FBC Mortgage Correspondent Lock Policy

Rate Lock Desk: Email: neptunelocks@fbcwholesale.com
Phone: 1-904-996-3330

Time for rate lock:

- Rate locks are available Monday – Friday after pricing has been released (typically 10:30 – 11:00 AM EST) and 5:00 PM EST
- Rate Lock Desk will honor a good rate lock order, meaning bona fide with sufficient information, up to the time that a freezing message is sent out. Rate Lock Desk will compare the time stamp on the order against the time of the freezing message. Likewise, no withdrawal is allowed once submitted.

Lock and Change Request Process:

- All Locks are to be submitted thru neptunelocks@fbcwholesale.com and change requests are to be emailed to neptunelocks@fbcwholesale.com.
- Rate Lock Desk reviews the request for validity; but the Client is responsible for the accuracy of pricing - not Lock Desk. Maximum price on conforming and government products is 105.5.
- Change Requests: ALL change requests on existing locks are to be emailed to the Lock Desk at neptunelocks@fbcwholesale.com, with the Borrower’s last name and FBC loan # in the subject line of the email. Examples of such changes are: extensions, change to loan amount(s), rate, etc.

Rate Lock Extensions:

- Extension requests must be received by the Lock Desk on or before the rate expiration date (email to neptunelocks@fbcwholesale.com)
- Two extensions will be allowed per loan. Extensions must be requested on or before the lock expires and no earlier than 15 days before the expiration date. The first extension can be granted up to a max of 30 days. The second extension can be granted up to a max of 15 days. See Extension Fees below for first and second extensions.
- Free Extensions may also be granted, please see the Free Extensions description below.
- If the loan has been re-locked, extension requests will be reviewed on a case-by-case basis and may or may not be approved by Secondary.

Extension Fees:

First Extension Fees (MAX 30 DAYS):
- .025 Per day cost

Second Extension Fees (MAX 15 DAYS):
- .03 Per day cost
Free Extensions:

- If current market has improved from the time the loan was originally locked, 3 free calendar days may be granted.

Re-locks:

Loans may be relocked one time by requesting the relock via email to neptunelocks@fbcwholesale.com, please allow 24 hours for the request to be completed (price will be determined as stated herein). The relock starts a new lock period on the date the relock is approved. More than one relock will be considered on a case-by-case basis, but in all cases, the loan must be “Approved w/ Conditions” at minimum in underwriting before a second re-lock is considered.

- If the relock is requested within 30 days after the earlier of the original lock expiration or cancellation date, the loan will be priced at the "worst case" price comparing the original locked price to the current market price, less a .125 re-locking fee. The “worst case” price will be determined by comparing the current market price to the most recent (previously) locked price.
- If the relock is requested more than 30 days after the earlier of the lock expiration or cancellation date, the loan will be priced at the current market price.

Change of Rate Lock:

Rate lock may or may not be changed. Secondary Marketing has the full right to decide whether to grant the change request or not. If the change is granted, price may be determined at worst scenario or according to market situation. To request a change, please email neptunelocks@fbcwholesale.com with the FBC loan number, borrower last name, details of the change, and allow 24-48 hours for completion.

Any request for other changes is as follows:

- **Change of rate and pricing** is allowed as long as the original rate and pricing is on the same rate sheet.
- **Change of property** requires a written request. Secondary may or may not require an entirely new lock.
- **Change of borrower** before commitment can be honored as long as the original borrower remains the same; change of borrower after commitment needs underwriter to re-underwrite the loan, if the original borrower remains the same. No fee is charged.
- **Change in loan term** (from 30 year to 15 year, or vice versa) is allowed as long as the new rate and pricing is derived from the original lock day’s rate sheet.
- **Change in amortization type** (from Fixed Rate Mortgage to ARM, or vice versa) will be considered cancellation and fall out of original loan. Price of new loan will be either the worst scenario or decided by secondary market.
- **Change in loan type** (from conventional or FHA/VA, or vice versa) is allowed as long as the new rate and pricing is derived from the original day’s rate sheet.

Rate Renegotiation/ Float-down:

Renegotiation/float-downs may be considered on a case-by-case basis, but in all cases – current market rate must have improved by a minimum of .25% (in rate). No extensions will be granted – loan MUST be funded/purchased by original lock expiration date, otherwise the loan will be re-priced to original pricing. Please contact FBC Secondary Marketing department for loan-level inquiries.

Cooling period:

After a rate lock is canceled or expired, a cooling period of 30 days must be expired for a new lock at current market to be issued (assuming all loan characteristics are the same as the first lock).
Emergency “Circuit Breaker”:

When there is an abnormal and dramatic change of interest rates in the bond market, a “circuit breaker” may kick in at FBC’s discretion. As such, FBC Mortgage may suspend pricing for a certain period of time and not allow new locks until the market settles into a more reasonable situation.

Expiration Date:

The rate lock expiration date is good thru the delivery date. Delivery date is defined as FBC having received the full credit and closing packages, as well as original collateral (Note). A re-lock will be required if the delivery is after the lock expiration date.

Suspense Conditions and Fees:

If FBC finds a deficiency in the credit/closing packages or with collateral, a Deficiency (suspend) Notification will be sent to the client. FBC will provide 3 business days to clear any deficiencies. The fee calculation will begin on the 4th day following the date the loan is suspended or the day following the Lock Expiration date (whichever is later).

If the items are not provided by the client and cleared by FBC within 3 business days from the time the Deficiency Notification is sent to the Correspondent or lock expiration (whichever is later), FBC will apply fees at the time of purchase based on the fee schedule below.

<table>
<thead>
<tr>
<th>IF all suspense items are...</th>
<th>THEN...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not cleared by the end of the 3rd business day or lock expiration date</td>
<td>A -.125 fee is applied</td>
</tr>
<tr>
<td>Not cleared by the end of the 8th business day or lock expiration date</td>
<td>A -.25 fee is applied</td>
</tr>
<tr>
<td>Not cleared by the end of the 14th calendar day or lock expiration date</td>
<td>A -.50 fee is applied</td>
</tr>
<tr>
<td>Not cleared by the end of the 24th calendar day or lock expiration date</td>
<td>A -.675 fee is applied</td>
</tr>
<tr>
<td>Not cleared by the end of the 30th calendar day or lock expiration date</td>
<td>The file will be subject to cancellation and return</td>
</tr>
</tbody>
</table>

Example of Worse Case Pricing

<table>
<thead>
<tr>
<th>Case One:</th>
<th>Original Lock</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>4.000%</td>
<td>4.000%</td>
</tr>
<tr>
<td>Price</td>
<td>1.500%</td>
<td>2.250%</td>
</tr>
</tbody>
</table>

Based on Worse Case Pricing (WCP), the original pricing is granted, less a .125 relocking fee.

Note: Lock Policies are subject to change as necessary.