



WHL Rate Lock Policy

- General Policy
- Extension Cost
- Changes After Lock
- Worse Case Pricing/Relock

General Policy

A lock is an agreement between an approved Broker Partner and Union Home Mortgage Corp. – Wholesale (UHM Wholesale). Broker Partners must be approved with UHM Wholesale prior to submitting a lock request. A lock agreement specifies the number of calendar days for which a loan’s interest rate and price is guaranteed on a specified program. Changes to the terms of the loan may change the terms of the lock agreement. Should interest rates rise during that period, UHM Wholesale is obligated to honor the committed rate. Should interest rates fall during that period, the Broker Partner must honor the lock. At times during the day when there is a price change, UHM Wholesale will suspend pricing and reissue rates based on market movement. Locks will not be accepted until new rates have been posted.

UHM Wholesale offers lock periods of 15, 30, 45, and 60 days. UHM requires that loans must be Conditionally Approved by Underwriting before a 15 lock will be accepted. UHM requires all loan types to be locked prior to the submission of all final “PTD” conditions to the Underwriter on the loan. The UHM Wholesale Lock Desk suspends pricing from 8:00 AM EST to approximately 10:30 AM EST each day. Locks will be accepted on weekends and holidays using the last posted price from the previous business day.

Extension Cost

If a loan does not close and fund within the original lock period, an extension request can be submitted to extend the rate. Any extension request must be submitted before 5:00 PM EST the day of lock expiration. It is UHM Wholesale’s policy that all extension costs are charged to the borrower.

Extension costs are the same for all loan products and programs. Extensions that expire on a weekend/holiday will be pushed to the next business day at no additional cost (*This holds true for original lock periods as well*). A lock may be extended for the following periods at the following costs.

Days	Cost
3	-.125
7	-.21
10	-.25
15	-.375
20	-.5
30	-.625

Note: If a loan has been extended for a total of 30 days, any additional extension will be applied using “worse case pricing”

Worse Case Pricing/Relock

If the rate lock expires before a loan has funded, the Broker Partner has the option to relock the loan within the first 30 days after expiration using worse case pricing. The price will be **determined by comparing original base price to current base price with same original lock period**. The outcomes of this comparison are as follows:

1. Original locked price (*Current market is better*)
2. Current market price (*Original Price is better*)

This worst case pricing policy also holds true to a lock that has been extended 30 days and requires an additional extension. The Broker Partner can access new, current market pricing 30 days after a transaction's lock expiration date.

Changes After Lock

Any change made to the lock terms such as loan amount, credit score, etc. after the loan has been locked **MUST** be communicated to the Lock Desk at the time of the change. These changes have the ability to change pricing, which in turn could lead to an additional fee or credit to the borrower.

A change in loan term may result in the following scenarios:

- A lock at current market is the result of moving from the range of 30/25/20 year pricing into the range of 15/10 year pricing
 - Ex: 30 years to 15 years = Relock at current market
 - Ex: 15 years to 10 years = Original Pricing with either positive or negative adjustment

Counter-offers or Borrower Requested Program changes may result in the following scenarios:

- Changing between Conventional and Government products will result in a lock at current market
- Changing between Standard Conventional Products (*FNMA to FHLMC*) will result in no change to the original pricing
- Changing from a Standard Conventional Product to a specialty product (*Ex: FNMA Fixed to DU Refi Plus*) will result in the use of original pricing with price adjustments corresponding to the new product
- Changing between Government Products (*Ex: FHA to VA or USDA*) will result in original pricing with price adjustments corresponding to the new product

Any questions regarding the Lock Policy can be directed to TPOratelocks@unionhomemortgage.com or by contacting your Account Executive.