



## Rate Locks Policy

### Rate Locks

Rate locks may be faxed directly to the Lock Desk or emailed to [lockdesk@jmaclending.com](mailto:lockdesk@jmaclending.com). Rate locks will be priced based on the Rate Sheets in effect at the time the rate lock request is received by the Lock Desk.

A valid faxed lock request or email will be accepted from the effective time of our rate sheets to 4:00 PM PST.

- Rate lock requests submitted to other fax number or email to a different email address will not be honored
- Rate lock requests received after 4:00 PM PST will be voided. The Lock Desk will not be responsible for locking after hour for the next day. A new request must be submitted the next business day to the Lock Desk.

### Rate Lock confirmation

A rate lock confirmation should be emailed or faxed within the same day of request. The confirmation is a guarantee of rate and price only. The confirmation does not guarantee that the loan meets published program guidelines.

### Lock term

A loan may be locked for 19, 25 and 30 days depending on its status.

19 day lock will only be available for loan that:

- a. The appraisal is completed.
- b. The loan has most of the PTD conditions signed off AND the appraisal ordered Day input in the system.

25 day lock will only be available for loan that:

- a. The loan has no PTD conditions signed off but has appraisal order Day
- b. The loan has most of the PTD conditions signed off but has no appraisal order day in the system.

30 day will be locked for loan that has not cleared any PTD conditions nor appraisal order day in the system.

### Pre-lock

All Pre-locks must be locked for at least 30 days or more and brokers will be subject to performance review or Pull-thru ratio for pre-locks.



Brokers will be subject to internal performance review or Pull-Thru ratio report. JMAC reserves the rights to not pre-lock any loans if the Pull-Thru ratio doesn't meet our standard requirement.

A loan package must be submitted within 5 business days after the loan was pre-locked, or else the loan will be canceled automatically. It will be priced worse case if the loan needs to be relocked later on.

Pre-locking is restricted to select products. Contact Secondary Marketing team for more pre-locked products.

All prices for pre-locks are subject to change once the file has been underwritten if details of the loan change from when the lock request was originally submitted. If a pre-locked loan must be sold to a specific investor, the original lock may not be valid. Contact Secondary Marketing team immediately to correct pricing.

### **Maximum Qualified Rate**

Lock Requests are subject to maximum rates determined by the underwriter. If the requested rate exceeds the maximum rate allowed by the underwriter, lock-in is not guaranteed. Request to increase maximum rates should be made to underwriters prior to rate lock request in order to avoid delays.

### **Extensions**

A rate lock extension may be requested by the broker on or before the original rate lock expiration date. All rate locks extensions must be requested by 4:00 pm PST. A loan can be extended only 2 times with the maximum 15 days total for 2 times extension. Any extension request for more than 15 days will be subject to worst case markets.

### **Cost to Extend:**

Extensions are only available if the rate lock has not expired. The cost to extend will be calculated based on the day that the file is going to docs. If the file was originally locked for 17 day or 30 day then the market movement will also be calculated based on current market price for 17 day or 30 day respectively. The cost of extension will be calculated as follows:

#### **1. Conforming Fixed:**

If the market movement is:

- a. Same or better pricing: JMAC will grant a one-time lock extension at no cost. The new expiration day will be exactly 7 days from the day that the extension was requested. Any additional extension after the one-time free extension will be at a cost of 0.025% per day.
- b. Worse pricing: There is a cost of extension of 0.025 for every day.

#### **2. Conforming ARMs:**



Regardless of any market movements, all extension for conforming ARMs products will be at a cost of 0.025% per day.

**3. Non-Conforming Fixed & ARMs (Jumbo products):**

Regardless of any market movements, all extension for conforming ARMs products will be at a cost of 0.025% per day.

In the event that the file is not ready to go to docs, a cost to extend will at 0.025% per day.

All extension must be done by emailing to the lock desk before 4:00 PM PST.

**Relocks**

A lock is considered a relock if it occurs within 60 days of the expiration of the original lock. Relocks are only available if the rate lock has expired and must be ready to docs and must be requested by 4:00 pm PST. JMAC only allows a 7 day relock regardless of what the original lock term was. The cost to relock will be calculated based on the day that the file is going to docs. If the file was originally locked for 19 day or 30 day then the market movement will also be calculated based on current market price for 19 day or 30 day respectively. The cost to relock will be calculated as follows:

1. **Conforming Fixed:** Worse case market
2. **Conforming ARMs:** Worse case market + 0.375 to fee
3. **Non-Conforming Fixed & ARMs (Jumbo products):** Worse case market + 0.375 to fee

In the event that the loan is not ready to docs then the cost to relock will be worse case market plus 0.025 per day time the number of days.

When a loan expired more than 60 day the Current market pricing will be applied if relocked.

**Re-negotiation or float-down policy**

When the market has improved drastically (in general the market needs to move at least 1.00 full point in price or 0.5 in rate), Secondary Marketing will allow brokers to a re-negotiated lock or one time float-down. The method to float down is to use current market pricing and less it by 0.5 in price.

In addition, the following requirements must be met:

- The float down rate must be lower than original locked rate
- Loan must fund with 7 days from the renegotiated or float-down date.
- Loan cannot be in Doc-Out status or higher
- Lock that expired over 60 days can get current market pricing



- Lock with extension are not eligible

### **Program change**

- From Fixed to ARMs – Current pricing
- From Fixed to Fixed – Original locked date’s pricing
- From ARMs to Fixed – Current pricing
- From ARMs to ARMs – Subject to investor’s program change policy. Broker must check with secondary marketing team for options.

### **Broker Responsibilities**

Within 60 minutes from a lock request is received, a lock confirmation will be sent via email or fax. It’s the Broker’s responsibility to follow up on lock confirmations.

The Broker is responsible for checking the information and immediately notifying JMAC’s Lock Desk of any discrepancies or non-receipt of the confirmation.