

## Rate Lock Agreement

A lock is an agreement between the Broker and Newfi Wholesale. It specifies the number of days for which a loan's interest rate is guaranteed. If interest rates rise during that period, Newfi Wholesale is obligated to honor the committed rate. Likewise, if interest rates fall during that period, the Broker must also honor the lock. Locking in a rate and price does not guarantee eligibility or approval of the subject loan. Locks are also not transferable. Locks are tied to the property, not the borrower. Brokers should make every effort to close with Newfi Wholesale all loans locked at Newfi Wholesale. It is also requested that Brokers actively manage their locked pipelines and cancel any locked loan that has been withdrawn by the customer.

## Lock Desk Hours

Locks are accepted via the Newfi Wholesale broker portal from 8:30am PT to 5:00pm Pacific Time Monday through Friday, unless otherwise noted.

\*\*\*Note for Arches & Pinnacles products ONLY – Rate lock requests may be submitted from 8:30 a.m. to 3:30 p.m. Pacific Time, unless otherwise noted.

## Lock Process

All locks are handled through Newfi Wholesale's online portal at [NewfiWholesale.com](http://NewfiWholesale.com). Manual lock requests cannot be honored via phone or email. Once a loan is locked, a complete file must be submitted within the timeframe below for the lock to remain active. Otherwise, the lock will be canceled.

- 30-day lock: Complete file must be delivered in 3 calendar days
- 45-day lock: Complete file must be delivered in 5 calendar days
- 60-day lock: Complete file must be delivered in 5 calendar days

A reinstatement of a lock due to non-submission is allowed.

## Rate Lock Confirmation

Newfi Wholesale will send a rate lock confirmation via email directly to the customer when the loan is locked. It is the Broker's responsibility to report any inconsistencies with the Broker's understanding of the loan to Newfi Wholesale within 24 hours of the Confirmation Date.

## Change in Critical Information

The Broker is responsible for tracking any changes to the structure of the loan that affect pricing and providing proper notification to Newfi Wholesale. Any changes to the structure of the loan that affect pricing will be validated by the Lock Desk. Newfi Wholesale must be notified immediately if the Broker makes any changes to the mortgage loan that differ from the confirmed pricing structure. All loans must meet the terms of the latest Confirmation.

On reworks due to changing loan terms, the price impact will be applied to the lock.

\*\*\*Note for Arches Product ONLY – A lock request may be subject to worst case pricing under the following circumstances:

- (a) The rate lock has expired or been canceled/denied for sixty (60) days or less.
- (b) The status of the mortgage loan has changed (i.e., denied, withdrawn, etc.).
- (c) The loan product has changed (e.g., 5/1 ARM to 30 Year Fixed).
- (d) The note rate has changed by more than twenty-five (25) basis points.
- (e) The loan amount variance from the locked loan amount is greater than ten percent (10%).

## Lock Expiration Date

All loans must be funded on/by the expiration date. Locks with weekend or holiday expiration dates will expire on the first business day following the stated expiration date; this will be the effective expiration date.

## Lock Periods

Newfi Wholesale offers the following lock terms: 15 days, 30 days, 45 days, and 60 days.

## Lock Extensions

Locks may be extended in aggregate, a maximum of thirty (30) days of Rate Lock Extensions are allowed per loan. If an extension request is received and the extended loan will expire on a weekend or holiday, the Lock Desk will require the appropriate additional days at cost. Lock extensions cost 2.5 bps (.025%) per day.

\*\*\*Note for Arches Product ONLY - In aggregate, a maximum of thirty (30) days of Rate Lock Extensions are allowed per loan. There is no limit to the number of Rate Lock Extension requests per loan file if the total number of days requested does not exceed the 30-day maximum.

## Relock Policy

A relock is a request to lock a loan for a second time. A loan that does not close by its Lock Expiration Date and is not extended may be subject to the Relock Fee. Relocks must be requested with full documentation during normal lock hours.

- Relocks may be necessary on expired locks and cancelled locks.
- If a relock occurs within 30-days of the lock expiration date or the lock cancellation date, relock pricing is based on worse case pricing less the relock fees below. All previous extension costs and price exceptions will still apply in all pricing scenarios.
- Relock fee: 0.375 to price; Max 30-day lock
- If a lock is canceled or expires, more than thirty (30) days must pass to be eligible for current market price. If less than or equal to thirty (30) days, then the lock is subject to worst case pricing.
- \*\*\*Note for Arches Product ONLY – If a lock commitment is canceled, more than sixty (60) days must pass to lock another loan for the same property at the current market price. If less than or equal to sixty (60) days, then the lock is subject to worst case pricing.
- Closing Disclosures may not be issued on an expired or floating lock. Loans can only be relocked when a Loan Estimate can be issued.

## Rate Renegotiation

When the market improves significantly, Newfi Wholesale may allow the Broker a one-time renegotiation. Rate renegotiations are designed as a tool to manage lock fallout in an improving market. The program is intended to help brokers save deals.

- Minimum Rate improvement .125% to borrower
- .375 fee applied to current rate sheet pricing, no improvement in price allowed
- Loan must be in advanced stage – e.g. Final Underwrite, underwriting approved w/ completed appraisal
- Extension should be built in at time of renegotiation @ the 2.5 bps per day. Once negotiated, extension fees double (5 bps per day).

## Rate Sheets

Rate sheets give indications only, as market conditions may cause intra-day changes to pricing. It is the client's responsibility to keep abreast of price changes. Final pricing will be determined based on the Newfi Wholesale pricing engine within the Newfi Wholesale broker portal and will override the rate sheet or any other pricing posted by Newfi Wholesale. Intraday price changes may occur due to fluctuating market conditions and the Newfi Wholesale rate sheet is updated automatically without notice. Any lock requests received by the Lock Desk after the re-price will be subject to the new pricing. Rates will be populated and distributed by approximately 8:30AM PST each day, depending upon pricing release. Please be aware that market movements may delay rate sheet distribution and may cause multiple rates changes in a day.