

Rate Lock Policy

Lock Desk: (213) 788-3577, Ext. 216

E-mail: lockinfo@nmsgroup.com

Cut-Off Time: 6 PM (PST) for Conventional/FHA/Non-QM & 3 PM (PST) for JUMBO

1. Rate Sheet Policy:

Rate sheet is published daily and distributed via email by 9:00 a.m. PST. Rate sheet can also be available at the NMSI Wholesale website, www.nmsgroup.com. Intra-Day price changes may occur at any time based on market movements without prior notice. All applicable price/rate adjustments are listed on the Daily Rate Sheet and are subject to change. Refer to the Daily Rate Sheet for current price/rate adjustments. The original lock request must be completed through the Correspondent portal at <https://broker.nmsgroup.com>.

2. General Lock Policy:

2.1 Pre-Lock and Rate Lock

PRE-LOCK Policies

- Pre-lock requests may be **CANCELED** if the following conditions are **NOT** met **WITHIN THE LOCK CUT-OFF TIME (6:00PM) OF 5 BUSINESS DAYS** from the requested Pre-Lock date. **(6 business days for FHA Programs)**
 - ✓ The Full package must be uploaded to the portal. **(Ref 2.1.1 Submission package)**
 - ✓ The Appraisal order must be completed. **(Ref 2.1.2 Appraisal)**
 - ✓ The loan status must be changed to "SUBMITTED".
- Refer to NMSI's turn-time for Submissions; note that the file registered after 3:00PM PST may not guarantee a status change to "submitted".
- Pre-Locks will not be canceled, if the loan is approved within 5 business days. **(6 business days for FHA Programs)**
 - Refer to NMSI's turn-time for Underwriting; note that submissions made after 3:00PM PST may not ensure an underwriting decision on the same day.
- Once canceled, the loan can be relocked with **WORST-CASE pricing + 0.250% fee** within 30 days. **(Ref 4.Relock Policy)**.
- For Jumbo files, the loan can be relocked with **WORST-CASE pricing + 0.250% fee** within 65 days. **(Ref 4.Relock Policy)**.



STANDARD LOCK Policies

- PTD is not required to be signed off.

2.1.1 Submission Package

Core Documentation

- ✓ Initial Disclosures (Pre-Lock: It must be consumed within 3 business days from the lock-in date)
- ✓ Initial 1003 (check interview date/ retail or TPO)
- ✓ BROKER LE or FEE SHEET
- ✓ (Master) Settlement statement/ CD
- ✓ Credit Report
- ✓ Income Document(s)

- **Self-Employed Borrower : Core Documentation**

- + **Audited P&L statement OR unaudited P&L with 3 months of business bank statement. (Jumbo Only)**
- + **Borrowers personal and business tax return. (If applicable)**

2.1.2 Appraisal

- **Pre-lock**

- ✓ **HASAMC:** Order and pay appraisal through HASAMC (contact la@hasamc.com)
OR
- ✓ **Third party AMC**
(Appraisal reports or order receipt must be submitted to appraisal@nmsigroup.com, within 5 business days from the requested Pre-Lock Date. [To ensure precise system updating by our Appraisal team, we kindly urge you to email before 3:00 PM PST of the Pre-Lock Cancellation date.])
OR
- ✓ **Appraisal transfer** (Appraisal Package must be submitted to appraisal@nmsigroup.com within 5 business days from the requested Pre-Lock Date.[To ensure precise system updating by our Appraisal team, we kindly urge you to email before 3:00 PM PST of the Pre-Lock Cancellation date.])
OR
- ✓ **PIW** The Property Inspection Waiver (PIW) process needs to be initiated by NMSI through the Automated Underwriting System (AUS), requiring a PIW to be present in DU or LP that aligns with the GSE type, in order to bypass the need for an appraisal.

