



SECTION 1	INTRODUCTION.....	2
1.1	Lock Desk Information.....	2
1.2	Locks and Delivery Options	2
1.3	Delivery Expiration Date	3
1.4	Purchase Expiration Date	3
SECTION 2	LOCK EXTENSION POLICY (PRIOR TO CLOSED LOAN DELIVERY).....	4
2.1	Lock Extension Fees (applies to both best efforts and Single Loan Mandatory delivery options)	4
2.2	Lock Extension Rules	4
2.3	Automatic Lock Extension.....	5
SECTION 3	RELOCK POLICY.....	6
3.1	Policy	6
3.2	Relock Fees for Best Efforts Locks	6
3.3	Worse Case Pricing Definition.....	6
3.4	Relock Requirements and Restrictions	6
3.5	Jumbo Loans.....	7
SECTION 4	PROGRAM CHANGES.....	8
4.1	Exception	8
SECTION 5	PROPERTY ADDRESS CHANGE.....	9
5.1	Exceptions	9
SECTION 6	LONG-TERM LOCKS	10
6.1	Upfront Deposit	10
SECTION 7	LOCK RENEGOTIATIONS	11
7.1	Restrictions	11



Section 1 Introduction

1.1 Lock Desk Information

Phone: (888) 291-1001

Email: nationalrates@plazahomemortgage.com

Lock Desk Business Hours: Online locks through PULSE are accepted between 7:30 am and 5:00 pm, Pacific. Lock Desk phone support is available between the hours of 6:30 am to 4:00 pm Pacific.

Quick Links

PULSE

To sign up for daily rate sheets (click):

<http://click.plazahomemortgage-rates.com/cp/manageforms/preview.php?formID=11637>

Lock Extensions

Relock Requests

Program Changes

Property Address Changes

Long-Term Locks

Renegotiations

1.2 Locks and Delivery Options

National Correspondent locks will work as follows:

- **Lock Period:** A lock period begins the day after the loan is locked. Example: A 15 day lock is taken on June 1st and will expire on June 16th.
- **Locked loans** will consist of two dates. A Delivery Expiration Date and a Purchase Expiration Date once the closed loan is delivered to Plaza. The lock terms offered are: 15, 30, 45, & 60 days. Longer term lock periods are not allowed unless the long-term lock policy is used (see below).
- If the file is delivered to Plaza by the Delivery Expiration Date, Secondary Marketing will give the greater of 7 days from the purchase review date or the original lock expiration date plus any extensions, if applicable. This new date is Plaza's Purchase Expiration Date. If the loan is not in a purchasable condition by the Purchase Expiration Date, the lock will automatically be extended for an additional 15 days at a cost of 17.5 basis points. If the loan is still not purchased at this time, the locks will automatically be extended a second time for an additional 15 days at a cost of 17.5 basis points. If the loan is still not purchased after the second extension, the locks will be subject to relock at worse case pricing.

Delivery Options:

- **Best Efforts:** Delivery on loans locked on a best efforts basis is not required if the loan does not close. However, overall fallout will be monitored on a regular basis and underperformance may result in reevaluation or possibly termination of the correspondent approval.

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- All borrower and loan information is required at the time of lock. Exchanging loans will not be allowed.
- If a loan locked on a best efforts basis does close, the best efforts lock will become a mandatory lock and delivery will be required. Failure to deliver will result in a market movement charge in addition to an administrative fee.
- **Single Loan Mandatory:** Mandatory delivery on a loan-by-loan basis. All borrower information is required at the time of lock. Exchanging loans will not be allowed.
 - Mandatory locks not delivered by the delivery date will be subject to a pair-off charge based on market movement in addition to an administrative fee.
 - **Sample Pair-off Calculation**
 - Lock for FHA 30yr loan of \$265,000 with note rate of 3.50% is not delivered
 - Price of benchmark hedge instrument (GNMA 3%) increases by .375 from the initial lock date to date of failed delivery.
 - Correspondent will be charged \$993.75 for hedge loss plus \$331.25 administrative fee (.125) for a total charge of \$1,325.00.

1.3 Delivery Expiration Date

The Correspondent Delivery Expiration Date will always expire on a business day. A delivery expiration that would naturally fall on a weekend or holiday will be rolled to the next business day. Example: If a 30 day lock would put the expiration date on a Saturday or Sunday, the delivery expiration date will automatically roll to the following business day.

1.4 Purchase Expiration Date

When a Correspondent loan is delivered to Plaza by the Delivery Expiration Date, Plaza Secondary Marketing will add 7 days to the original lock expiration. This new date is Plaza's Purchase Expiration Date. Plaza must purchase the loan by the Purchase Expiration Date or the loan will automatically be extended for 15 days.

