

## Wholesale Rate Lock Policy

### Purpose

The purpose of this policy is to establish guidelines for locking rates for loans throughout the loan origination process.

### Scope

This policy applies to all members of JMAC staff and those who have a role and/or responsibility in requesting, executing, changing, or modifying a rate lock in any way.

### Definitions

1. **Third-Party Originator (TPO)** is for purposes of this policy, is a person or company who completely or partially originates, processes, underwrites, packages, or closes a mortgage on behalf of JMAC. JMAC considers brokers TPOs.
2. **Rate Lock** is when a particular rate is locked in and doesn't change regardless of market changes. The rate is guaranteed throughout the rate lock period.
3. **Rate Sheet** is a sheet detailing the interest rates and points that JMAC is using at the time the sheet is active.
4. **Relock** is a lock that occurs within 45 days of the expiration of the original lock.
5. **Pre-lock** is a lock that occurs prior to the underwriter's approval of a loan.

### Regulations

1. JMAC prohibits locking suspended loans. Any suspended loan that was locked previously cannot be extended or relocked until the suspended date is removed.
2. Pre-lock are only allowed on loans in "Registered" status".
3. A minimum required pre-lock term for Conventional & Government loans is 30 days lock & Jumbo and Non QM is 45 days lock
4. If duplicate loan submissions exist and have both been locked, only the first locked price and lock expiration will be honored. The duplicate loan will be rejected.

### Policy

JMAC issues rates and pricing for various product types and as financial markets are subject to volatility, JMAC understands the importance of providing the option to rate lock a loan.



---

## A. Rate Locks

To lock, the request is through the broker portal. The ability to lock a loan is only available from the time the daily Rate Sheet is publicly available in the morning. JMAC prices all locks according to the Rate Sheet effective-time which matches the time the Lock Desk receives the electronic request.

It is JMAC's policy that all loan rate lock requests are submitted online prior to:

5:00 PM Pacific Standard Time (PST) – Conventional/Government

4:00 PM Pacific Standard Time (PST) – Jumbo & Non-QM

The Option to register the loan is available 24 hours a day.

Any issues locking are directed during lock ours to Client Support at 949-390-2671 or [clientsupport@jmac lending.com](mailto:clientsupport@jmac lending.com) or the Lock Desk at 949-390-2678 or [lockdesk@jmac lending.com](mailto:lockdesk@jmac lending.com).

## B. Rate Lock Confirmation

A rate lock confirmation is emailed within an hour of the online request. If there are any issues, the Lock Desk will re-confirm pricing prior to committing the lock. The confirmation is a guarantee of rate and price only. The confirmation does not guarantee that the loan meets published program guidelines.

## C. Lock Term

JMAC sets the loan's lock term for 15, 20, 30, 35 or 45 days depending on its status. Lock term for 60, 75, or 90 days is only available for Purchase loans only and depending on product type.

### **For Conforming and FHA/VA loans:**

A 15-day Lock will only be available for loan in "Clear to Close" status.

A 20-day Lock will only be available for an "Approved" loan with appraisal received or loans with PIW (property inspection waiver) and preferably all PTD conditions upload.

A minimum of 30 or more Lock allowed on pre-locked loans. For Refinance transaction, a 45-day max is available. For Purchase transaction, a 90-day Max is available.



---

**For Jumbo loans:**

A 15-day Lock will only be available for loan in “Clear to Close” status.

A 20-day Lock will only be available for an “Approved” loan with appraisal received or loans with PIW (Property Inspection Waiver) and preferably all PTD conditions upload.

A minimum of 30 or more Lock allowed on pre-locked loans. For Refinance transaction, a 30-day Max is available. For Purchase transaction, a 45-day Max is available.

**D. Pre-Lock**

JMAC restricts pre-locking to select products. Pre-locks can be locked a minimum of 30days. An additional pre-lock fee may apply for brokers with below 70% pull thru (refer to Pull-Thru calculation part).

Conforming and Government loan should be a minimum of “Registered” status and Jumbo and NonQM a minimum of “Doc Check” status.

Once the file has been underwritten, all prices for pre-locks are subject to change if details of the loan change from when the lock request was originally submitted. If a pre-locked loan must be sold to a specific investor, the original lock may not be valid. JMAC requires that all discrepancies in the pricing are reported to the Lock Desk immediately to correct pricing. In addition, TPOSs are subject to internal performance review or Pull-Thru Ratio report. JMAC reserves the rights to not pre-lock any loans if the Pull-Thru Ratio does not meet our standard requirement. Pre-locks are allowed with the following provisions:

- TPOs with a pull-through **below 50%** will have the ability to lock their files at a cost of **0.25% to fee**.
- TPOs with a pull-through of **50.01% through 69.99%** can pre-lock at a cost of **0.125% to fee**
- TPOs with a pull-through of 70% and above can pre-lock with no additional cost ratios

Pull-through ratios are calculated monthly. TPOs can contact their Account Executives for their monthly pull-through ratios. JMAC Lending is unable to re-calculate pull-through ratios mid-month. The Pull-Thru report is released to each AE at month- End for each client.



---

## E. Maximum Qualified Rate

Lock Requests are subject to maximum rates determined by the underwriter. If the requested rate exceeds the maximum rate allowed by the underwriter, lock-in is not guaranteed. Requests to increase maximum rates are made to underwriters prior to rate lock request, in order to avoid delays.

## F. Extensions

### **For Conforming and FHA/VA loans:**

A rate lock extension may be requested by the TPO five (5) days within the original rate lock expiration date. All rate locks extensions should be requested through the broker portal or if needed by e-mail to the lock desk before 4:00 pm (PST).

A 60-day lock or less can be extended up to a total of 2 times with the maximum 30 days in total.