- **Standard Lock**

- ✓ **HASAMC:** Order and pay appraisal through HASAMC (contact la@hasamc.com)
OR
- ✓ **Third party AMC**
(contact appraisal@nmsigroup.com with completed appraisal report)
OR
- ✓ **Appraisal transfer** (contact appraisal@nmsigroup.com with appraisal package)
OR

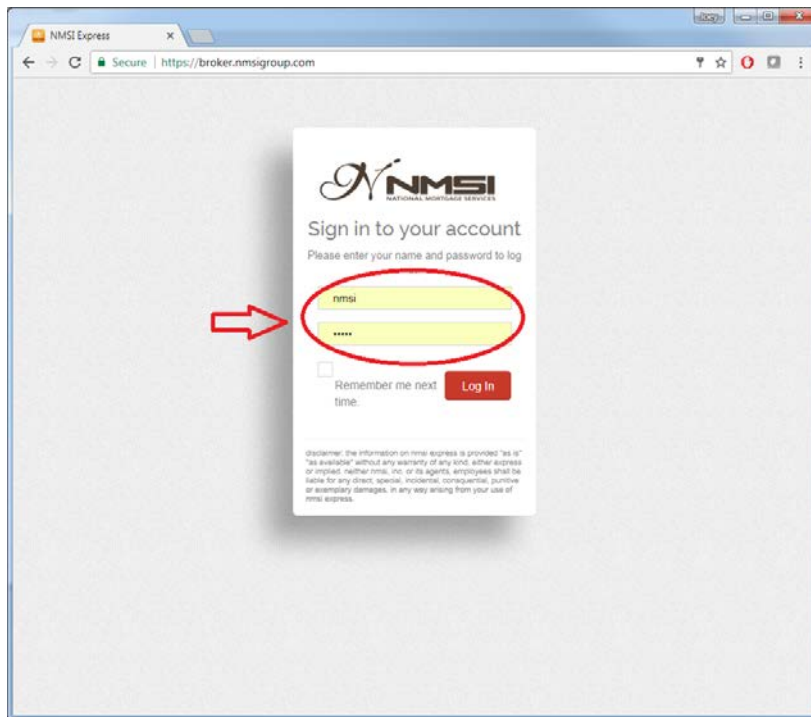
- ✓ **PIW status update** (contact appraisal@nmsgroup.com with PIW exercised AUS)

AND

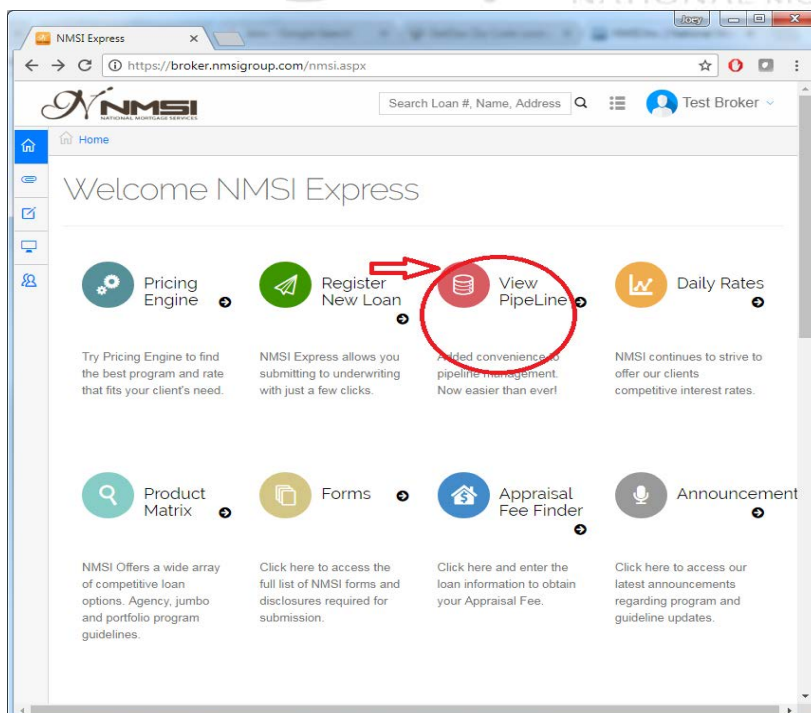
- + **Appraisal condition must be signed off by UW after completion of submitting appraisal report**