Section 2 Lock Extension Policy (Prior to Closed Loan Delivery)

2.1 Lock Extension Fees (applies to both best efforts and Single Loan Mandatory delivery options)

Number of Days	Reduced Extension Fee When Requested 3 or More Business Days Prior to Lock Expiration* (eligible for first extension only)	1 st Extension Fee (Prior to Loan Delivery)	2 nd Extension Fee (Prior to Loan Delivery)
1	.05	.10	.10
5	.125	.175	.175
10	.25	.30	.30
15	.375	.55	.55

2.2 Lock Extension Rules

- A lock extension must be requested by 3:00 pm, Pacific and before the lock expires.
- Lock extensions may be subject to new loan level price adjustments that were published after the subject loan was locked.
- Loans that have been relocked are not eligible for an extension.
- Correspondent loans may be extended a total of two times. After the 2nd extension, the loan will be subject to Plaza's relock policy. Extension fees are cumulative.

Note: A second lock extension may not be allowed in all circumstances.

* Example for Reduced Extension Fee: Lock expires on Friday the 15th, extension request must be on or before Tuesday the 12th by 3 pm Pacific in order to receive the Reduced Extension Fee.

**If the loan isn't delivered by the Delivery Expiration Date, the lock will be considered expired unless the lock is extended prior to the Delivery Expiration Date. If the loan is delivered on time, but isn't purchased by Plaza by the Purchase Expiration Date, the lock will be given an automatic extension for 15 days. If the loan isn't purchased by Plaza after the first automatic extension, the lock will be given a second extension for an additional 15 days.

Lock will receive the greater of 7 calendar days from initial review date or the date of the original loan delivery expiration. See sample scenarios below:

Scenario: Loan locked on 6/14 for 30 days. Original loan delivery expiration is 7/14.

- Closed loan delivered to Plaza on 7/14. Loan is reviewed and conditions are given to the correspondent on 7/15. Purchase expiration is 7/22 (the greater of 7/15 + 7 calendar days, which is 7/22; and the original loan delivery expiration of 7/14).
- Closed loan delivered to Plaza on 7/10. Loan is reviewed and conditions are given to the correspondent on 7/12. Purchase expiration is 7/19 (the greater of 7/12 + 7 calendar days, which is 7/19; and the original loan delivery expiration of 7/14).
- Closed loan delivered to Plaza on 6/20. Loan is reviewed and conditions are given to the correspondent on 6/22. Purchase expiration is 7/14 (the greater of 6/22 + 7 calendar days, which is 6/29; and the original loan delivery expiration of 7/14).



2.3 Automatic Lock Extension

Once a closed loan file has been reviewed and the correspondent has been given conditions to clear prior to purchase, the Purchase Expiration Date has been established. If the correspondent does not clear conditions required to purchase the closed loan by the Purchase Expiration Date an extension for 15 calendar days will automatically be applied at a cost of 0.175, extending the Purchase Expiration Date. If the correspondent does not clear conditions required to purchase the closed loan by the Purchase Expiration Date after the first extension, a second 15 calendar day extension will automatically be applied at a cost of 0.175, extending the Purchase Expiration Date a second time. If all conditions required for purchase are not cleared by the Purchase Expiration Date the lock will be need to be relocked with *worse case pricing (after two extensions).

Note: Expired locks at the Delivery Expiration Date or Purchase Expiration Date are subject to *worse case pricing. Refer to the Relock Policy.

***Worse case pricing** – comparing the current market price vs. the expired lock's original price (including any extension and/or relock fees).

Section 3 Relock Policy

Loans with expired locks will be considered for relocks at the worse case pricing and are subject to a relock fee.

3.1 Policy

All relock requests on best efforts locks within 30 days from the initial lock expiration date will be relocked at the worse case pricing and will be charged a relock fee as described below. Relock requests on single loan mandatory locks will use current market pricing.

Worse case pricing will compare the base pricing net all loan level adjustments from the initial lock to the pricing in effect at the time of the relock request. See definition below for additional information.

3.2 Relock Fees for Best Efforts Locks

- 15 day relock: Worse case pricing and a .125 relock fee.
- 30 day relock: Worse case pricing and a .25 relock fee.
- 45 day relock: Worse case pricing and a .375 relock fee.
- 60 day relock: Worse case pricing and a .50 relock fee.

3.3 Worse Case Pricing Definition

Worse case pricing will compare the original price including prior extension fees to the current market price for the same term. Once worse case pricing is determined, any prior lock extension fees will be reapplied as well as the relock fee.

