



Rate Lock Policy

Rate Sheet Publication and Lock Times

LEXINGTON publishes a Rate Sheet that lists the rates and prices available for all of our programs. The updated Rate Sheet can be automatically e-mailed to the Broker's desktop or it can be received via fax. The Rate Sheet is also available 24 hours a day on our web site. The web site has functionality that allows you to download the current Rate Sheet in Adobe Acrobat or view rates by program.

The target time for publishing updated pricing on the www.LexingtonLending.com website is 8:30 AM Pacific Standard Time and are subject to change anytime. Pricing will be primarily driven by current levels in the capital markets, therefore, rate sheet distribution will occasionally lag the target time due to market volatility caused by economic releases and/ or geopolitical events. The rate sheets are only valid from the time they are posted until the rate lock desk cut off time. Rates may not carry over do to the next day and are subject to change without notice. The lock cut off time for each program is 5:00 PM Pacific Standard Time.

The rates and prices are effective from 8:30 a.m. Pacific Time until 5:00 p.m. Pacific Time on the same day, unless there is an intra-day price change.

If there is an intra-day price change, a notice will be faxed or e-mailed to the Broker and new Rate Sheets will be made available on LEXINGTON's web site. The effective time will be indicated on the notice and will be effective until 5:00 p.m. Pacific Time on the same day, unless there is another intra-day price change.

Price/Rate Adjustments

All applicable price/rate adjustments are listed on the LEXINGTON website and are subject to change without notice. Refer to the LEXINGTON website for current price/rate adjustments.

Price Changes

Price changes can occur at any time during the course of business hours 8:30 AM PST – 3:00 PM PST. Specific products and rates may be adjusted, while others may be left unchanged. All account managers will be notified by email of the time and type of price change. There may be a period of time when the rate lock desk does not accept requests until the change has taken place. Any requests received during this period will be rejected and/ or priced off the updated rate sheets.

Lock Request Process

There are two ways in which to lock a loan.

- ✓ Via Fax
- ✓ Via the Internet

Fax Locks

Brokers may lock loans by completing the Rate Lock Form and faxing it to **714.200.0627**

Internet Locks

Using the broker web site at www.LexingtonLending.com, Brokers may lock loans for delivery to LEXINGTON, and also check the status of loans in the pipeline. Loans already delivered to LEXINGTON



may be locked on line through "LoanGenie". Pre-locks or loans not submitted may be locked on line through "LoanGenie".

Incomplete Locks

LEXINGTON is unable to lock a loan until all applicable information required on the lock form is supplied.

Faxed lock requests that are incomplete will be annotated and faxed back to the contact indicated on the lock form.

- If the Broker provides the complete information before the end of the business day of the initial request, the loan will be registered using the pricing in effect when the initial request was received.
- If the Broker does not provide the information before the end of the business day of the initial request, the registration is subject to current market pricing.

Lock requests that are faxed to the rate lock desk will be accepted and will be considered valid. It is recommended that brokers keep their own set of documentation on all lock requests. The time stamp on the request is the official time of lock in, not the time it was sent. If an unforeseen computer malfunction occurs, it is the rate lock desk's policy to accept or refuse locks on an individual basis.

The rate lock desk also reserves the right to refuse any lock or prelock request that does not meet our standards. If a lock request form is incomplete, inaccurate, or illegible, the rate lock desk will reject the submission, and it is the broker's responsibility to complete the missing or inaccurate information. The **price and rate is not guaranteed until the broker submits a complete and accurate** lock request form.

Prelock Requests

Loans can be locked during their registration stage, prior to underwriting approval through the electronic prelock submission form found on the Lexington website. However if the file has not been received within 5 working days of the prelock, the lock is no longer valid. If the loan is extracted from our system, the loan cannot be relocked until the file has been received and assigned a new loan number, and will be priced according to worse case pricing between the relock and original lock dates.

If a borrower attempts to pre-lock at Lexington through two different competing brokers, the first pre-lock request received will be considered the valid lock. The first broker will have 5 business days to submit a complete file. After five days, competing brokers will have the opportunity to lock at current market under a new loan number, and will be given priority over the original broker.

Lock Confirmation

The rate lock desk will send lock confirmations via email to the broker, account executive, and account manager before the end of the next business day upon receipt of the request. Lock confirmations can also be viewed on the Lexington website at anytime with a valid loan number and borrower's social security number. It is the broker's responsibility to contact the rate lock desk at (714) 955.5550 ext.101 if the confirmation cannot be viewed after 24 hours.