2.2 Rate Lock Confirmation

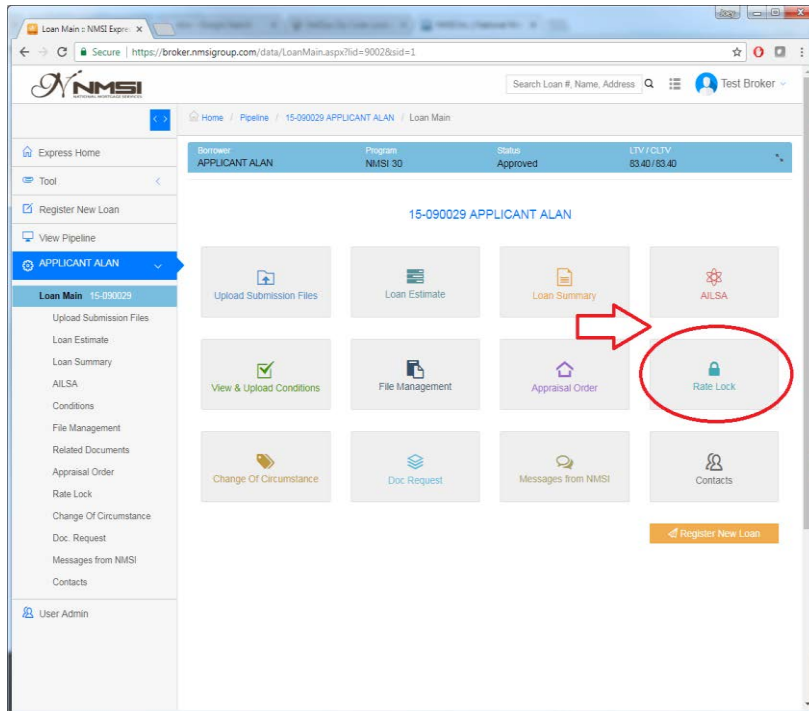
2.3.1 Lock confirmation is available at the Broker Portal once a loan has been locked.



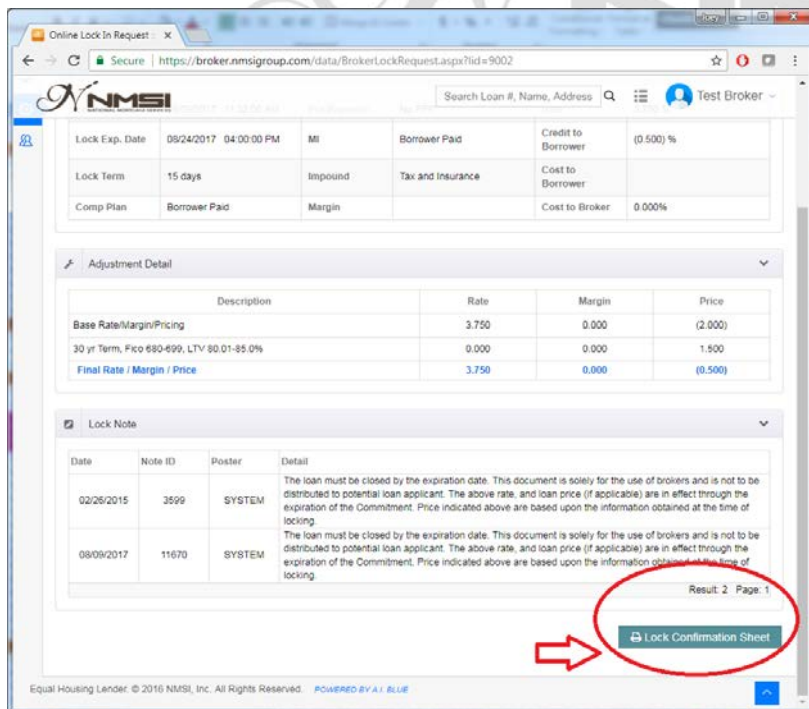
- Go to <http://broker.nmsgroup.com> and **Login** with your ID and PW



- Click **“View Pipeline”** / Select a loan you are looking for.



