friday excluding holidays.

Requests for lock extensions, rate changes, product changes, etc. may be made at any time through PML and will be processed between 8:00 AM PST to 5:00 PM PST Monday through Friday excluding holidays.

Requests received outside of these hours will be processed the morning of the next business day. Locks requested and received over the weekend and on holidays will be accepted and processed using the next business day when pricing is available.

### **LOCK DESK CONTACT INFORMATION RATE SHEETS**

Rate sheets provide “point in time” rates and pricing. Market conditions may cause intraday changes to rate and pricing. It is the Broker’s responsibility to keep aware of intraday pricing changes. Intraday pricing changes may occasionally occur due to fluctuating market conditions, and all lock requests received by the Lock Desk after the re-price notice will be subject to the new pricing.

Rates will be published and distributed by approximately 8:00 AM PST each day, depending upon available market pricing. Please be aware that market movements could delay rate sheet distribution and may cause multiple rate changes in a day. Brokers First Funding will notify Brokers of rate changes with an email distribution of an updated rate sheet as well as update the automated locking engine. Any rate lock that is received by Brokers First Funding after a rate change is subject to the new updated rates.

### **AVAILABLE LOCK PERIODS**

Available lock periods may vary by product. Refer to the product and pricing engine and/or rate sheets for more details.

Brokers First Funding requires a property address to lock a loan and To Be Determined (TBD) lock requests will not be accepted. Incomplete lock requests that require further information and/or clarification from the loan originator are considered “pending” and are not protected in the case of a price change.

The lock periods available are ten (10), twenty-five (25) and forty (40) days.

To be eligible for a short-term ten (10) days lock period, the file must be ready for a Clear-to-Close underwriting review as determined by a Brokers First Funding Account Manager.

DPA and Jumbo loans require completion of the “Approved” milestone to lock.

Loans that are locked at submission, must be locked in a minimum of twenty (20) days.

Overnight Price Protection is not available.

### **FLOAT DOWN OR RENEGOTIATION**

Brokers First Funding does not offer a float down option.

### **REGISTERING AND LOCKING**

To lock or register a loan, the Broker must use the automated locking engine PriceMyLoan (PML). Broker must log in to the website, and choose the Product and Pricing tab. The Broker will be prompted to enter/verify the loan data and select the product to register/lock. Brokers First Funding's offered interest rates and corresponding prices will be displayed. The Broker will be prompted to select the desired rate/price combination. If the Broker selects an incorrect loan program because the pricing is better, the Broker and the affected loan will be subject to the Relocks Policy below when the error is discovered.

## **FILE SUBMISSIONS**

All file submissions must be completed by 11:59 p.m. PST on the date of the lock request. Brokers First Funding reserves the option to deny any lock requests for files that were not submitted by the required time on the date of lock request and/or if a lock request does not meet the requirements of the Available Lock Periods section. If a lock is denied, then it will be subject to the Relocks Policy section below.

## **RATE LOCK CONFIRMATIONS**

Upon locking a loan, the Broker will receive an electronic lock confirmation showing the terms of the lock including the lock expiration date. Brokers must review the confirmation upon receipt and contact the Lock Desk regarding any discrepancies. All rate locks are borrower and property specific.

Confirmation of a rate lock does not constitute a decision to lend by Brokers First Funding. All loans must meet Brokers First Funding lending criteria and the product matrix eligibility guidelines.

## **LOCK EXTENSIONS**

Wholesale Brokers may request a rate lock extension within 15 days before the lock expiration date. Rate Locks may only be extended for a maximum of 15 days from the original expiration date at a cost of 0.03% (3 basis points) per day and a maximum of forty-five (45) days total.

Locks on loans that were previously extended may not be extended for a second time and must be relocked (see Relocks Policy section below).

Lock extension expiration dates that fall on a weekend or bank holiday will have the lock expiration date moved to the following business day.

## **RELOCKS**

Relocks may be submitted on expired locks. If a loan has been expired for 60 days or greater, then it is considered a new lock and pricing will be based on the current market plus 0.25% (25 basis points).

Loans that have been expired for less than 60 days can be relocked for 10 or 25 days and are subject to worse-case pricing plus any previous extension fees plus 0.25% (25 basis points). Loans may be only relocked one time.

If at the time of Relock the loan program has/is changed, the worse pricing between

the existing price on the original loan program and the current price on the new loan program will apply. The price may not improve regardless of loan program change.

### **FEE BUYOUT OPTION**

The Broker may buy out the Brokers First Funding Administration Fee. Fee Buyout Option adjustments are based on the total loan amount.

### **MAXIMUM QUALIFYING RATE**

Lock Requests are subject to maximum rates determined by the Brokers First Funding underwriter. If the requested rate exceeds the maximum rate allowed by the underwriter, the Lock-Request is not guaranteed. To avoid potential delays, requests to increase maximum qualifying rates must be made to underwriting before the rate lock request.

### **RE-WORK / RESTRUCTURES**

When requesting a program change on a locked loan, the broker may be subject to worse case pricing.

### **CANCELED / WITHDRAWN / DECLINED / EXPIRED**

Canceled/Withdrawn/Declined/Expired loans are subject to the Re-Lock Policy.

Same day rate lock cancellation will be accepted if made within one hour of the requested lock and during lock desk hours. Cancellation should be emailed to the lock desk at [lockdesk@flexpointinc.com](mailto:lockdesk@flexpointinc.com). No verbal cancellation will be accepted. Any requests to cancel a lock after a new rate sheet has been issued will not be granted under any circumstances. Loans whose locks have been cancelled must wait until the following business day to be eligible to lock again.

### **PROPERTY CHANGE / ADDRESS**

A lock is only valid on the original property; a change in the property address will require a new lock and subject to Worse Case Pricing. Typographical errors will be addressed on an exception basis.

### **ADDITION / REMOVAL OF CO-BORROWERS**

Whenever the addition/removal of a co-borrower requires a loan to be re-originated on

the same property, under the same borrower, worse case price will apply between the original and re-originated loan.

### **CHANGE IN COMPENSATION TYPE**

Changes in compensation type must be made by emailing your Account Manager. Once confirmation that compensation may change is received from the appropriate department, both compensation and pricing will be updated.

### **DUPLICATE LOCKS**

A duplicate lock for the same borrower and property address is not allowed, the original lock will remain active, and the other lock must be cancelled. If the loan is being submitted, the new loan must be repriced worse case, and the original lock cancelled.

### **MINIMUM OR MAXIMUM PRICE**

Min or Max net rebate price after all loan level price adjustments can be found on the rate sheet.

### **MANIFEST ERRORS**

In the event where the Brokers First Funding automated locking engine locks a loan at terms that constitutes a manifest error, for example, an unrealistically low rate, an unrealistically long lock period, or an unrealistically high price, then such lock shall be considered null and void at Brokers First Funding's sole determination.

### **PROGRAM DISCONTINUATIONS AND CHANGES**

Brokers First Funding reserves the right to discontinue or change the underwriting guidelines and/or other requirements of its programs at any time without notice.