



Wholesale Rate Lock Policies and Procedures

Disclaimer:

Rate sheets give indications only, as market conditions may cause intra-day changes to pricing. It is the Broker's responsibility to keep abreast of price changes. ICON reserves the right not to honor the rate sheet price regardless of prior published indications provided the Broker is contacted in a timely manner. Intraday price changes may occur, due to fluctuating market conditions, and all lock requests received by Lock Desk after the re-price notice will be subject to the new pricing.

Lock-in Agreement:

A lock is an agreement between the Broker and Icon. It specifies the number of days for which a loan's interest rate is guaranteed. Should interest rates rise during that period, ICON is obligated to honor the committed rate. Should interest rates fall during that period, the Broker must honor the lock. Locking in a rate and price does not guarantee eligibility or approval of the subject loan. Locks are not transferable.

Lock Periods:

Locks are available on a 15, 30, 45 or 60-day basis. The loan package must be submitted and approved by ICON in order to secure a 15-day lock. **Jumbo loans must be approved before locking for any applicable term.** A 30, 45 or 60-day lock is available for loans that do not have an approval.

Lock Requests:

Pre-locks are not accepted. The loan must be submitted with an assigned loan number in order to be locked. Locks can be emailed directly to lockdesk@iconresidential.com, or locked online through IconIQ. Lock Desk does not accept fax requests. ICON requests a complete Lock Request Form with specific information concerning the loan transaction to secure a lock. An incomplete Lock Request Form will be returned to the Broker or ICON's Account Executive, and is subject to current market pricing. The loan will not be locked until Lock Desk receives a complete and correct Lock Request.

Rate Lock Confirmation:

A Lock Confirmation will be e-mailed to the Broker within 24 hours if the Lock Request is emailed to the Lock Desk. If you do not receive a Confirmation in that time period, please call your Account Executive immediately. If you do not call within this time period, we cannot honor pricing if the market has moved. The Broker is responsible for printing their Confirmation as evidence of the agreement entered into by ICON and the Broker if the loan is locked through IconIQ. It is the Broker's responsibility to report any inconsistencies with the Broker's understanding of the loan to Icon within 24 hours of the Confirmation Date. If ICON agrees with the Broker's report of inconsistencies given within that period, ICON will forward the Broker an amended Confirmation detailing the changes.

Changes in Critical Information:

The Broker is responsible for tracking any changes to the structure of the loan that affect pricing, and providing proper notification to ICON. Any changes to the structure of the loan that affect pricing will be validated by the Lock Desk; however, we are unable to send revised confirmations for all changes. ICON must be notified immediately if the Broker makes any changes to the mortgage loan that differ from the confirmed pricing structure. Mortgage loans delivered for closing must meet the terms of the latest Confirmation. ICON and the Broker are bound by the lowest price when multiple confirmations are issued on the same loan. Product changes will be priced as worst case pricing between original lock day and current market. Price cannot improve regardless of product change.

Invalid Locks:

Once a loan is locked, any changes made to the loan that may affect pricing (e.g. LTV, property address, debt ratio, etc.) will invalidate the lock. Please email the Lock Desk to validate the lock to reflect the new terms of the loan.



Lock Cancellation Policy:

A full submission package must be received within 10 calendar days of the lock date on 30 day locks, 15 days on 45 day locks and 20 days on 60 day locks. For any locked loan in which a full submission package is not received within the respective time period following the lock date, the lock will be automatically cancelled. The loan is eligible to be re-locked at worse case pricing within 30 days of the lock cancellation date. Re-lock fees apply. Subsequent to 30 days after the lock cancellation date, the loan may be re-locked at market with no additional cost. Rate-lock cancellations will be accepted from the broker within the same day the rate is locked. Cancellation of a rate-lock must be submitted before a new rate sheet has been issued. Any requests to cancel a rate lock that occurs after a new rate sheet has been issued will be subject to worse case pricing.