- Click "Rate Lock"



- On the bottom of the page, you can find "Lock Confirmation Sheet"
(It will be downloaded in PDF file)

3. Lock Extension Policy

3.1 Extension Costs

- 3.1.1 0.125% cost for 2 days extension (Excluding weekend or holidays)
- 3.1.2 0.250% cost for 7 days extension (Including weekend or holidays)
- 3.1.3 Lock extension is available up to two times.
- 3.1.4 Please contact Lock Desk, lockinfo@nmsgroup.com for other inquiries

3.2 General Lock Extension Policies

- 3.2.1 All lock extension must be requested via COC portal by 6 PM (PST) for Conventional/FHA/Non-QM & 3 PM (PST) for JUMBO on or before lock expiration date; otherwise, it will be subject to **relock**.
- 3.2.2 Locks, expiring on the weekend or holiday, will roll to the next business day at no cost.

4. Relock Policy:

4.1 Inclusively, up to 30 days from lock expiration date, relock case will be applied with **Worst-Case Pricing And 0.25% Relock Cost**, if it is requested. (Submit COC through the portal for relock requests)

4.2 If a loan has been withdrawn or passed more than **30 Days** from the expiration date, **New Lock** will be allowed with the current market pricing.

(Contact Lock desk for new lock request (lockinfo@nmsgroup.com))

4.3 Jumbo Files

4.3.1 Inclusively, up to 65 days from lock expiration date, relock case will be applied with **Worst-Case Pricing And 0.25% Relock Cost**, if it is requested
(Submit COC through the portal for relock requests)

4.3.2 If a Loan has been withdrawn or passed more than 65 Days from the expiration date, New

(Contact Lock desk for new lock request (lockinfo@nmsgroup.com))

4.4 Relock is only available **From A Day After The Lock Expiration Date**.

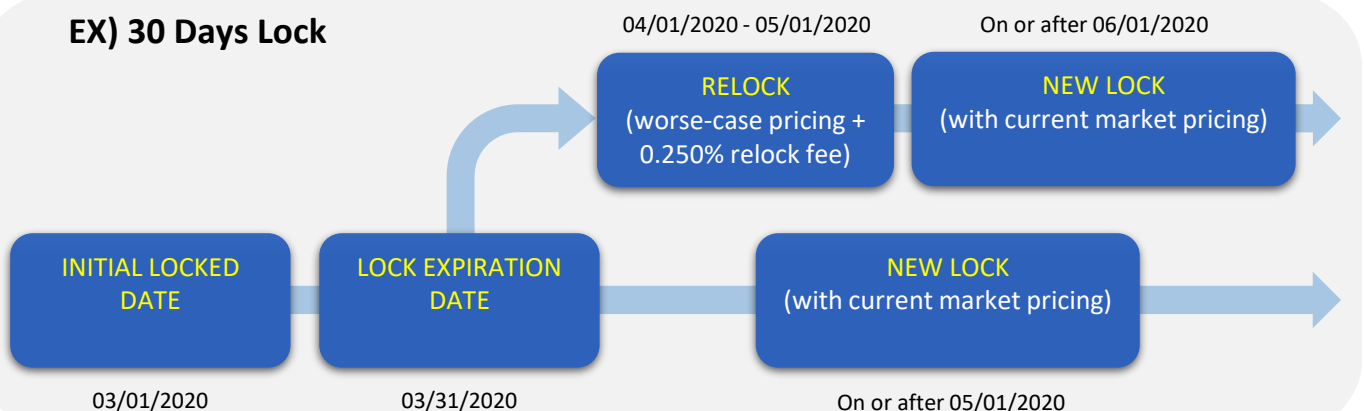
4.5 Current pricing adjustments and product guidelines on our daily rate sheets will be applied, even if the relock receives original base pricing.