A 75-day lock can be extended up to a total of 2 times with the maximum 15 days in total.

A 90-day lock can NOT be extended and will be subject to worse case relock plus relock fee. Please check with Secondary Marketing team for pricing.

Any extension request for more than 15 day's will be subject to worse case pricing based on the current market.

### **For Jumbo loans:**

A rate lock extension may be requested by the TPO five (5) days within the original rate lock expiration date. All rate locks extensions should be requested through the broker portal or if needed by e-mail to the lock desk before 4:00 pm (PST).

A 45-day lock or less can be extended up to a total of 2 times with the maximum 30 days in total.

A 60-day lock can be extended up to a total of 2 times with the maximum 15 days in total.

A 75-day lock can NOT be extended and will be subject to worse case relock plus relock fee. Please check with Secondary Marketing team for pricing.

Any extension request for more than 15 day's will be subject to worse case pricing based on the current market.

---

**For Non QM loans:**

A rate lock extension may be requested by the TPO five (5) days within the original rate lock expiration date. All rate locks extensions should be requested through the broker portal or if needed by e-mail to the lock desk before 4:00 pm (PST).

A 45-day lock or less can be extended up to a total of 2 times with the maximum 30 days in total.

A 60-day lock can be extended up to a total of 2 times with the maximum 15 days in total.

A 75-day lock can NOT be extended and will be subject to worse case relock plus relock fee. Please check with Secondary Marketing team for pricing.

**1. Cost to Extend**

The cost to extend will at 0.025% per day for all products. JMAC will allow a five (5) day extension at no additional cost on Conforming Fixed & FHA/VA Fixed if a loan meets the following criteria: (a) for a Dry Loan Funding, the loan must be in Docs-Back or higher status; **Or** (b) for a Wet Loan Funding, the loan must be in CTC (Clear to Close) **and** CD e-consented to, or higher status.

**G. Relocks**

A lock is considered a relock if it occurs within 45 days of the expiration of the original lock. In the event, that the loan was canceled or denied, the 45 days will be count from either canceled date or denied date. All relock requests must be done by e-mail before 4:00 pm PST.

**1. Relock Fees:**

Conforming Fixed & FHA/VA Fixed:

- 15 day relock: Worse case pricing and 0.125 to price.
- 30 day relock: Worse case pricing and 0.250 to price.

Jumbo Products:

- 15 day relock: Worse case pricing and 0.375 to price.
- 30 day relock: Worse case pricing and 0.500 to price.

JMAC allows two (2) max relocks and the relock fees are cumulative. If a loan needs to relock for 3<sup>rd</sup> time, an additional relock fee will apply, and the loan must be in CTC status.

---

Non-QM Products:

- 15 day relock: Worse case pricing and 0.375 to price.
- 30 day relock: Worse case pricing and 0.500 to price.

JMAC allows two (2) max relocks and the relock fees are cumulative. If a loan needs to relock for 3<sup>rd</sup> time, an additional relock fee will apply, and the loan must be in CTC status.

## H. Re-Negotiation or Float Down Requirements

JMAC will allow TPOs to renegotiate a lock or one-time float down. The method to float down is to use current market pricing and reduce it by 0.500 in price. To float down or renegotiate the terms on an existing lock, email a completed [Float Down Request Form \(Appendix A\)](#) to the Lock Desk. Missing, inaccurate, or illegible information on this request could jeopardize your price protection.

Float downs must meet the following criteria:

- The original lock expiration has not expired yet.
- Negotiated rate must be lower than original locked rate by at least 0.125.
- The new rebate cannot exceed original rebate or if the loan was locked at cost the new cost must be more or equal to original cost.
- Extended or Relocked loans are not eligible for float down.
- Loan must be ready for docs within 24 hours after negotiation.
- Loans that have "Docs Out" are no longer eligible for float down.
- Loan must fund within 8 days from the renegotiated or float-down date.
- The cost to float down will be current pricing minus 0.500 to price minus original add-ons.
- ARMs, and Jumbo loans are not eligible for float down.

If the original lock has expired for over 45 days, the loan is eligible for current market pricing.

## I. Program Changes

- From Conforming/FHA Fixed to Conforming/FHA ARMs – Current pricing.
- From Conforming/FHA Fixed to Conforming/FHA Fixed – Original locked date's pricing.
- From Conforming/FHA ARMs to Conforming/FHA Fixed – Current pricing.
- From Conforming/FHA ARMs to Conforming/FHA ARMs – Subject to investor's program change policy. Broker must check with secondary marketing team for options.
- From Jumbo to different Jumbo – Subject to investor's program change policy. Broker must check with secondary marketing team for options.



---

## J. TPO Responsibilities

Within an hour of submitting an online lock request, a lock confirmation will be sent via email. The TPO is responsible for checking the information and immediately notifying JMAC's Lock Desk of any discrepancies or non-receipt of the confirmation within the same day before 5:00pm (PST).

## K. Jumbo programs

The following steps must be done by the TPO before requesting a lock on-line:

- The TPO needs to register and upload credit report prior to 3:00pm (PST) to insure same day lock and pricing. JMAC will not be responsible for any pricing movement during this reviewing process.
- The TPO to email the lock desk to request for pre-lock prior to 3:00pm (PST).
- The Lock Desk team will review and decide whether or not to permit a pre-lock.
- If permitted by the Lock Desk team, the TPO needs to request the lock online.

## L. Pre-lock Restrictions on Jumbo Products & Non-QM

JMAC allows program classified as Jumbo with a minimum lock term of 45 days, and Non-QM to pre-lock with a minimum lock term of 30 days for Refinance and 45 day for Purchase with specific loan status- **see section D above**. Laguna pre-lock requires approval.