Confirmation Statements

- For loans locked on the website, using "LoanGenie", a Lock Confirmation is available immediately for printing. Fax lock confirmations are faxed back to the Broker before the end of



the next business day of receiving the request. Please allow LEXINGTON a minimum of 24 hours to process your request before making a follow-up call.

- LEXINGTON faxes the confirmation back to the fax number indicated on the Rate Lock Form.
Note: A loan number will not be assigned to pre-locks.

Discrepancies

Please check the Registration Confirmation upon receipt. If there is a discrepancy on your confirmation, please contact the lock department immediately. It is the Broker's responsibility to notify LEXINGTON to correct a discrepancy. Corrections after 24 hours may affect your price.

Duplicate Locks

- If a duplicate lock is submitted, the original Lock is honored.
- If the original lock is expired or cancelled and a duplicate lock is submitted within 30 days from the earlier of the expiration or cancellation date, the loan will be re-locked applying worst case pricing.
- For, FNMA/FHLMC fixed rate conforming and FHA/VA fixed rate programs, if the original lock is expired or cancelled and a duplicate lock is submitted more than 30 days from the earlier of the expiration or cancellation date, the loan will be re-locked applying current market pricing.

FICO Scores on the Rate Lock Form

Brokers should complete the FICO score section on the Rate Lock Form for all loans locked with LEXINGTON. All loans locked without the FICO score, or loans with an incorrect FICO score, are subject to re-pricing when the credit file is reviewed.

On conventional non-conforming loans, the Broker must provide a FICO score. If the FICO score is not provided, the loan is subject to a price adjustment.

The final determination of price adjustments will be made upon validation of the loan data after LEXINGTON's receipt of the loan package.

(Refer to the www.LexingtonLending.com for the appropriate price adjustment.)

The FICO score applicable for each loan must be determined in accordance with LEXINGTON's minimum representative FICO score for the applicable program.

Lock Periods and Expiration Dates

Programs on the Lexington rate sheet will have lock period options of 10 or 25 days. In order to lock with 10 day pricing the loan must have prior underwriting approval and the prior to documents conditions must be completed. All prelocks will carry a 25 day lock period and cannot be extended until the physical file has been received. The first day of the lock period is the date of the rate sheet used to price the loan. Loans must fund by the final day of the lock period and be fully recordable the next business day. If not, the lock will be subject to an extension fee. The maximum lock period is for 60 days.

** Lock expiration dates that fall on a weekend or holiday will automatically get rolled forward to the previous business day. This policy includes lock expiration dates on extensions. **



Upon executing a rate lock, the market risk exposure to the interest rate is assumed by LEXINGTON during the rate lock period. Brokers are expected to use their Best Efforts to close and deliver the locked loan prior to the expiration date stated on the Rate Lock Confirmation.

Lock Options

Lock Options	Availability	Up Front Fee	Price Adjustment
10-Day	All Products	0.000%	tbd
25-Day	All Products	0.000%	tbd

1. 10 Day locks are only allowed on approved loans with all prior to doc conditions signed-off.
2. Prelocks may be accepted on all lock periods except 10 day.
3. Loan files must be received within 10 days for 25 day prelocks.

Changes to Locks

To request a change to a locked loan, please call your LEXINGTON Account Executive, local branch or the Lock Desk and provide the following information:

- ✓ Broker ID Number
- ✓ LEXINGTON Loan Number
- ✓ Borrower's Name
- ✓ Identify change to registration information

Changes to Loan Program

Approved loans that are locked must be re-approved prior to relocking if a program change is requested. The Broker must contact the local branch to request this change. Once the loan has been re-approved to the new program, a new lock may be requested via fax to the LEXINGTON lock Desk. A change of program (*as determined by Secondary*) will be priced at current market. Change of interest rate within the same program will be priced off the original Rate Sheet. All changes are subject to approval by LEXINGTON.

Change of Property

Change of property will be considered a new loan and is subject to current market pricing. If LEXINGTON Underwriting has reviewed the loan, please call LEXINGTON Underwriting to discuss any change of property.

Change of Borrower

Change of borrowers is acceptable as long as one of the original borrowers remains the same. If the original borrower(s) changes, it will be considered a new loan and is subject to current market pricing. If LEXINGTON Underwriting reviewed the loan, please call them to discuss any change of borrowers.

Change to the Lock Option

Any lock option change must be requested through LEXINGTON's Lock Desk and will be subject to market conditions at the time of the request.

