

**Section 1 Introduction.....2**

    1.1 Lock Desk Info..... 2

    1.2 Lock Period ..... 2

**Section 2 Lock Extension Policy .....2**

    2.1 Lock Extension Rules ..... 2

    3.1 Policy ..... 3

    3.2 Relock Fees..... 3

    3.3 Worse Case Pricing Definition..... 4

    3.4 Relock Requirements and Restrictions..... 4

    3.5 Jumbo Loans ..... 4

    3.6 USDA Loans..... 5

    3.7 RESPA/Compliance ..... 5

**Section 4 Program Changes .....5**

    4.1 USDA Loans..... 5

**Section 5 Property Address Changes .....6**

    5.1 Exceptions..... 6

**Section 6 Long-Term Locks .....6**

    Option 1: No deposit with float down pricing ..... 6

    6.1 Jumbo Loans ..... 7

    6.2 USDA Loans..... 7

**Section 7 Wholesale Lock Renegotiations.....7**

    7.1 Restrictions..... 7

**Section 1 Introduction**

**1.1 Lock Desk Info**

**Phone:** (800) 277-3395

**Lock Desk Business Hours:** The Plaza Lock Desk will accept locks via PULSE between the hours of 7:30 am and 4:00 pm, Pacific. Lock desk staff is available between the hours of 6:30 am to 5:00 pm Pacific.

**1.2 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.

**Lock Expiration Date**

Plaza’s lock expiration policy is that a lock will always expire on a business day. A lock 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 lock expiration date will automatically roll to the following business day.

**Section 2 Lock Extension Policy**

**Lock Extension Fees**

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

**2.1 Lock Extension Rules**

- A lock extension must be requested by 3:00 pm, Pacific and before the lock expires.
- A loan must be at least in an Underwriting Approved status in order to allow a lock extension. (Regional Managers may make exceptions)
- Lock extensions may be subject to new loan level price adjustments that were published after the subject loan was locked.
- Extensions are not allowed on Long-Term locks. See [Long Term Lock Policy](#).
- Loans that have been re-locked are not eligible for an extension.

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- A second lock extension is an exception and will be considered when all of the following apply:
  - Loan must be ready for docs with all prior to doc conditions satisfied.
  - The initial lock term must be 30 days or greater. (2nd extensions will not be considered when the initial lock term was for 15 days)
  - Loans requiring second extensions are not eligible for the Reduced Extension Fee.
  - Loans that do not fund prior to the expiration of the 2nd lock extension will be subject to Plaza's relock policy.

**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 made on or before Tuesday the 12th by 3 pm Pacific in order to receive the Reduced Extension Fee.

### Jumbo Loans

Jumbo loans are not eligible for lock extensions.

### USDA Loans

Conditional Commitments are issued by USDA with a 90 day approval. Plaza requires that all USDA loans fund within 60 days of USDA's Conditional Commitment date to ensure adequate time for guaranteeing the loan. The Plaza Underwriter must ensure the lock extension date will not exceed 60 days from the date the Conditional Commitment was issued.

## Section 3 Relock Policy

**An inactive lock is an expired lock and includes loans that were locked and later canceled or denied.**

**Loans with expired locks will be considered for re-locks at the worse case pricing and are subject to a re-lock fee.**

### 3.1 Policy

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All relock requests within 60 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.

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

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- 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.



NOTE: For loans that were initially locked for 15 days and require a relock, the loan may be relocked for 15 additional days at a charge of .25, for 30 additional days for .375, for 45 additional days for .50 and for 60 additional days for .625.

### **3.3                   Worse Case Pricing Definition**

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Worse case pricing will compare the original price including prior extension fees to the current market price for the same term. Any prior lock extension fees and/or branch pricing specials will be reapplied once worse case pricing is determined. The relock fees will be applied once worse case pricing is determined.

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**

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Relock fees are cumulative. If a loan has been relocked once and requires another relock, an additional relock fee will apply.

Requests for relocks will only be considered for loans that are approved by underwriting.

If a loan has been relocked once and requires a second relock, the file must be ready for docs and all prior to doc conditions must be signed off.

If price adjustments and/or underwriting guidelines 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 60 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.

Loans that have been relocked are not eligible for a lock extension. The file must be relocked again, subject to worse case pricing and an additional relock fee.

### **3.5                   Jumbo Loans**

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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.

### 3.6 **USDA Loans**

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For re-lock requests on USDA loans, proceed as applicable, however, in cases where worse case pricing applies, we may be subject to a max rate on the re-lock date that is a lower rate than the original locked rate. If a situation occurs where the rate must be reduced in order to be in compliance with USDA's max rate, the worse case pricing will still apply.

### 3.7 **RESPA/Compliance**

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All re-locks require the date of the re-lock request to be used as the new Lock Date in DataTrac.

## Section 4 **Program Changes**

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

**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.

**Exception:** If the broker 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 30 yr 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)

### 4.1 **USDA Loans**

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USDA loans have a maximum rate assigned daily. A program change request may result in the requirement to reduce the rate to be in compliance with USDA.



**Section 5 Property Address Changes**

When it is requested that a full property address is changed on a locked loan, the loan will be re-locked 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.

**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**

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.**

**Option 1: No deposit with float down pricing**

90 day lock – 60 day price + .25% to rate (max rate). At docs, rate can change to lower of max rate or current 60 day + .125% to rate.

120 day lock – 60 day price + .375% to rate (max rate). At docs, rate can change to lower of max rate or current 60 day + .125% to rate.

180 day lock – 60 day price + .50% to rate (max rate). At docs, rate can change to lower of max rate or current 60 day + .125% to rate.

**Option 2: 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 borrower and is refundable only if loan closes. Send deposit funds to Corporate Accounting. When refundable, the deposit amount can be net funded at closing or a check can be issued.



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**6.1 Jumbo Loans**

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Jumbo loans are not eligible for long term locks.

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**6.2 USDA Loans**

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USDA loans have a maximum rate lock period of 60 days. For loans requiring a longer lock term, see the Lock Extension Policy for details.

**Section 7 Wholesale Lock Renegotiations**

If a customer wants to renegotiate (decrease in rate) the original locked terms of a loan, the following guidelines will apply:

- The market must have improved significantly.
- 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 re-locked at worse case pricing.
- Refinance transaction: renegotiations will be considered when the loan has been approved by underwriting and is ready to go to docs.
- Purchase transaction: there must be at least 10 days remaining on the lock to be considered for a lock renegotiation.
- The regional branch manager must approve the renegotiation prior to being submitted to the lock desk.

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**7.1 Restrictions**

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- 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.
- Jumbo loans are not eligible for lock renegotiations.

**REVISION HISTORY**

<b>Functional Group Owner(s): Risk Management</b>		<b>Approval Group(s): Risk Management</b>	
<b>Rev. Level</b>	<b>Revision Description</b>		
01	Initial Issue.		
02	Placed in template.		
03	Sec 1.2 changed the lock beginning time from the day of the lock to the day after.		