

## Lock Policy

### Pricing

- Pricing is distributed each business day via e-mail distribution and current rate sheet is posted on our website (<https://gconnect.ghmc.com>). Pricing is typically distributed by 9:30 AM CT.
- Pricing hours: 9:30 AM CT – 2:00 AM CT (following business day)
  - Pricing is available on non-business days (weekends and holidays)
- Pricing is subject to change at any time without prior notification. Re-prices will be distributed using the same methods as initial pricing.
- Guaranty Home Mortgage does not assume responsibility for any delays/errors in pricing to third party pricing engines.

### Locks

- Loan registration and commitment request is available via GConnect (<https://gconnect.ghmc.com>). Client must have a valid username and password to register and lock loans.
- Client is solely responsible to ensure that the information uploaded or entered in GConnect is correct. Guaranty Home Mortgage is not responsible for any data entry errors.
- Lock expirations will always fall on a GHMC business day. If an expiration happens to fall on a GHMC non-business day, then the expiration will be pushed out to the next business day.
- Confirmations will be available via GConnect and will be e-mailed to the client contact on record.
  - Clients are responsible for ensuring that data on lock confirmation is correct and letting the lock desk know of any errors within 24 hours. Any changes after 24 hours will be subject to our re-price, lock extension, and/or re-lock policy.
- Questions can be submitted to the lock desk at [rates@ghmc.com](mailto:rates@ghmc.com) or calling 615-907-2615

### Re-Price

- Certain data changes may result in the lock being repriced. Client should notify the lock desk as soon as they are aware of any changes.
- Changes in the following will result in pricing changes based on the pricing as of the lock date
  - Product, **if the product change is a non-Jumbo product to a non-Jumbo product**
  - Amortization
  - Loan Amount
  - Appraised Value/Purchase Price
  - Interest Rate
  - Purpose Type
  - Property Type
  - FICO
- Product changes (Jumbo to non-Jumbo or non-Jumbo to Jumbo) will follow worst case pricing comparing pricing between the original lock date and the date of the product change request.
- Transfer Locks
  - There are times when a lock will need to be transferred to a new loan number due to guidance from compliance. In these circumstances we will transfer all pricing metrics based on the previous file



## Lock Extensions

- Extensions must be requested through [rates@ghmc.com](mailto:rates@ghmc.com) prior to 11:59 PM CT of the expiration date.
- Extensions can be requested in 1-day increments.
- Per day cost is listed on the rate sheet. Cost is based on number of actual days (NOT business days).
  - Expiration cannot fall on a non-business day. Will extend at cost to the next business day.
    - Business day would be any day which is not a federal holiday or a Saturday/Sunday.
- Locks are limited to a maximum of 2 extensions and the total number of days should not exceed 30 days.
- Free Extensions
  - Locks can be extended 1 time at no cost for up to 10 days
    - If the free extension would end on a non-business day, then extension would go to the earliest business day to not exceed 10 days
      - Business day would be any day which is not a federal holiday or a Saturday/Sunday.
  - Must be within 7 days of current expiration to request free extension
  - Current market base price must be better than original base price, using the same lock term
    - If locked as a 45-day lock, then comparison would be to current market 45-day price
  - Lock must not have previously been extended or relocked
  - Loans originally locked for 15 days are not eligible for free extensions

## Re-Locks

- Re-Locks can be done once a lock has expired.
- Worst case pricing plus applicable fees (see rate sheet) will be used for loans that are within 45 days from the original lock expiration date.
  - Worst case pricing is based on the all-in price (including LLPAs) of the original lock vs the all-in price (including LLPAs) at current market pricing.
  - Current market pricing for the comparison will utilize the pricing from the lock term of the original lock (regardless of the length of the relock)
- Maximum of 2 relocks per lock
- All 15 Day locks will be priced as a 2<sup>nd</sup> Relock
- All Relocks of loans that received a Free Extension will be priced as a 2<sup>nd</sup> Relock
- For files that are expired for  $\geq 45$  days, the file will be locked at current market under standard lock terms

## Duplicate Locks

Duplicate locks are when two unique loan files from the same broker/correspondent client are locked with matching subject property addresses.

