



Rate Lock Policy

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General Procedure

- a. LO shall submit rate lock request to the MEP Rate Lock Desk (RLD).
- b. Lock Forms are found on the MEP Product and Pricing Engine
- c. Loans are not locked until LO receives confirmation.
- d. Lock Policy shall be governed by the following guidelines and Service Level Agreement (SLA).
- e. Lock Desk hours of operation are 10:00am to 4:30 pm.

Policies

Daily Pricing: MEP Lock Policy and Procedures are designed to maintain a competitive position in the marketplace. In order to maintain this position, ensure competitive LO commission structure, viable organizational profitability, and offer competitive pricing, the MEP policy MUST be strictly adhered to. MEP management reserves the right to modify these policies at anytime without notice.

Loan Programs: All conforming and jumbo pricing are available on MPE Product and Pricing Engine ("NYLX"). MEP will provide all LOs with a NYLX log-on and Investor specific log-on information. LOs shall choose the rate most applicable to the customer needs given the market conditions.

Lock Procedures: Lock requests are must be submitted to Lockdesk@meploans.com. The lock request is auto delivered to the LockDesk from the MPE Product and Pricing Engine. Upon receipt of a Rate Lock Registration, the LockDesk will acknowledge the rate lock via a confirmatory email within 60 minutes of initial receipt. If you have not received a lock conformation within 60 minutes please contact the LockDesk. A loan is ONLY considered locked when you receive conformation via email.

Please review each conformation to ensure the loan was locked according to your request. Changes to the rate may be made by the LockDesk to accommodate loan characteristics. The LockDesk will make every effort to resolve any inconsistency within the SLA time frames with the LO prior to locking the loan however it is the goal to lock all loan requests. The LockDesk reserves the right to not lock a loan if the forms are incomplete or if in the opinion of the LockDesk, the LockDesk in unable to ascertain the intent of the LO. Again ***it is critical that your forms are complete and any LLPAs are checked for accuracy.***

Lock at Application- "Lock at Application" is a new loan that is locking simultaneous to submitting an application. All rate lock requests must be submitted during Lock Desk hours. MEP is not responsible for price changes that occur prior to lock confirmation. The loan file is due within 48 hours after the rate lock request has been submitted. Failure to provide loan file within 48 hours shall



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result in loss of rate. **ALL LOCKS AT APPLICATION REQUIRE THE FOLLOWING:**

1. Completed 1003 in the system
2. Receipt of a completed Loan Package Request Form by Set-Up Department.

The following Investors will not be allowed a "lock at application" UNDER ANY CIRCUMSTANCES and will require a full application to be submitted before the rate can be locked:

Provident Funding
US Bank
Leader Bank
Astoria FSB

Float to Lock Applications- A "Float to Lock" Application is a loan application that has been submitted to the Set-Up Department and has already had initial disclosures sent and is in processing. All rate lock requests must be submitted during Lock Desk hours. MEP is not responsible for price changes that occur prior to lock confirmation.

Lock Requirements: Each Lock registration must have ALL the fields complete. If the Lock request is a "Lock at Application" then all the fields of the 1003 and MEP Loan Package Request Form MUST be complete. Lock registrations with missing information may not be accepted and as a result the rate requested/price protection may not be given. ***It is critical that your forms are complete.***

Lock Periods: Table Fund and Broker

10 day Lock periods are not available at this time.

15 day Locks must be in Clear to Close (CTC) status and are subject to meeting MDIA requirements.

60 Day Locks are standard but caution is advised and determining complexity of the file and estimated time to complete are the responsibility of the LO.

30 Day+ Locks are available if the appraisal is acceptable and complete and the loan is approved (this includes any subordination).



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Lock Periods: Correspondent

10 Day Lock periods are not available at this time.

15 day Locks must be in Clear to Close (CTC) status and are subject to meeting MDIA requirements.

60 Day Locks are standard but caution is advised and determining complexity of the file and estimated time to complete are the responsibility of the LO.

30-45 Day Locks are available if the appraisal is acceptable and complete and the loan is approved (this includes any subordination).

Manual Rate Locks – Manual Rate Locks are lock requests from investors not supported by the MEP Product and Pricing Engine. Some investors rates will not be available on the Engine. The LO will have the capacity to review these individual rates and policies but the lock request is still originated from the Engine under the “Manual Rate Lock Process.”

Borrower Paid Points-In the case of TPO loans the LockDesk shall determine the amount of borrower paid points and said decision shall be based on pricing strategies pre-determined by the LockDesk. Please seek approval on all par rates for the amount of points required based upon MEP TPO pricing contracts.

Federal Compensation Guidelines-to the extent any policy in the Rate Lock Policy conflicts with Federal Compensation Guidelines, then the Federal Compensation Guidelines shall control.

Lock Extensions: Lock extensions at this time are subject to investor/MEP requirements and the LO is prohibited from paying any lock extension from commission per Federal Reserve Rules on Compensation. Extensions fees are the responsibility of the borrower unless an exception to waive the fee is approved by management.

Expired Locks: Re-locks at this time are subject to investor/MEP requirements. Fees are the responsibility of the borrower unless an exception to waive the fee is approved by management.

Weekends and Holidays: Business days are subject to investor/MEP guidelines.

Premium Recapture: Recapture will be four (4) months from the date funded and MEP reserves the right to reject a rate lock that will result in recapture.



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Locks Prior to Closing: All loans **MUST** be locked minimum 15 days prior to closing or according to this policy; whichever is later.

Allowable Changes to Locked Loans: Changes to locked loans are allowable but depending on the nature of the change and the timing of the change relative to closing date or expiration date, the rate lock may not be honored. It is a requirement that the LO set the correct expectation with the borrower around timing of changes and the impact of the rate as a result of the change as well as MDIA timing requirements. MEP will make every effort to accommodate the loan change within the rate lock period however changes to the loan may not result in an honored rate.

All Loans MUST fund AND be purchased by the investor by the rate expiration date