



## Secondary Marketing Department

# RATE LOCK POLICIES & PROCEDURES

Nations Direct Mortgage (NDM) issues rates and pricing for various product types every business morning. As financial markets are subject to volatility, the release of pricing may be delayed in the morning, and/or NDM reserves the right to suspend or adjust pricing as necessary to reflect market movement. Our policy is based on the day of the lock, unless otherwise noted.

The original lock request must be completed through NDM's broker portal, Loan Manager, located at [www.myndm.com](http://www.myndm.com). Any subsequent changes to the original lock after initial acceptance should be handled directly with your Account Manager. Your borrower's loan is not considered locked, nor is any change that you requested through your Account Manager considered final, until confirmation of your lock request or change has been posted on Loan Manager. Locks are non-transferable.

## Rate Lock Process

- A complete submission package must be submitted by the close of business on the 10th calendar day from the initial lock date. If not, loans will be unlocked and subject to our re-lock policy.
- Between 7:30 a.m. PST and 6:00 p.m. PST. for Agency Conforming and Government programs.
- Between 7:30 a.m. PST and 3:00 p.m. PST. for Alt Prime and Jumbo programs.
- Emailed, faxed, or verbally communicated rate locks will not be considered. All lock requests must be requested through Loan Manager.

## Lock Desk Hours:

- The lock desk is open for all lock related inquiries from 7:30 AM PST to 6:00 PM PST during all business days unless otherwise stated.
- The lock desk email is [locks@myndm.com](mailto:locks@myndm.com) and the lock desk general phone number is 949-386-5611.

## Standard Lock Periods

- Lock periods begin the next calendar day after the lock is requested.
- The lock periods available are 21, 30, 45, and 60 days.
- The original lock request cannot expire on a non-business day, it will be rolled forward to the next business day.
- The 21-day lock option is available only on loans that have completed the "Approved" milestone.
- Alt Prime and Jumbo loans require completion of the "Approved" milestone to lock.

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## Lock Extension

### Agency

- Funding must be complete before expiration of lock.
- Loans may only be extended for a max of 30 days per request, and a max of 60 days total. After 60 days the lock will be subject to a worse case relock.
- Extensions must be requested via the broker portal (Loan Manager) accessible via [www.myndm.com](http://www.myndm.com) by 6 PM PST on the day of lock expiration.
- Lock extension periods and fees are based on request number and number of calendar days. The new expiration date must fall on a business day.
  - 1<sup>st</sup> and 2<sup>nd</sup> lock extension – 1.5 bps per day
  - Any additional lock extension – 2.5 bps per day

### Non-Agency

- Lock extensions are available for active locks; expired locks may not be extended; they can only be relocked.
- Lock extensions will be considered on a case-by-case basis and can be requested by emailing the lock desk at [Locks@myndm.com](mailto:Locks@myndm.com) by 4 pm PST.

## Re-lock Policy

- A re-lock is a request to lock a loan for a second time, due to the previous lock being expired, withdrawn, declined, or cancelled.
  - 1) Relocks are subject to worst case pricing based on the original price to the current market price for the same term and time-period. However, the relock may be completed on a shorter lock period and use that corresponding price.
  - 2) Any prior lock extension or relock fees will be applied to the new relock once worst-case pricing is established. Previous lock extensions will apply towards determining the cost of any future extensions.
  - 3) The following relock fees will also be applied to all relocked loans.
    - Relock 0.250% (in price)
- Exceptions previously made to the loan will NOT be carried over & must be re-requested, any fees associated with exception requests will be applied at the time of the new request to the relocked (exception fees will not be waived).
- An agency loan must be unlocked for greater than 30 calendar days to be eligible for current market pricing on the 31<sup>st</sup> calendar day. Alt Prime and Jumbo loans must be unlocked for 90 days to be eligible for current market pricing on the 91<sup>st</sup> calendar day.
- For a second relock request the File must be approved for doc's status.



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### Re-Work/ Restructures

- Program changes are subject to Worse Case Pricing only if the loan is switching to or from an Agency program to a Non-Agency program.

### Float Down/ Renegotiation

- NDM does not offer a float down option.

### Cancelled/Withdrawn/Declined/Expired

- Cancelled/Withdrawn/Declined/Expired loans are subject to the Re-Lock Policy.
- Same day rate lock cancellations will be accepted if made within one hour of the requested lock and during lock desk hours. Cancellations should be emailed to the lock desk. No verbal cancellations will be accepted. Any requests to cancel a lock after a new rate sheet has been issued will not be granted under any circumstances. Loans whose locks have been cancelled must wait until the following business day to be eligible to lock again.

### Property Change/ Address:

- A lock is only valid on the original property; a change in the property address will require a new lock and subject to Worse Case Pricing. Typographical errors will be addressed on an exception basis.
- Lock requests on properties that are TBD (To Be Determined) will not be honored.

### Duplicate Locks:

- A duplicate lock for the same borrower and property address is not allowed, the original lock will remain active, and the other lock must be cancelled. If the loan is being resubmitted, the new loan must be repriced worse case, and the original lock cancelled.

### Max Price:

- Max net rebate price after all loan level price adjustments can be found on the rate sheet.