Loans which are discovered to have a duplicate lock will be subject to the below:

- First loan locked remains in the pipeline at the price applicable at the time of original lock
- Second loan will be immediately cancelled

This does not apply to loans that have needed to be transferred for compliance reasons. Clients that have a reoccurring instance of duplicate locks may have their locking privileges restricted.



### Lock and Shop / TBD Locks

- All Products are eligible with the exception of Jumbo Prime and Jumbo Expanded
- Program allows only one property update
  - Once property has been established from TBD, no other property changes are allowed
  - Property address will need to be emailed to rates@ghmc.com
- TBD Locks are allowed on all lock terms
  - See long term lock section for applicable details
- All applicable relock, lock extension, and renegotiation policies will apply

### Long Term Locks

- All Products are eligible with the exception of Jumbo Prime and Jumbo Expanded
- Up-Front Fee will be applicable for loans with locks 120 days or longer
  - Up-Front fee is credited back to borrower at time of closing
  - For any reason the file does not close with GHMC the fee will not be refunded
  - Up-Front fee is non-transferrable
  - Fee must be collected and submitted AFTER client receives their Loan Estimate AND client provides their Notice of Intent to Proceed
  - Fee is due to GHMC within 10 business days from time of lock
    - Check can be mailed to: 10 Lea Avenue Suite 800, Nashville, TN 37210 – Attn: Lock Desk
    - Include Borrower Last Name and GHMC Loan Number on the check
    - If fee is not received within 10 business days from lock, GHMC may cancel lock and lock would be subject to relock procedures
      - Business day would be any day which is not a federal holiday or a Saturday/Sunday.
    - Wholesale Clients – check needs to come from borrower on personal check
    - Correspondent Clients – check needs to come from Correspondent on company check
  - Pricing for Long Term Locks can be found on daily rate sheets
- All applicable relock, lock extension, and renegotiation policies will apply

### Renegotiations

In times of extreme market volatility, GHMC offers the below policy to assist clients in managing pipeline fallout.

#### Eligibility Requirements:

- One renegotiation allowed per file
- Loan product changes are not allowed
- Renegotiations are not allowed on previously extended and/or relocked files
- Renegotiated rate must be 0.250 lower than original rate
  - Original rate is defined as the rate found on the original lock confirmation
- Renegotiated price will not be greater than the original price
  - Original price is defined as the price found on the original lock confirmation
- Clients would be required to have a minimum pull through of 70%
  - Pull through would be calculated using lock information on a 3–6-month look-back period



- Example: June renegotiation requests would look at clients pull through based on locks from January 1 to March 31.
- Loan Product Exclusions: All Jumbo Products

Process:

- Renegotiation will use current 30-day pricing
- Renegotiation Fee of -0.500
- Lock expiration date would be updated to the lesser of the current expiration date or 21 days from the renegotiation date
- All renegotiation requests should be e-mailed to [rates@ghmc.com](mailto:rates@ghmc.com)
- 1 Lock Extension would be allowed on a renegotiated lock
  - Free extension would not be granted
  - Standard extension cost would apply plus an additional 0.250 extension fee
- 1 Rerlock of 15 days can be done at worst case pricing
  - Standard rerlock process with an additional 0.250 rerlock fee

Renegotiation Example – No Price Cap	Lock Date	Rate	Price	Expiration Date
Original Lock	3/30/2021	3.250	102.200	5/14/2021
Current Market	4/23/2021	3.000	102.599	
Renegotiation	4/23/2021	3.000	102.099	5/14/2021

Renegotiation Example – Price Cap	Lock Date	Rate	Price	Expiration Date
Original Lock	3/30/2021	3.250	102.200	5/14/2021
Current Market	4/23/2021	3.000	102.899	
Renegotiation	4/23/2021	3.000	102.200	5/14/2021

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