Lock Extensions

Locks from the Lexington rate sheet programs will be eligible for extension if the rate lock desk is



notified prior to expiration. The correct form for extensions is found on the Lexington website. Loans can be extended at any point during the lock period up until 5:00 PM PST the day of the lock expiration. However loans can only be extended to a maximum lock period of 60 days. After 60 days the loan must be relocked with worse case pricing. The cost for an extension on each program is a .25 Bps cost for 5 additional days.

Extension Request

The Broker may request a rate lock extension, after loan approval, on or before the rate lock expiration date. LEXINGTON currently adjusts the price and expiration date based on the schedule below. Extensions are only given from the original lock expiration. A maximum of 10 days is allowed for extensions. If a loan does not fund after the 10 day extension it is subject to a relock at worst case pricing, as described below. (Note: The schedule is subject to change as market conditions change.) A revised Rate Lock Confirmation is faxed to the Broker and/or placed on the web.

<u>Lock Extension Schedule For Worse Market</u>	
Calendar Days Requested	Extension Fee
1-5	0.250%
6-10	0.250%
<u>Lock Extension Schedule For Better Market</u>	
Calendar Days Requested	Extension Fee
1-5	No Charge
6-10	No Charge

Relocks

Extensions are not available if the rate lock has expired. Relocks are allowed on or after the loan expiration date. Relocks are for 10 days only and the loan must be approved with all prior to docs signed off.

Worst Case Pricing

Worst case pricing is calculated by comparing the original total price to the current total price, applying the lower of the two.

Example:

	Original Lock	Current Pricing
Base Price	101.000	100.750
Second Home	(0.250)	(0.250)
Total Price	100.750	100.500
Worst Case Pricing		100.500

Expired locks

If the lock has expired the loan may be relocked at worse case pricing between the note rate on the day of the relock and the note rate on the original lock, as well as an additional .125 relock cost applied to the fee. The relock period is for 10 days. All previous costs including previous extension fees carry over to the new lock. Loans may be relocked at the current market rates if the lock has been expired for 60 days or longer.



Lock Changes and Adjustments Pricing

Loans that change from one product to another on the same rate sheet (i.e. from a 30 year fixed to a 5 year arm) will be priced off worst case pricing. If they are changing to another program on a different rate sheet (i.e. from page 3A to page 1A) they must also go off the worst case pricing between the original lock and the day of the requested change. The broker can never improve his pricing by switching programs. The original terms apply should the loan be relocked with worst case pricing; the original lock period may carry over any previous extension fees.

If the address on the loan is changing it will be considered a new lock and also be subject to worse case pricing. Any lock sent in without proper address identification will be automatically declined. The lock desk cannot lock off of to be determined addresses.

Relocks

FNMA/FHLMC Fixed Rate and FHA/VA Fixed Rate Programs:

Requests for a relock, up to and including 30 days after the Price Expiration Date, with no prior request for extension or relock, are relocked using Worst Case Pricing (WCP). Comparisons are based on the original pricing date versus the relock request date. Requests greater than 30 days after the Expiration Date will be priced at current market. Relocks are for 10 days only and must be approved with all prior to docs signed off.

All other programs:

Requests for a relock, with no prior request for extension or relock, are relocked using Worst Case Pricing (WCP). Comparisons are based on the original pricing date versus the relock request date. Relocks are for 10 days only and must be approved with all prior to docs signed off.

Cancellation Requests

To cancel a lock, the Broker must contact their LEXINGTON Account Executive.

Exception Requests

LEXINGTON recognizes that loans may be originated which do not meet LEXINGTON's parameters. If exception approval is required to lock a loan, contact your Account Executive. If an exception is granted, the loan must be underwritten by LEXINGTON, and must warrant the exception. All exceptions are subject to non-standard exception based pricing adjustments Lock Revisions and Approved Loan Revisions.

Brokers who want to make changes to prelocked loans that have not been submitted to underwriting must update and resubmit the ESS (prelock or registration) form. If the changes are affecting pricing or if the broker wants to lock under a new program, they must also complete a lock revision form found on our website. If they are switching programs it will be priced worse case.

Brokers who want to make changes to locked loans that have been approved by underwriting must complete an approved loan revision form found on our website. This form will notify the underwriter of the broker's desire to make changes to their loan. A lock revision form should also accompany the approved loan revision form if there are changes to the pricing, and should be completed with the new updated pricing. The lock revision form notifies the lock desk of the changes. When changing programs the lock will not switch to the new program unless both forms are completed.

Brokers who wish to lock under different terms than under which they are approved, must complete



an approved loan revision before locking. Once that has been received they can complete a lock request under the new terms of the loan.

Closed-End Second Liens and HELOCs

Pre – lock requests on second liens and HELOCs are now available. All extension cost and policies are consistent with first title deeds.