4.6 Relock is allowed for **only one time** and once the loan gets relocked, **no extension** will be allowed.

4.7 Relocks request must be received by 6 PM (PST) for Conventional/FHA/Non-QM & 3 PM (PST) for JUMBO.

4.8 Lock term should remain same as previous lock.

EX) 30 Days Lock



5. Loan Program/Tier Change:

Table 1. Program Group

| Tier | Program |
|-------|--------------------------------|
| FIXED | |
| 1 | Conventional Loans > 15 Years |
| 2 | Conventional Loans <= 15 Years |
| ARM | |
| 3 | Conventional Loans > 15 Years |
| 4 | Conventional Loans <= 15 Years |

5.1 For Program Change in **The Same Tier** (Ref. Table 1)

5.1.1 Base price will be same as initial locked date

5.1.2 LLPAs will be adjusted to the recent rate sheet

5.2 For Program Change to **The Different Tier** (Ref. Table1)

5.2.1. Base price will be revised with the Worst-case Pricing, between initial locked date and requested date

5.2.2. LLPAs will be adjusted to the recent rate sheet

5.3 For any program changes between Non-QM Products including Jumbo, the base price & LLPAs will be resived with the worst-case pricing between the initial lock date and the requested date

* Changes in amortization type will be applied for worst-case pricing for Jumbo Products & DSCR 2-4

* Changes in amortization type will not be applied for worst-case pricing for NonQM Products [TVOE, RED, 12MOS, DSCR1]

5.4 No Worst-case pricing will be applied if the program change is requested by 6 PM (PST) for Conventional/FHA/Non-QM & 3 PM (PST) for JUMBO on the initial locked date

5.5 For Program Change between Conventional and FHA

5.5.1. Base Price will be revised with the Worst-case Pricing, between initial locked date and requested date

5.5.2. LLPAs will be adjusted to the recent rate sheet

6. Worst-Case Pricing applies:

- 6.1 When rate lock has expired and has requested for Relock.
- 6.2 When loan product changes to different group/tier.
- 6.3 When loan program changes between Non-QM Products.
- 6.4 Jumbo Only- When the note has changed by more than twenty-five (25) basis points.
- 6.5 Jumbo Only- When the loan amount variance from the locked loan amount is greater than ten percent (10%).

7. Lock Term Change Policy:

- 7.1 Lock Term Change should be requested by 6 PM (PST) for Conventional/FHA/Non-QM & 3 PM (PST) for JUMBO on the initial locked date through COC.
- 7.2 The loan should meet all the requirements (**Ref. 2.1**) prior to COC submission.

8. Lock Cancellation Policy:

- 8.1 Lock Cancellation requests need to be done by 6 PM (PST) for Conventional/FHA/Non-QM & 3 PM (PST) for JUMBO on the initial locked date.
- 8.2 Lock Cancellation requests cannot be made from a day after the initial locked date.
- 8.3 Please contact Lock desk (lockinfo@nmsigroup.com) for a lock cancellation request in a timely manner.

9. Loan (File) Cancellation Policy:

- 9.1 Broker/Non-Delegated Correspondents must maintain a Closing Ratio of 75% or Higher. Otherwise all locks (including pre-locks) that are undelivered, canceled, and /or expired will be subject to Lock Cancellation Fees AND Pair off based on Market Movements.
 - 9.1.1 Cancellation Fee: \$500 / Pair off: Based on Market Movements

10. Refreshed Lock Policy:

- 10.1 All refreshed (new) locks will carry the extension and relock fee from previous locks. (If applicable)

11. TBD/TBA Properties Lock Policy:

- 11.1 Any files that have TBD/TBA addresses will not be allowed to request a rate lock.

By signing below, you agree to our Terms of service and that you have read our policy.

Signature: _____
(Broker of the Record)

Date: _____