

RATE LOCK POLICIES & PROCEDURES

Nations Direct issues rates and pricing for various product types and investors every business morning. As financial markets are subject to volatility, the release of pricing may be delayed in the morning, and/or Nations Direct reserves the right to suspend or adjust pricing as necessary to reflect market movement.

The original lock request must be completed through the Broker Portal 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 the Broker Portal.

A lock is an agreement between Nations Direct and an approved Broker. Brokers must be approved with Nations Direct prior to submitting any lock requests.

Rate Lock Process

Loans may be locked by the Broker:

- Broker must be currently approved and in good standing to be eligible to lock loans.
- Loans must not be in Suspended status.
- A complete submission package must be submitted by the close of business on the 10th calendar day from the initial lock date (the date of the lock is included in the 10 days calculation). If not, loans will be unlocked and subject to our re-lock policy below. All prices for pre-locks are subject to change once the files have been underwritten if details and/or characteristics of the loan submission do not match the pre-lock criteria as submitted. Changes will be based upon original days pricing provided that the loan plan does not change, otherwise subject to re-work policy below.
- After submission of the loan file is complete per Nations Direct current submission requirements.
- Between 7.30 a.m. PST and 7:00 p.m. PST. for Agency Conforming and Government programs
- Between 7.30 a.m. PST and 2:30 p.m. PST. for Jumbo programs (refer to Jumbo Lock Policy, Separate Document)
- On the Broker Portal located at www.myndm.com (emailed, faxed or verbally communicated rate locks will not be considered).

Standard Lock Periods

- All loans are eligible to lock at point of sale with the exception of subordinations and Jumbo loans
- 21 day lock option is available only on loans that are "Approved as Submitted" or "Approved with Mods"
- Jumbo loans please refer to the stand alone Jumbo Lock Policy Bulletin 09-29-2014.

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Lock Extension

- Funding must be complete before expiration of lock.
- A loan may only be extended twice. Locks requiring more than two extensions will be subject to the Relock Policy
- Extensions must be requested by noon Pacific Time on the day of lock expiration.
- Lock extension periods/fees:
 - 3 days = 0.063 (points)
 - 7 Days = 0.125 (points)
 - 15 Days = 0.25 (points)
 - 30 Days = 0.50 (points)

Relock Policy

- A relock is a request to lock a loan for a second time, due to the previous lock expiring or unlocking.
 - 1) Re-Locks are subject to worst case pricing.
 - 2) Re-Locks will receive the same lock period as the previous period
 - 3) Worst case pricing will compare the original price to the current market price for the same term & time period.
 - 4) Any prior lock extension or relock fees will be applied to the new relock once worst case pricing is established.
 - 5) The following re-lock 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).
- A loan must be unlocked for greater of than 60 calendar days to be eligible for current market pricing on the 61st calendar day.
- For a second relock request the File must be approved for doc's status.

Re-Work/ Restructures

- Program changes are subject to Worse Case Pricing any & all previously extension fees or relock fees will be reapplied to the rework once the base pricing and LLPA's have been established.
- All Re-Works moving for a program that is able to lock up front to a program that cannot lock until Approval (please see list above) must be requested by Account Manager to unlock

Float Down/ Renegotiation

- NDM does not offer a float down option. Please contact the Lock Desk for a case-by-case review of float downs.

Cancelled/Withdrawn/Declined/Expired

- Rate lock cancellations will only be accepted if made within 2 hours of the requested lock and prior to the daily lock cutoff time. Cancellations should be emailed to your Account Manager. 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

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circumstances. Loans whose locks have been cancelled must wait a 24 hour period to be eligible to lock again.

- Cancelled/Withdrawn/Declined/Expired loans are subject to the Re-Lock Policy.

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
- Lock requests on properties that are TBD (To Be Determined) will not be honored.

Duplicate Locks:

- Re-uploading a loan and locking it at the current market price is not allowed, if a duplicate loan for the same borrower and property address is locked, the original lock will remain active.

Worse Case Pricing Defined:

- Worst case pricing will compare the original base price to the current market base price for the same term & time period. Any prior lock extension or relock fees will be applied to the new relock once worst case pricing is established. Loan level price adjustments will be determined based on the current loan information and current rate sheet adjustors.

Max Price:

- Max net rebate price after all loan level price adjustments is as follows;

Conventional Programs

- Conv. Fixed Std, Bal 104.5 (4.5%)
- Hi-Balance 103.5 (3.5%).
- ARM programs 102.5 (2.5%).

Government Programs

- FHA Fixed Standard Balance 105.5 (5.5%)
- All other Government Fixed Programs 105.00 (5.0%)
- FHA ARM programs 102.5 (2.5%)
- NOTE : VA IRRRL Max Discount is 2.00.

Jumbo Programs

Refer to Jumbo Stand Alone Rate Lock Policy together with rate sheet individual programs.