



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. 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 relock policy.
- Between 6:30 a.m. PST and 9:00 p.m. PST. for Agency Conforming and Government programs.
- Between 7:30 a.m. PST and 3:00 p.m. PST. for NonQM programs.
- Between 8:30 a.m. PST and 2:00 p.m. PST. for DPA Axis 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 6:30 AM PST to 5:00 PM PST during all business days unless otherwise stated.
- The lock desk email is 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.
- All lock periods available are reflected on the rate sheet.
- 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.
- NonQM, Seconds, and DPA Axis all require completion of the "Approved" milestone to lock.



Secondary Marketing Department

RATE LOCK POLICIES & PROCEDURES

Lock Extension

Nations Direct Mortgage encourages all originators to monitor lock expirations very carefully. Failure to extend locks prior to their expiration date may result in costly relocks.

Conventional/Government

- Funding must be complete before expiration of lock.
- Locks can be extended for up to 30 days at a time. Lock period may not exceed 90 days.
- Extensions must be requested via the broker portal (Loan Manager) accessible via www.myndm.com by 5 PM PST on the day of lock expiration.
- 1st and 2nd lock extension – 1.5 bps per day.
- Any additional lock extension – 2.5 bps per day.

NonQM

- 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 by 3 pm PST.
- On the day of lock extension request, if the note rate or eligibility/ scenario is no longer offered on Nation Direct Mortgage rate sheet, the loan may not be eligible for an extension.
- Locks extension cost and maximum amount of days can be found on the rate sheet.

DPA Axis

- 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 by 2 pm PST.
- Locks extension cost and maximum amount of days can be found on the rate sheet.

Secondary Marketing Department

RATE LOCK POLICIES & PROCEDURES

Relock Policy

A relock is a request to lock a loan for a second time, due to the previous lock being expired, withdrawn, declined, or cancelled.

Conventional/Government

Relocks are subject to worst case pricing based on the original price to the current market price for the same term and time-period. If requesting a different term than previous lock, please contact the lock desk by email.

- 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.
- A .25 relock fee will be applied to all relocked loans.
- 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 31st calendar day
- For a second relock request the File must be approved for doc's status.

NonQM

- Relocks are considered on a case-by-case basis and must be requested by submitting a request to locks@myndm.com before 3 p.m. PST.
- To relock an NonQM loan, the file must be in the "Underwriting Completed" milestone.
- Relocks are subject to worst case pricing and will be charged a 30bps relock fee.
- Worse case pricing will be determined by the lower of the original locked net price and the current net market price (that the loan is eligible for. Loans relocked subject to current market pricing will require any concessions to be re-approved.
- 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.
- NonQM loans must be unlocked for 60 days to be eligible for current market pricing on the 61st calendar day.

DPA Axis

- Relocks are considered on a case-by-case basis and must be requested by submitting a request to locks@myndm.com before 2 p.m. PST.
- To relock a DPA Axis loan, the file must be in the "Underwriting Completed" milestone.
- Relock cost can be found on the rate sheet.



Secondary Marketing Department

RATE LOCK POLICIES & PROCEDURES

Re-Work/ Restructures

All Program Changes are subject to Worse Case Pricing for the following reworks/restructures with the exception of the following scenarios:

- Loan is changing to or from conventional to conventional.
- Loan is changing to or from government to government (does not include DPA Axis).

Float Down/ Renegotiation

- Conventional and Government loans qualify for a float down if the market price has improved by 100 bps or more.
- Requests will be considered on a case-by-case basis depending on market conditions.
- A float down fee of 50% of the improvement will be applied to the lock.
- Loan must be in the Approved milestone or further.
- Must occur within 30 days of the original lock date
- Lock can have one existing extension prior to the float down. The cost will remain after float down.
- Rate changes after renegotiation must be a reduction in rate. Increases in rate are not allowed.
- Lock can only be extended once after the float down is applied. If further extensions are needed, lock will be subject to worse-case relock.
- If a renegotiated credit (after float down fee) exceeds max price, max price will be applied.
- The borrower must receive at least a .125 rate benefit.
- The original lock expiration date will remain in effect.
- Float downs can only be applied once per loan/lock.
- NonQM and DPA Axis are not eligible for float down/renegotiation.

Cancelled/Withdrawn/Declined/Expired

- Cancelled/Withdrawn/Declined/Expired loans are subject to the Relock 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 subject to current market. Typographical errors will be addressed on an case-by-case basis.
- Lock requests on properties that are TBD (To Be Determined) will not be honored.



Secondary Marketing Department

RATE LOCK POLICIES & PROCEDURES

Duplicate Locks:

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