Retail Lock-in Policy and Procedures

The ultimate responsibility of a rate lock lies with the Loan Officer. The loan officer must honor all commitments made to the borrower. If the LO allows his/her LOA or someone else to lock a loan on their behalf, it is still the LO's responsibility. It is suggested that the LO obtain a written confirmation from the borrower when a loan is locked to avoid any misunderstandings that could affect commission price.

Rate Sheets

Each business day, rate sheets will be posted to www.pcmretail.com at approximately 11:00 AM EST on all mortgage products. This daily price will be referred to as the "authorized price." Unless a modified rate sheet is issued, the pricing will remain in effect until 10:00 PM EST. An effective date and time is listed on the upper left of each rate sheet along with the rate sheet number. **Locks will be accepted from 11:00 AM EST to 10:00 PM EST,** online lock system closes at 8:00 so any locks after 8:00 will have to be emailed to retailsecondarymkt@primarycapital.com**.**

Each state will have its own price sheet. Pricing is based on the subject property address, not the physical location of the loan officer's office. For example, if a loan is originated by a Georgia loan officer but the subject property is in Florida then the Florida rate sheet will be used.

PLEASE NOTE THAT PRICING IS SUBJECT TO CHANGE AT ANY TIME.

Lock-In Procedure

After initial lock in E3, any additional changes can be completed at www.pcmretail.com by inputting information in the price lock screen. Go to "portal" link click on your loan# and make any changes or request float down.

Policies

Expiration – Loans must **DISBURSE** on or prior to expiration date. If the lock expiration falls on a weekend or holiday, the expiration will roll forward to the next business day.

Extension – Lock extensions will be granted on loans that were originally locked for 90 days or less PRIOR to lock expiration. Once the original lock has expired, the loan must be relocked (see applicable section for details). Cost to extend is listed below:

5 days	.125 discount point
10 days	.250 discount point
15 days	.375 discount point
15+ days	Case-by-case cost

For loans that were originally locked for more than 90 days, an extension will be considered on a case-by-case basis.

Free Float Down Option – A free one time Float-Down option is available on purchase and refinance transactions locked for 30 or more days. The float down option may be executed within 45 days of closing, but not less than 5 business days prior to closing and/or lock expiration.

When exercising a Float Down option, the loan must be re-locked at a **lower rate**. The float down must be at original pricing level or below and the rate to the borrower must decrease by .125% or greater. If the floated down price exceeds the original lock pricing, then you receive original pricing.

FFDO is available on all conventional, FHA, VA, and USDA programs. Brokered loans, Bond loans, JUMBO or other specialty products will not have this option. When a new program is added, we will inform staff of availability of FFDO for that particular program.

When executing a float down, the expiration date will not change from the original lock. The only exception being on loans where the expiration date is over 30-45 days away. In that case, the new expiration date will be 30-45 days from the day the float down is executed.

If a lock was previously extended, then the float down option no longer exists.

Free Lock and Shop – Customers are allowed to lock without a property address. It will allow the borrower to find a property up to 15 days prior to the rate lock expiration. Example: if you lock for 90 days on the lock and shop, then the borrower has 75 days to find a property, 15 days to close. The final loan amount cannot vary by more than $30,000.00 from locked amount. Free float down options are available for transactions with lock periods 30 days or longer. The borrower may execute their Float Down prior to obtaining a property.

FFDO is available on all conventional, FHA, VA, and USDA programs. Brokered loans, Bond loans, JUMBO or other specialty products will not have this option. When a new program is added, we will inform staff of availability of FFDO for that particular program.

Loan Amount Changes – Loan amount changes that do not require a change in program will not affect pricing unless the change triggers a loan balance of LTV adjustment based on the rate sheet in effect at the time of the original lock

Program Changes – A change of loan program is considered a new lock and is subject to current market pricing.

Property Changes – If a borrower changes property, the lock will be transferred without penalty as long as the loan amount does not change by $30,000.00 or more.

Relock – Any lock that has expired within the last 30 days will be subject to worst-case scenario pricing. The price on the original lock date will be compared to the current market. The loan will be relocked at the higher cost price and will not be eligible for a float down option.

Locks that have been expired for more than 30 days will be considered a new lock and priced based on current market and will allow float down option.

Request of Final Servicer – Should a borrower wish to have a specific investor be the servicer of their loan (or specifically request that a company NOT be the servicer), the LO can request that via email within 10 days after the initial rate lock. PCM cannot guarantee this and is available only with current investors and varies by program. Every attempt will be made to accommodate and secondary will email LO with a response to the request.

Questions: retailsecondarymkt@primarycapital.com