

LOCK IN POLICY

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LOCK-IN POLICY

Eustis Mortgage Corporation's Capital Markets Department will formulate, revise, and distribute the pricing policies and procedures to meet the company objectives.

Revisions to the pricing policies and procedures will be made as deemed necessary and distributed to appropriate personnel.

LOCK DESK HOURS

- Loans may be locked Monday through Sunday from time the rates are uploaded (around 9:30 a.m. cst) to 05:00 pm. cst.
- In the event rates are delayed for morning pricing, locks will be accepted once rates are posted for that day.
- In the event of a price change due to market movement, the pricing engine will be disabled until new pricing is uploaded to Price My Loan (PML). Repricing is subject to take place at anytime until close of business 5:00 p.m. cst

REGISTRATION/LOCK IN PROCEDURE

- Eustis Mortgage prohibits Loan Originators from committing to a rate and point guarantee and not registering that particular application. An unregistered commitment increases Eustis' exposure to interest rate risk and may result in extensive losses to Eustis. A loan originator's failure to register a loan commitment does not excuse him/her from honoring a commitment rate increase nor delivering at the original rate and points if the rate decreases.
- All loans that are being submitted for lock need to be performed through Lending QB (PML) during the lock period hours. The loan must be a valid application in Lending QB at time of lock. In the event that LQB/PML is down or can not be accessed, the loan originator should email the lock desk the loan number, rate, and price that they want to lock their client in for.

LOCK VALIDATION

- All locks are processed by on-line pricing through Loan origination software between the hours of 9:30 A.M CST and 05:00 pm CST. Upon submitting a lock request, the loan officer will receive an email confirmation that the lock has been submitted for approval and a subsequent email confirmation that the lock has been accepted by Capital Markets.

LOCK EXTENSIONS

- Note that the original rate may not be eligible for extension if market conditions affect the liquidity of that rate.
- Lock extensions in price are: 1 day = 2bps, 7 days = .125., 15 days = .25, 22 days = .375, 30 days = .50
- Lock extensions are subject to the feature, Fico, or transaction type, adjustment in effect at the time of the extension. If the adjustment a time of the extension is less, the original adjustment will apply. In all cases, the adjustment will be the higher of the original or the adjustment in effect a time of the extension.
- Extensions on all ARM products, and Jumbo Fixed Rate (non-agency eligible) products, require special pricing from Capital Markets.
- Total extensions can't exceed more than 60 days from the original lock date. If the loan fails to close within the lock extension time frame, the loan is subject to worse case pricing and a relock fee of 25 bps. Must have a defined resolution before being extended by Capital Markets.

EXTENSION CONCESSION

- Extension concession $> .125$ has to be approved manager
- A second extension concession must be approved by Regional Manager

LOCK EXPIRATIONS

- Capital Markets, via LQB, will send out a lock expiration report for locks expiring within 5, 3 and 1 day of expiration. In the event that a lock expires and needs to be re-locked, the lock will be priced at worse case pricing, plus cumulative lock extension costs, plus a 25 bps relock fee that will automatically be charged to the borrower in the form of a discount.
- Locks that expire without closing due to a natural disaster (i.e. Hurricanes, Floods) are not exempt from the extension/relock policy and fees.
- Locks can be relocked at current market price after 30 days have elapsed from previous lock expiration.

JUMBO RATE POLICY

- Jumbo rate locks must be submitted by 3:00 p.m.cst in order to receive that days pricing. This will allow Capital Markets to process the best effort lock with the designated investor.
- Locks received after 3:00 p.m.cst will be subject to market movement based on when the lock is processed with the investor.

LONG TERM LOCK POLICY



Eustis Mortgage values our builder relationships and understands a Long Term Lock policy will better serve our clients working with builders. With that in mind, Eustis Mortgage provides the following long term lock options:

Eligible products: Conventional Fixed, VA, USDA, and FHA (Jumbo, ARM's, and Non-QM are not eligible)
Upfront Fee: On locks greater than 90 days, an upfront fee will be charged to the customer based on the below lock periods:

- 90 day lock - additional 50bps from the current 60 day price in PML (Ex. 60 day price, if charging no points, should reflect 100.5, which is 50 bps over par price and the cost for a 90 day lock) To execute, submit the rate lock within LQB and note you are requesting a 90 day lock and price will be adjusted. No upfront fee required.
- 120 day lock - add .25 to RATE from the current 60 day price in PML and collect .375% non-refundable fee within 7 days of lock. To execute, submit the rate lock within LQB and note you are requesting a 120 day lock.
- 180 day lock - add .375 to RATE from the current 60 day price in PML and collect .50% non-refundable fee within 7 days of lock. To execute, submit the rate lock within LQB and note you are requesting a 180 day lock.
- 360 day lock - add .75 to RATE from the current 60 day price in PML and collect 1% non-refundable fee within 7 days of lock. To execute, submit the rate lock within LQB and note you are requesting a 360 day lock.

Refundable Fee: The upfront fee is refundable as long as the borrower funds their loan with Eustis Mortgage. This will be credited to the borrower at consummation on the CD.

How does it work: The lock will be based off of the rate closest to par in PML. Do not include any discount or lender credit at time of lock. This can be adjusted 30 days prior to closing if the customer would like to buy down the rate or take a higher rate to pay closing costs, however it is not allowed at the time of lock. In addition, concessions are not allowed at time of lock. Long term locks will be manually processed by the lock desk

Important: Long term locks are not allowed to be extended and subject

OTHER LOAN CHANGES THAT AFFECT PRICING

- Program Changes: Changing interest rate and/or program type for the purpose of relocking at a better price is not permitted. Loan applicants will be permitted to change rates and/or programs during the processing of the loan after a rate and price commitment under the following conditions:
 - If changing from fixed rate Government to fixed rate Freddie/Fannie eligible loans and vice versa: the authorized price will correspond to worse case pricing between current market and original lock sheet plus 25bps change of program fee.
 - If changing to or from an ARM, Jumbo, or niche product to a core product, a new quote must be obtained from and approved by Capital Markets subject to current market conditions.
- Changes in risk class for LTV, loan amount, occupancy status, cash-out, or secondary financing, may result in pricing adjustments in accordance with the rate sheet. Any change in loan parameters are subject to the rate sheet that corresponds to when the loan was initially locked in.
- Changes that deviate from reaching par on loans that are currently locked (i.e. increasing lender credit) must be processed through the lock desk by sending an email to lockdesk@eustismortgage.com regardless of amount.

PROPERTY ADDRESS CHANGE

A complete property address is required at time of application. Switching properties on a loan, whether locked or floating, is not allowed. A change in property constitutes a new application, new application loan number, and new lock. Locks are not transferable.

FLOAT DOWN POLICY WITH RATE

- Price improves by 62.5 bps, the borrower has the option to float down to market rate but no more than .25% in rate
- Loan must be in approved status
- Closing must be with 15 days
- Once the rate has been floated down, the rate cannot be changed in a subsequent transaction
- Lock cannot have been extended or expired
- Not eligible for ARMS, Jumbo's, speciality (i.e. CAFA) and renovation products
- Current concessions used cannot exceed 37.50 bps

CONTACT

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