

General Information

The lock desk will generally accept locks between the hours of 8:30am and 3:00 pm PST, Monday through Friday. Exceptions include, but are not limited to, bond market holidays, periods when current pricing has been suspended or unavailable and or other pre-announced closures.

Rates and pricing are subject to change without notice and during volatile markets pricing may be unavailable during the hours stated above. Prior to requesting a lock it is recommended that the Loan Officer and/or Processor verify current pricing before submitting the lock request.

There is no overnight protection on rate lock requests. All rate lock requests must be received by the lock desk between the standard business hours noted.

Lock Requests

Interest rate, price, margin and all applicable adjustments must be completed based on the above information and is absolutely necessary to properly lock a loan. The lock desk will base final pricing on the above information and lock the loan accordingly.

Inaccurate/incomplete lock request will delay the processing of the lock request. The lock desk reserves the right to make necessary corrections on locks that do not reflect accurate pricing, based on the current rate sheet and program adjustments. Locks that have not been confirmed due to inaccurate/incorrect information are subject to market fluctuation.

Requests

Initial, extension and re-lock requests must be submitted to locks@banconemortgage.com. Any lock requests forms submitted through email must be complete and correct or will be denied.

Change Requests

As change requests may include items such as loan program, interest rate and other items, change requests should be completed using the Lock Change Request form and submitted to both locks@banconemortgage.com and the assigned Loan Processor. A change of circumstance form signed by the Loan Officer of record must accompany the request and be uploaded through e-docs in the broker portal.

Confirmations

Confirmations on new locks, extensions and relocks will generally be issued within 2 hours of the request. Confirmations on lock changes may take longer and follow up should be done with the assigned Loan Officer.

Other

Questions about locks, change requests, extensions, clarification on pricing and other questions should be directed to the lock desk via email at locks@banconemortgage.com. Include the nature of the request, borrower(s) last name, loan number, your name and phone number so we can contact you if needed.

Max Rate

Bancone will not accept rate lock requests on approved loans where the rate requested is higher than the max rate shown on the Approval Certification or automated underwriting results. It must go back to the underwriter for approval before the lock can be requested.

Lock Periods

30 and 45 Days

Lock Expiration Date

The loan must fund by the lock expiration date. Bancone calculates the lock expiration by using the day of the lock as “day one”. When the lock expiration falls on a weekend or federal holiday, the loan must fund no later than the following business day.

Lock Extensions

One rate lock extension may be requested on or before the lock expiration date and are subject to an extension fee. Locks that expire are subject to worst case pricing.

The new expiration date will be based on the original expiration date plus the extension days. The following are the extension options:

- 7 days = 0.15
- 15 days = 0.30

All extension requests must be made through submitted to locks@banconemortgage.com. and a change of circumstance form submitted to the Bancone Loan Officer.

Re-Lock

A re-lock is a request to lock an expired or canceled loan that has been previously locked. The price may be based on worst case. This will be based on market conditions at the time of re-lock. This is where the original lock price plus any extensions necessary and the current price are compared and the worst case is used. Re-locks must only be made on loans in approved status.

- Worst case pricing will apply with the minimum cost to relock of 25 bps.
- Loans that have been expired or cancelled by > 30 days will be re-priced using current market pricing.
- Loans may be relocked for a term less than or equal to the original lock term.
- A loan may be relocked a maximum of 2 times.

Float-Down

Bancone does not offer float-down's at this time. Based on significant market movements, please contact the lock desk for a case-by-case review of float-downs.

Price Change

When the market moves substantially, new pricing will come into effect. During volatile markets a rate change notice may be published and locks will not be accepted until new pricing is circulated. Rate lock requests received after a new notice or new rate sheet has been published will be rejected and must be resubmitted accurately.

Product Changes

Although it is discouraged, program/product changes are accepted on a case-by-case basis and may be subject to worst case pricing. All program changes require a new lock request to be submitted and, once confirmed, a change of

circumstance re-disclosure to the borrower(s). As always, the submitted request must match the last terms approved by the underwriter.

Loan Changes

If there are any changes to the loan other than program/product, these changes must also be submitted through to the lock desk. These changes may include loan amount, appraised value, rate, property type, LTV, CLTV, and FICO etc. As always, the submitted request must match the last terms approved by the underwriter.

This policy is subject to change at any time.