Example: Loan was locked for 30 days and lock expires, compare original 30 day price (including any applicable extension fees) to the current market price at the same rate for 30 days. If loan only needs to be relocked for 15 days, we will reduce the lock term to 15 days as long as the net price does not improve based on the shorter lock term.

When it is determined that the current market price is worse case, prior extension fees may be removed and loan can be locked at current market price without the prior extension fee.

3.4 Relock Requirements and Restrictions

- Relock fees are cumulative. If a loan has been relocked once and requires another relock, an additional relock fee will apply.
- If price adjustments have occurred since the initial lock, the loan will be subject to worse case price adjustments as well as subject to current underwriting guidelines.
- Loans may be relocked at the current market pricing when at least 30 days have passed from the current lock expiration date.
- Relock requests will only be taken by phone. Do not email relock requests as they will be subject to any market movement.



- If the rate the loan was initially locked at is not available at the time of relock, the worse case pricing is calculated by comparing the pricing of a new available rate.

3.5 Jumbo Loans

Jumbo loans require investor prior approval for underwriting. If the investor has not approved the loan within 30 days of submission for prior approval, the investor will cancel the loan and the lock, if applicable.

Relocks on Jumbo loans are considered case-by-case by Secondary Marketing Management and will be subject to investor approval.

Section 4 Program Changes

When requesting a program change on a best efforts locked loan, you may be subject to worse case pricing.

Program changes on single loan mandatory locks are not allowed.

Scenario 1: The original lock date is worse case.

- * Loan is subject to the pricing from the original lock date and the original lock expiration date will apply.

Scenario 2: The current pricing is worse case.

- * The loan is subject to the current day's pricing. The lock expiration date will be based on the date of the program change. If the original lock was for 30 days, the new lock will be for 30 days.

4.1 Exception

If the national correspondent is changing to a 'like product' (Agency to Agency with similar or same terms) the original lock terms may apply. The Plaza Lock Desk will determine if the program change is to a 'like product.'

Examples of like products (similar products and terms):

Program Change from Agency 30yr to Agency 25yr (CF300 to CF250)

Program Change from FHA 30yr to FHA 30yr w/ EEM

Examples of non-like products (different products and/or terms):

Program Change from Agency 30yr to Agency 15yr (CF300 to CF150)

Program Change from FHA 30yr to Agency 30yr (FHA300 to CF300)



Section 5 Property Address Change

When it is requested that a full property address is changed on a locked loan, the loan will be relocked using the **current market price**. This situation will be treated like a brand new lock with a new lock expiration date based on the date the address changed. The original lock will be cancelled and a new loan will be created for the new lock at current market.

Property Address Changes on Single Loan Mandatory locks are not allowed.

5.1 Exceptions

If a property address is changing only slightly, (see Examples below), the original lock terms will be honored.

The following changes are examples of when the original lock term is allowed:

- Address changes from 123 Street to 123 Ave.
- Transposed numbers - Address changes from 4592 to 4529.
- The property's zip code changes.
- The property's city changes.

Note: If a copy of the purchase contract can be provided with the correct address that is signed by the borrower(s) prior to the lock date, the original lock terms will be honored.



Section 6 Long-Term Locks

Notes:

- Long-term locks are available on standard Agency and Government loans only. Long-term locks are not available on High Balance Agency, High Balance FHA, or Jumbo VA.
- **Extensions are not allowed on Long-Term locks.**
- **Single Loan Mandatory locks are not eligible for long-term locks. Maximum lock term is 45 days.**

6.1 Upfront Deposit

- 90 day lock – 60 day price + .375 point to price. *Deposit of .50% is required.
- 120 day lock – 60 day price + .750 point to price. *Deposit of 1.00% is required.
- 180 day lock – 60 day price + 1.50 point to price. *Deposit of 1.00% is required.

*Deposit must be paid by the correspondent and is refundable only if the closed loan is delivered. Send deposit funds to Corporate Accounting. When refundable, the deposit amount can be net funded at closing or a check can be issued.



Section 7 Lock Renegotiations

Single Loan Mandatory locks are not eligible for renegotiation.

If a Correspondent client wants to renegotiate on a best efforts lock (decrease in rate) the original locked terms of a loan, the following guidelines will apply:

- The market must have improved by at least 75 basis points.
- The borrower must receive some benefit. (rate improvement)
- The renegotiated price will be 50 basis points worse than the current day price.
- The original lock expiration date will remain in effect.
- Renegotiations are not allowed on files that have already been relocked at worse case pricing.

7.1 Restrictions

- A one time lock renegotiation is permitted for each loan.
- A one time extension is allowed on the renegotiated lock terms as long as no previous extensions were offered. The standard extension fees apply.
- Any existing extensions will be carried over to the renegotiated price.