Lock Desk Policy & Procedure
**Hours of Operation:**
8 am to 4 pm PST on days that the MBS markets are open.
[note: Investor partner First Guaranty Mortgage Corporation’s (FGMC) daily pricing will expire 30 min prior to the close of the Lock Desk]

**Disclaimer:**
Intraday price changes may occur due to fluctuating market conditions. It is the MLO’s responsibility to report any inconsistencies with the Lock Confirmation within 24 hours of the receipt of the Lock Confirmation. The MLO is responsible for tracking any changes to the structure of the loan that affects pricing [FICO, LTV, purpose, etc.], and providing proper notification to the Lock Desk. Any changes to the structure of the loan that affects pricing can be validated by the Lock Desk upon request. The Lock Desk must be notified immediately if the MLO or Processor makes any changes to the loan that differs from the confirmed pricing structure.

**Lock-in Agreement:**
A lock is an agreement between the MLO and the Company. It specifies the number of days for which a loan’s respective interest rate and pricing is guaranteed. Should interest rates rise during that period, the Company is obligated to honor the committed rate. Locking in a rate and price does not guarantee eligibility or approval of the subject loan. Locks are not transferable. For each lock confirmation, the borrower’s SSN is associated with the address.

**Lock Desk Rate Maintenance:**
During volatile market conditions, PriceMyLoan may show rates as expired. They will be in a RED font in PML. Please be patient during these down periods. Prices are subject to change without notice.

**Response Times:**
The Lock Desk has a 2-hour turn time (from the time of submission) to respond to your lock requests and changes to locks. Response times will vary with market conditions and the number of submissions. Most change submissions will be satisfied the same day. All change requests must be emailed to lockdesk@iservelending.com

**Priority of Lock Desk Requests:**
1. New locks
2. Change requests for funding and/or docs
3. Lock extensions
4. Program changes
5. General questions & pricing scenarios

The Lock Desk uses the date and time of emailed requests as the indicator for: pricing, locking of loans, change requests, and other requests.
**Required Data for Change Requests, Lock Extensions or Relocks:**
The Branch Manager, MLO, Loan Processor, Jr. Underwriter or Underwriter associated with the file may request changes via email to locked loans. For all correspondence with the Lock Desk, please use the format “LoanNumber Lastname” in the email’s subject line. Example: **77720166532 WILLIS 7day lock extension**

**Lock Addresses:**
The Lock Desk links a lock commitment with a specific, physical address and Social Security Number. Addresses with “TBD” are not allowed. If the physical address changes, the original lock must be canceled and the new address will be locked with current market pricing and a new loan number must be issued.

**Lock Periods:**
Lock options include 15, 30, 45, and 60 day lock periods. Please note, 15 day locks are only applicable to loans that are ‘Clear to Close’ or in ‘Final Underwriting’ status.

**Lock Expiration Date:**
The Lock Desk calculates 'Day One' as the first day after the lock date. If the lock expiration date falls on a weekend or holiday, the Lock Desk will advance the expiration date to the next business day. However, if a holiday happens prior to the lock expiration date, no additional time will be added. A loan must disburse/fund by the lock expiration date or it will require an extension.

**Pipeline Management:**
It is the responsibility of the Branch Manager and MLO to maintain his/her own locked pipeline. The Lock Desk is responsible for locking loans and updating change requests as requested through the lockdesk@iservelending.com. Any misunderstanding or miscommunication regarding pricing is ultimately the responsibility of the MLO to clarify and correct loan parameters and maintain file integrity. Extensions must be requested by the MLO or Loan Processor **on or prior to** file's lock expiration date during Lock Desk hours.

**Extensions:**
Extensions **must be requested on or before** the lock expiration date. Locks may only be extended twice. Locks requiring more than two extensions will be subject to the Relock policy.

