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Non-Delegated Correspondent LOCK POLICY

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INTRODUCTION

A well-defined pricing strategy is critical in managing Interest Rate Risk for the organization. OnY Glo, Inc., dba LoanLock Prime (“OGI”, “LLP”) has established the following pricing policies to help our correspondent partners manage their locked pipeline of loans.

LOCK DESK HOURS AND CONTACTS

All lock, re-lock and extension requests should be processed online and can be accepted beginning with the morning price release (approximately 09:00 AM PST through 4:30 PM PST. If you have any questions, you can contact your Account Executive, or the lock desk can be reached via email at lockdesk@llprime.com, or by phone at 855-671-LOCK.

LOCK-IN AGREEMENT

A lock is an agreement between the approved lender and OnY Glo, Inc., dba LoanLock Prime. LLP does not permit locks from lenders that are not approved and in good standing. The lock specifies the number of days the interest rate is guaranteed. Should interest rates rise during the lock-in period, LLP is obligated to honor the committed rate. Should interest rates fall during that period, the lender must honor the lock. Locking an interest rate and price does not guarantee eligibility or approval for the subject loan. The lender should actively manage their locked pipeline and cancel any locked loans that have been withdrawn by the customer.

LOCK PERIODS

Locks are available on a 15, 30, 45, 60, 75-day basis or as indicated on the daily rate sheet. Loans can be advance locked for a lock period of 30 days or more. 15-day locks will only be accepted for loans that are in an APPROVED status. Locks are not permitted on suspended, denied, or cancelled loans.

FILE DELIVERY REQUIREMENTS

Submission:

The committed Correspondent loan must be submitted for closed loan purchase review to the Correspondent Lending Operation on or before the expiration of the locked commitment. Sellers are expected to use every effort to have all loans purchased for which they have received a rate lock commitment within the allotted time frame. Failure to do so may have a negative impact on the future pricing that a seller may receive. Cancelled locks due to non-delivery are subject to the re-lock policy.

Closed Loan Purchase Review:

Upon receiving the closed loan package, in purchasable condition, for purchase review, LLP will allow for a ten (10) calendar day grace period (free ten (10) day lock extension) from the date of closed loan purchase review delivery, so long as the closed loan package is delivered by the original lock expiration date. The grace period is in place to account for loan purchase review turn-times, externalization of purchase conditions, collateral delivery, and seller condition clearance. Loans not purchased within the lock period or the ten (10) calendar day grace period may result in repricing which is the lower of the original lock price and current market price. Loans that are not purchased by the revised lock expiration date are subject to the LLP re-lock policy.

contained herein.

RATE LOCK CONFIRMATIONS

Interest rate confirmations are emailed to the original seller requestor immediately after the loan is locked, re-locked or extended. It is the seller's responsibility to report any errors or inconsistencies to the lock desk within 24 hours of the confirmation date. Only individuals who have Secondary persona access set up in the portal will be forwarded lock confirmations by LLP.

The lock expiration date for all locks and re-locks will be established from the date of the lock. All loans must be purchased on or before the lock expiration date. Lock expiration dates that fall on a weekend or holiday will automatically roll over to the next business day. Locks expire at 4:30 PM PST.

DUPLICATE LOCKS

Only one active lock is permitted per borrower, per property. If a duplicate lock for the same borrower and property address is locked, the original lock will remain in force and the duplicate lock will be cancelled.

MAXIMUM PRICE/REBATE

Maximum net pricing is published on the daily rate sheets. The maximum pricing cap adjustment cannot be used to pay for lock extension and/or re-lock fees.

LOAN DATA/STATUS CHANGES

Locks on denied loans will be cancelled at 4:30 PM PST on the next day of the denial. If a denied loan is later overturned and approved, the loan will be subject to the re-lock policy.

Any changes made to a locked loan (LTV, FICO, DTI, etc.) may require changes to pricing adjustments. The lender is responsible for tracking any changes to the loan structure that affect pricing and notifying the lock desk to update the pricing.

INTRA-DAY PRICE CHANGES

LLP reserves the right to suspend locking and issue a price change at any time during the day without notice. When an intra-day price changes occurs, the ability to lock loans will be disabled until the price change is completed. All lock requests received after the effective time of the price change will be subject to the new pricing. Monitoring current pricing changes is the responsibility of the lender.

PROGRAM CHANGES

Product change requests from one product to another are permitted. If a previously locked loan changes programs, the loan will be required to be re-locked at worse case pricing. The original expiration date will remain the same. If a previously locked loan changes programs within the same product tier (regardless of market movement), pricing will be based on the original rate sheet with the existing lock expiration date. Any existing re-lock or extension fees still apply.

LOCK TRANSFERS

Requests for lock transfers from a previous loan (same subject property and same borrower) are allowed under the following circumstances:

- The lock on the previous loan must not be expired.
- The lock must be transferred to the new loan prior to the old loan being cancelled.
- Contact your AE or the lock desk to facilitate the transfer.
- Cancelled or expired locks that are transferred will need to be re-locked per policy.

PROPERTY ADDRESS CHANGE

Locks are tied to the property address. If there is a property address change, the original lock is not transferable, and the current lock must be cancelled. The new loan will be priced using current market pricing and treated as a new lock. The original loan must be cancelled, and a new loan will be created for the new lock at the current market.

**In cases where the property address change is due to a minor typographical error, the original lock terms will be honored.

