



## Wholesale Lock-In Policy and Procedures

### Rate Sheets

Rate sheets will be posted to PCMExpress.com at approximately 11:00 AM EST. Unless a modified rate sheet is issued, the pricing will remain in effect until 8:00 PM EST. An effective date and time is listed on the upper left of each rate sheet along with the rate sheet number. **Locks will be accepted from 11:00 AM EST to 8:00 PM EST.**

**PLEASE NOTE THAT PRICING IS SUBJECT TO CHANGE AT ANY TIME.** In volatile markets, it may be necessary for Secondary Marketing to temporarily “black out.” During “black-out” periods, locks will not be accepted.

### Lock-In Procedure

All loans can be locked on PCMExpress.com using Loan Express. If logins and passwords are needed, please contact your Primary Capital Account Executive.

### Policies

**Expiration** – Loans must **DISBURSE** prior to expiration date. If the lock expiration falls on a weekend or holiday, the expiration will roll forward to the next business day.

**Extension** – Lock extensions will be granted on loans that were originally locked for 90 days or less PRIOR to lock expiration. Once the original lock has expired, the loan must be relocked (see applicable section for details). The maximum extension period is 30 days. After 30 days, the file will be relocked on current market. Cost to extend is listed below:

5 days	.125 discount point
10 days	.250 discount point
15 days	.375 discount point
15+ days	Case-by-case cost

For loans that were originally locked for more than 90 days, an extension will be considered on a case-by-case basis.

## **Policies (cont.)**

**Float Down Option** – A free one time float-down option is available on purchase and construction/perm transactions locked for 30 or more days. The float down option may be executed within 30 days of closing, but not less than 5 days prior to closing and/or lock expiration.

When exercising a float down option, the loan must be locked at a lower rate. The float down will be based on the agreed upon compensation level and 30 day term. Using the float down option to lock at the same rate to obtain a better price is not permitted. The floated down price cannot exceed the original locked price. Any overage above the agreed upon compensation cannot be credited to the borrower.

**When executing a float down, the expiration date will not change from the original lock. . The only exception being on loans where the expiration date is over 30 days away. In that case, the new expiration date will be 30 days from the day the float down is executed.**

**Note: If the original lock is extended for any period of time, then the float down option is no longer available.**

**Loan Amount Changes** – Loan amount changes that do not require a change in program will not effect pricing unless the change triggers a loan balance of LTV adjustment based on the rate sheet in effect at the time of the original lock.

**Lock and Shop** – Customers are allowed to lock without a property address. A property address must be provided within 30 days of the original lock. The final loan amount cannot vary more than \$30,000 from locked amount. Float down options are available for transactions with lock periods 30 days of longer.

**Program Changes** – A change of loan program is considered a new lock and is subject to current market pricing.

**Property Changes** – A change of property is considered a new lock and is subject to current market pricing.

**Relock** – Any lock that has expired within the last 30 days will be subject to worst case scenario pricing. If worst case pricing is the previous lock, then there will be a .125 relock fee assessed. If worst case pricing is current market, there will not be a relock fee. Locks that have been expired for more than 30 days will be priced on current market.

**Review** – Primary Capital will monitor the delivery performance of all Brokers/Correspondents. The loan cancellation/withdrawal of committed loans will be reviewed monthly and cumulatively. Specifically, the number of loans cancelled/withdrawn, the reasons for the action and any trends in programs and/or fluctuations with the market will be considered.