



AKT American Capital, Inc. **Rate Lock Policies and Procedures**

(Updated: July 17th, 2012)

General Procedure

- All submitted loans must be locked with ACBN's Lock Desk prior to loan documents being ordered.
- All lock requests must be priced and submitted through Marksman.
- Loans should not be considered "locked" until a Lock Confirmation has been emailed by the Lock Desk.
- Due to market conditions, price changes may occur on any given day. When this happens, the Lock Desk will suspend processing of Lock Requests until the price change has been completed and implemented in Marksman.
- It should be noted, that the ACBN reserves the right to revise pricing at any time without prior notice.
- Once a loan has been locked, the loan officer cannot switch from one investor to another unless approved by management.
- Contact lock desk by sending an email to locks@acbnonline.com or contact a lock desk clerk directly.
- Hours of operation: The Lock Desk will be open from 8:30am to 4:30pm (Pacific Time) for general inquiries, lock revisions, extensions, and renegotiations (Lock hours may change for federal holidays etc.).

Lock Requests

- Lock Requests will only be accepted by the originating broker/loan officer or an authorized representative of the broker/loan officer. The broker/loan officer must be in approved standing ACBN before he is able to lock.
- If the loan officer knows a file cannot go to one specific investor prior to locking, it is mandatory for the loan officer to notify the lock desk (and underwriter).
- ACBN will make every effort to process Lock Request in the shortest time possible (usually within an hour from receipt). Lock Requests will be facilitated in the order they are received.
- If the loan file has been issued a preliminary or final approval, the terms listed on the Lock Request Form must match the loan approval terms. It is the loan officer's responsibility to make sure the loan criteria on the approval matches the criteria on the lock confirmation.
 - In the event the Lock Request does not match the loan approval terms, the Lock Request will be placed on hold until the loan officer clarifies the discrepancies. If any price changes occur during this time, those price changes will be reflected on the lock confirmation.
- Loans locked prior to underwriting may be subject to adjustments to the lock terms, based on subsequent loan approval terms. The loan may need to be modified or re-locked if the loan does not meet the product requirements under which the loan was originally submitted.
- Lock Requests will not be accepted on files in a "suspended", "declined", "cancelled" or "withdrawn" status.
-

Lock Terms

- 15 day term – available for loans in an “approved” status and cleared for docs.
- 30 day term – standard term for an approved file or forward lock on a purchase transaction.
- 45 day term – standard term for a forward lock on a refinance transaction. File must be submitted within 5 days of the lock date.
- 60 day term – available upon request.

Changes to Existing Locks

Program Changes

- Program changes will result in a new lock at present market. Notification should be sent to the Lock Desk as soon as it is known that the product is to be changed.

Loan Feature Changes

- Lock Request or changes to existing locks must be made in writing through email. Verbal requests will not be accepted. Please note that pricing quotes given by the Lock Desk are not guaranteed until a Lock Request has been submitted and a lock confirmation has been sent to the loan officer via email.

Interest Rate Changes

- A locked loan, prior to expiration, can be changed to any available rate/point combination that was available on the original rate sheet on the date the loan was locked. Notification should be sent through email to the Lock Desk.
- Re-disclosures will need to be sent to the borrower, notifying him/her of the change. Re-disclosures may require an extension at a cost to the loan officer- please contact the lock desk to see if one applies.

Changes to Property

- A change to a different property is considered a new application and is priced using the current rate sheet. A correction to the property address (actual property has not changed) does not change the original lock.
 - If pricing changes for any reason once loan documents have been drawn, a re-draw may be required for disclosure purposes.

Lock Extensions and Relocks

Lock Extensions

- Lock Extensions may be granted upon request.
- To request a Lock Extension, the loan officer must email the current Lock Confirmation to the Lock Desk prior to 1:00pm (PST) on the date of expiration, indicating the duration of time being requested.
- Lock expirations residing on a Government holiday, Saturday, or Sunday do NOT carry over to the next business day. The lock must be extended prior to the expiration date.
- If docs are out and an extension is needed, please contact the lock desk to see what options are available as a redraw may be needed to accommodate the request.
- Extension Fee Schedule
 - Please contact the lock desk for all extensions. Extension policies are investor-specific and may vary.

Relocks

- Relocks will be based on the worst case pricing scenario between the published Rate Sheet as of the original lock date, and the current day's published Rate Sheet.
- All relocks will include previous loan level pricing adjustments and extension costs.
- If the previous loan had been renegotiated, the renegotiated price will be lost and the relock will be compared to the pricing on the original lock date.
- A relock may be offered **one-time** only.
 - Duration of Relock Price Adjustment
 - 15 days -.375
 - 30 days -.5
- A lock that has been expired for a minimum of 61 days can be relocked at current market, even if the current market is better.
- Contact the loan desk to see what the options are – relocks are done on a case by case basis only.

Rate Lock Renegotiations

Lock Renegotiations

- In the event the market is substantially better from the day the loan was initially locked, ACBN may offer a **one-time** renegotiation.
- A renegotiation option can be obtained within 15 days of the scheduled closing date or lock expiration date, whichever is earlier.
- All renegotiations are granted in rate (lowing rate by a minimum of .125) and not price (loan officer's rebate may not increase).
- All renegotiations will include previous loan level pricing adjustments and extension costs.
- Contact the loan desk to see what the options are – renegotiations are done on a case by case basis only.