CONVENTIONAL AGENCY AND GOVERNMENT LOAN PROGRAMS

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. There is a maximum 30-day limit on the number of days a loan can be extended after which standard worst case re-lock policy applies. All lock extensions must be requested through email and must be requested prior to 4:30 PM PST on or before the lock expiration date. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day.

- 5 Days at a cost of 12.5 bps
- 7 Days at a cost of 17.5 bps
- 10 Days at a cost of 25 bps
- 15 Days at a cost of 37.5 bps
- 30 Days at a cost of 75 bps
- Expired loans cannot be extended

RE-LOCKS

Re-locks are allowed on expired locks only. The loan must be in an APPROVED status or greater to be eligible for a re-lock. The new pricing is based on the worst case between the original final pricing plus a re-lock fee of 25 bps. Original final pricing includes all prior extension and/or re-lock fees.

Re-locked loans are eligible for lock extensions per standard policy.

If price adjustments and/or underwriting guideline changes have occurred since the initial lock, the loan will be subject to worse case price adjustments as well as subject to current guidelines.

Multiple re-locks are not permitted.

Previously locked loans can be re-locked using current market pricing 30 days after lock expiration or lock cancellation date. These are treated as new locks and re-lock restrictions and fees will not apply.

RATE RENEGOTIATIONS / FLOAT DOWNS

When the market improves significantly, we will allow a **one-time** renegotiation. Rate renegotiations are designed to manage lock fallout in an improving interest rate market.

Guidelines:

- a. The renegotiated price will be calculated by OnY Glo, Inc. Secondary Market management on a case-by-case basis.
- b. The renegotiation must provide a benefit for the borrower in a reduced rate.
- c. A minimum of 100 bps improvement from the original base rate pricing is required for renegotiation. Renegotiations must be requested before 4PM PST.
- d. The original interest rate and price will be compared to the current rate sheet base price for the same lock period as the original lock.
- e. The loan must be in an APPROVED or greater status to be renegotiated, including the completion of any subordination or condo approval.
- f. The original lock expiration date will apply.
- g. At least 10 days left on the current lock or expectation of closing within existing lock period
- h. Lock extensions are allowed using standard policy.

Rate Negotiation (Float down) Calculation

Once these conditions are met, you will use the following calculations to determine the price used to make the rate negotiation offer:

1. Pull up current pricing and identify the new lower target rate using the original lock period.
2. Subtract 50 basis points from current price.
3. Renegotiated price can't be better than the original price.
4. Reduce the cost of any lock extension already applied to current loan.

DSCR/NON-QM LOAN PROGRAMS

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. There is a maximum 30-day limit on the number of days a loan can be extended after which standard worse case re-lock policy applies. All lock extensions must be requested through email and must be requested prior to 4:30 PM PST on or before the lock

expiration date. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day.

- 5 Days at a cost of 15 bps (Advanced Program only allows 15 days extension for Refinances, 30 days for Purchases.)
- 10 Days at a cost of 30 bps
- 15 Days at a cost of 45 bps
- 20 Days at a cost of 60 bps

RE-LOCKS

Re-locks are allowed on expired locks only. The loan must be in an APPROVED status or greater to be eligible for a re-lock. The new pricing is based on the worst case between the original final pricing plus a re-lock fee of 25 bps. Original final pricing includes all prior extension and/or re-lock fees.

Re-locked loans are eligible for lock extensions per standard policy.

If price adjustments and/or underwriting guideline changes have occurred since the initial lock, the loan will be subject to worse case price adjustments as well as subject to current guidelines.

Multiple re-locks are not permitted.

Previously locked loans can be re-locked using current market pricing 30 days after lock expiration or lock cancellation date. These are treated as new locks and re-lock restrictions and fees will not apply.

RATE RENEGOTIATIONS / FLOAT DOWNS

Renegotiations and roll downs are not available on DSCR/Non-QM

JUMBO LOAN PROGRAMS

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. There is a maximum 30-day limit on the number of days a loan can be extended after which standard worse case re-lock policy applies. All lock extensions must be requested through the website and must be requested prior to 4:30 PM PST on or before the lock expiration date. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day.

- 5 Days at a cost of 12.5 bps
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Re-locked loans are eligible for lock extensions per standard policy.

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Multiple re-locks are not permitted.

Previously locked loans can be re-locked using current market pricing 30 days after lock expiration or lock cancellation date. These are treated as new locks and re-lock restrictions and fees will not apply.

RATE RENEGOTIATIONS / FLOAT DOWNS

When the market improves significantly, we will allow a **one-time** renegotiation. Rate renegotiations are designed to manage lock fallout in an improving interest rate market.

Guidelines:

- a. The renegotiated price will be calculated by OnY Glo, Inc.'s secondary market management on a case-by-case basis.
- b. The renegotiation must provide a benefit for the borrower by reducing rate.
- c. A minimum of 100 bps improvement from the original base rate pricing is required for renegotiation.
- d. Renegotiations must be requested before 4PM.
- e. The original interest rate and price will be compared to the current rate sheet base price for the same lock period as the original lock.
- f. The loan must be in an APPROVED or greater status to be renegotiated, including the completion of any subordination or condo approval.
- g. The original lock expiration date will apply.
- h. At least 10 days left on the current lock or expectation of closing within existing lock period
- i. Lock extensions are allowed using standard policy.

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1. Pull up current pricing and identify the new lower target rate using the original lock period.
2. Subtract 50 basis points from current price.
3. Renegotiated price can't be better than the original price.
4. Reduce the cost of any lock extension already applied to current loan.