**Lock Extension Table:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 day</td>
<td>No cost</td>
</tr>
<tr>
<td>7 days</td>
<td>0.250</td>
</tr>
<tr>
<td>15 days</td>
<td>0.375</td>
</tr>
<tr>
<td>30 days</td>
<td>0.625</td>
</tr>
</tbody>
</table>
Relocks:
A relock is a request to lock a loan for a second time. Loans cancelled and reactivated at a later date are treated as relocks. A loan that does not fund by its Lock Expiration Date and is not extended will be subject to a Relock Fee. Any loan that has been expired/cancelled for less than 30 days may be relocked at worst case pricing plus the applicable Relock Fee. Worst case pricing will compare the original price, including all prior extension and relock fees to the current market price for the same term and time period.
- Relocks may be necessary on expired lock and cancelled locks.
- The new expiration date is calculated from the date the loan is relocked.
- Any and all previous extension costs will remain with the loan.
- Relock Fee table:

<table>
<thead>
<tr>
<th>If at the time of Relock:</th>
<th>Then...</th>
<th>Example...</th>
</tr>
</thead>
</table>
| Current market is better | Worst Case pricing is the previous lock. 0.250 Relock Fee assessed | Orig Lock: rate 4.000%, price 101.000  
Current: rate 4.000%, price 101.250  
Relock: rate 4.000%, Price 100.750 |
| Current market is ≤ 0.250 worse | Worst Case pricing is current market, either a 0.250 Relock Fee assessed or worst case, whichever is worse. | Orig Lock: rate 4.000%, price 101.000  
Current: rate 4.000%, price 100.875  
Relock: rate 4.000%, Price 100.750 |
| Current market is > 0.250 worse | Worst Case pricing is current market, either a 0.250 Relock Fee assessed or worst case, whichever is worse. | Orig Lock: rate 4.000%, price 101.000  
Current: rate 4.000%, price 100.500  
Relock: rate 4.000%, Price 100.500 |
| Current market is worse and Orig rate is no longer available | Rate must be changed to an available rate and worst of pricing compares existing price to current price. | Orig Lock: rate 3.500%, price 101.000  
Current: rate 4.000%, price 100.500  
Relock: rate 4.000%, Price 100.500 |

Note: Adjustment fees apply to every relock regardless of market.

Expired Locks: 30+ days:
Once 30 calendar days have passed from the lock expiration date or the lock cancellation date, the new relock will be brought to current market, without a relock adjustment fee and will be priced as if it were a new lock.

Maximum number of extensions and relocks:
- Each lock may be extended and/or relocked a total of two times.
- The maximum term of a single extension or sum of multiple extensions is 30 days.
- The maximum relock term is 30 days.

Nonconforming/Jumbo Locks:
- All Nonconforming/Jumbo locks must be Prior Approved internally or at the investor prior to lock. Inquire at the Lock Desk for details.
Program Changes:
- Changes in programs AND investors may be allowed if the loan does not fit a particular investor’s program and is driven by the Underwriter. Price will be worst case pricing.
- Changes in programs [ex. FHA to Conv] will be worst case pricing. Lock period will remain from day of lock event.

Lock Cancellations:
As soon as a loan is known to be dead, the Lock Desk MUST be notified by the Branch, MLO, Loan Processor, Underwriting Coordinator or Underwriter. This ensures the locked loan is cancelled and our pipeline position is accurate.

Please send an email with the LOAN NUMBER and LASTNAME of the loan that is being cancelled to lockdesk@iservelending.com.

Rate Renegotiations:
iServe does not participate in Rate Renegotiations, except in extreme circumstances and on a case-by-case basis. As a general guideline, price will not improve with renegotiation, only the note rate may be lowered. The note rate must be lowered at least 0.250% improvement to the borrower.

Double Locks:
In the case where the MLO locks a loan under two separate Loan numbers (e.g., same borrower and same property), the following procedures apply:

If two Loan Numbers are assigned to the same borrower/property, and:
- Both loans are active locks, Original Loan will remain active and the desk will reprice at the “worst of” market price between the two locks. The second loan will be canceled and will count against the branch’s fallout percentage.
- One loan is a lock that expired less than 30-days ago, and the other loan is an active lock, Original Loan will be relocked and subject to the above relock policy. In addition to “worst of” pricing, the second Loan will be canceled and will count against the branch’s fallout percentage.

Float Downs:
iServe does not participate in Float Downs.

Off Sheet Pricing:
iServe’s investors do not offer off-sheet pricing. All available rates are posted in LendingQB.

Extended Locks:
iServe does not participate in Extended Rate Locks.