Worse Case Pricing:

Worse case pricing is calculated by comparing the original base price to the current market base price, applying the lower price of the two.

Duplicate Lock/Submission:

The original lock will be honored if there is a duplicate lock. If the original lock is expired or cancelled, and the duplicate lock is submitted within 30 days of the original lock expiration date, the loan will be subject to the re-lock policy.

Max Rebates:

Max net YSP for Conforming/Jumbo products is <4.000>. Max net YSP for FHA Streamline is <3.875>. Max net YSP for FHA is <3.50>. Max net YSP for VHA IRRLS is <3.50>. Max net YSP for Jumbo is <= \$1,000,000 = <1.00>, \$1,000,000-\$1,500,000 = <.75>, >\$1,500,000 = <.50>.

Rate Lock Extensions:

ICON will allow a max of 15 days in extensions, with the applicable cost structure applied. All extension requests must be made before 3pm PST on the lock expiration date. If the loan does not close prior to the revised expiration date, the loan is subject to the re-lock policy detailed below. Extension periods are calculated starting from the current lock expiration date.

Locks Expiring on Weekends / Holidays

All Lock Periods are based on calendar days. If the expiration date falls on a weekend or holiday, the lock will be extended to the next business day at no additional cost.

Re-lock Policy:

A re-lock is a request to lock a loan for a second time. A loan that does not fund by its Lock Expiration Date and is not extended may be subject to a re-Lock Fee (Please note: Jumbo products are not eligible for re-lock within 30 days or expiration.):

- Loan must be approved and all PTD conditions have been signed off in order to re-lock.
- The re-lock will be good for a 15 day lock period only. If the re-lock expires, it must be re-locked and will be subject to worst case pricing. Max 2 re-locks per loan.
- If a loan is re-locked within 30 days of the original lock expiration or lock cancellation date, the loan may be re-locked at worse case pricing, at the term of the original lock. For example (a) Current Market Pricing or (b) initial Lock Pricing plus 0.25% re-lock fee.
 - EXAMPLE: Loan was locked for 30 days at 5.0% paying 101.25.
 - Current market is worse, 5.0% is paying 101.00 (30-day). Loan is re-locked at current market for 15 days 5.0% paying 101.00.
 - Current market is better. Loan is re-locked at original terms less 0.25 fee, 5.0% @ 101.00 for 15 days.
- If the loan is re-locked more than 30 days after the original lock expiration, it may be re-locked at current market.



Renegotiation/Float down Policy:

When the market improves significantly, ICON will allow the broker a one-time renegotiation under the following policy guidelines (Please note: Jumbo products are not eligible for renegotiations/float downs.):

- Renegotiations must lower the rate to the borrower.
- Negotiated all in price can not be better than original all in lock price by more than 25bps.
- Any Broker improvement to income is limited at .250% over original price. YSP cannot improve by more than .250 over current YSP.
- ICON will honor a ONE-TIME renegotiation at current market less 0.50 for 15 days.
- Previous cost structure of the loan applies (e.g. original lock for 30 days priced at 30 days), including any extension fees.
- Renegotiated terms are not eligible for extensions. If the lock expires or the loan does not fund within 15 days the loan will be re-locked at worse case pricing of the original lock price and current market.
- Loans with outstanding prior-to-docs conditions are not eligible for a renegotiation.
- Loans with docs out will be charged a re-draw fee.
- ARMS are not eligible for renegotiation.

Rate Lock Extension Costs

5 Days	0.15
10 Days	0.30
15 Days	0.45

Fees:

Flood Cert	\$15
Tax Service	\$78
Re-Draw Fee:	\$150

Re-Lock Costs

Re-Lock	0.25
---------	------

Commitment Fees:

Conv	\$1085
FHA	\$795
Streamline	\$495
VA IRRLS	\$495
Jumbo	\$1085

Rate Lock Adjustors

15 & 30 day - pricing on rate sheet
45-day - 0.375 (add to 30-day pricing)
60-day - 0.50 (add to 30-day pricing)