

Overview

To sell a Mortgage loan to FLCBank (FLCB), the Seller must obtain a Lock-in/Commitment, which is a memorandum/agreement for the sale and purchase of a Mortgage Loan under specific monetary terms and delivery requirements. Once the Mortgage Loan for which the Lock-in/Commitment was taken, has closed/dispensed, the Seller is obligated to deliver the loan to FCBM. Failure to deliver a committed, closed loan to FLCB may result in a pair off fee charged to Seller.

Note: All loans not cleared for purchase within thirty (30) days of closing are subject to cancellation, regardless of automatic roll or Lock-in/Commitment extension status.

Lock-in / Commitments

A Lock-in is a commitment, which pertains to a specific borrower(s) and a specific Mortgage Property. Each Lock-in/Commitment will have a lock expiration date, which is the last day a Loan can be disbursed under the original lock terms. All loans must be reviewed and purchased by FLCB within seven (7) calendar days of the “**Lock Expiration Date**” to avoid additional pricing adjustments charged to the Seller. This purchase deadline is called the “**Target Fund Date**”.

New applications are defined as applications that have not been previously registered or locked in with FLCB.

Pricing:

All loans purchased by FLCBank are sold net priced and include the Service Release Premium (SRP).

Rate Quotes

- Rate quotes can be obtained by accessing Optimal Blue via FLCB’s secured Website (www.flcbmtg.com)

Daily Price Sheets

FLCB’s daily rate sheets are updated each morning at approximately 10:30 a.m. EST on our Website, and are subject to change at any time. If a rate change occurs during the day, a revised price sheet is updated on our Website as soon as possible. It is also FLCB’s practice to notify Sellers of price changes via periodic e-mails.

Accepting Lock-ins / Commitments

Sellers may request lock/commitments for new loans (loans that have not previously been locked), on FLCB’s Website by using Optimal Blue Price/Lock. Locks are accepted Monday through Friday from approximately 10:30 a.m. until 7:00 p.m. EST, excluding bank and national holidays, and are subject to changes based upon current pricing conditions.

Lock-in / Commitment Periods

Lock-ins/Commitments are available in the following varieties: 15, 21, 30, 45, 60 days.

15 day locks – all loans must be Clear to Close by Underwriting

21 day locks – all loans must be Approved in Underwriting

Commitment terms for Lock-ins/Commitments are mandatory only if the Seller closes the loan. If the loan does not close, the Lock-in/Commitment must be canceled by e-mailing Mortgage Loan number, Borrower's name and Property address to the FLCBank's Commitment Desk at secondary@flcb.com.

Delivery Requirement Pricing Guidelines

Seller Loans requiring prior approval must be submitted to underwriting in timely a manner.

- Loans locked for terms 30 days and higher and not received within 14 calendar days of lock-in may be cancelled.

The closed loan file will be placed in queue for review when the closed loan package has been received by FLCB. The closed loan will not be purchased until after disbursement or without the original Note, Riders, and Addendums to the Note, Note Allonge, and applicable Assignment. All loans must be reviewed and purchased by FLCB on or before the "**Target Fund Date**".

Seller must always consider turn times and allow time for closed loan review and clearing of suspense items. Turn times are posted on the FLCB's website as well as the daily rate sheet. Closing and delivering loans prior to lock expiration is always recommended.

If the loan is not purchased by the "**Target Fund Date**", and the Seller has not otherwise requested and received a roll prior to the "**Target Fund Date**", the Lock-in/Commitment will be canceled and subject to worst case pricing. It is the responsibility of the Seller to contact secondary to request a roll on or before the "**Target Fund Date**".

Extension and Relock: Lock-in / Commitments

Sellers typically extend or relock commitments through the following options:

- Extension
- Relock
- Roll after Target Funding Date

Sellers typically may extend or relock via the website by choosing Optimal Blue Change Request. To be eligible for an extension or relock, the subject Mortgage loan must comply with all terms, conditions and requirements of the Correspondent Loan Purchase Agreement and Seller's Guide in effect at the time of the extension or relock, including without limitation, all underwriting and mortgage eligibility requirements.

Extensions

Rate Lock extensions are on a per diem cost of .025%. The maximum number of extensions is four times not to exceed 30 days. The maximum number of days that can be requested at once is 15 days. Loans for non-delegated sellers must be approved in underwriting in order to be eligible to extend.

Extensions are available on the website by choosing Optimal Blue Change Request and then by choosing Lock Extension.

Failure of the customer to initiate the extension will result in relock at worse case pricing plus the product applicable relock fee

- The number of days to be extended shall be counted from the “**Lock Expiration Date**”.
- An extension is not available if the Seller has failed to exercise the extension on or before the “**Lock Expiration Date**”.
- An extension will preserve the initial lock date price (less the applicable Extension Fee).
- If a Lock-in/Commitment requires further extension time to deliver the complete closed loan package after the 4 extensions have been used, the Lock-in/Commitment must be relocked at worst case.
- If the loan does not disburse on or before by the “**Lock Expiration Date**” and the Lock-in/Commitment was not extended on or before the “**Lock Expiration Date**”, the Lock-in/Commitment will only be eligible for relock.

Roll after Target Funding Date

If the loan disburses on or before the “**Lock Expiration Date**” but the loan is not purchased by the “**Target Funding Date**”, the loan must be “rolled” by the customer by emailing secondary@flcb.com. The loan target fund date will be rolled for seven (7) days and assessed a **0.150%** roll fee. **Failure of customer to initiate a roll will result in relock at worst case pricing plus the applicable relock fee.** Rolls will be done a maximum of **two (2)** times for a total of fourteen (**14**) days. If the loan still has not been purchased after the last roll has expired, the Lock-in/Commitment is subject to a relock as described below. **Note: Seasoned Loan Restrictions apply per the Operational Policies and Procedures section of the Seller Guide.**

If the Sellers are not proactively working to cure suspension items, FLCBank reserves the right to cancel loans and locks/commitments not purchased within 30 days of the receipt of the complete closed loan package, regardless of the availability of automatic rolls.

Relock after expiration or cancellation

A Lock-in/Commitment may be relocked on or after the Lock-in/Commitment's expiration ("**Lock Expiration Date**") or in the event the loan was cancelled/denied by FLCB or the Seller.

The relock option may only be used once. Sellers may choose relock periods of 15 or 30 days (as long as the selection does not exceed the originally locked term). The relock starts a new Lock-in/Commitment Period on the date the relock is approved.

A relocked loan will be priced at the worst case pricing. Worst case is determined by comparing the original Lock-in/Commitment's base price to the current market base price for the new Lock-in/Commitment period less the applicable relock fee of .375% for 15 days or .500% for 30 days.

However, if the conforming lock has been expired for over 30 days, the loan may be relocked at current market price and commitment periods. Non-Conforming Products will be relocked at current market after 45 days of lock expiration.

FLC Bank reserves the right to refuse any relock request, without limitation. Relock is the only option available if the Lock Expiration or Target Fund Date has lapsed.

Renegotiation Requests

FLC Bank recognizes that in some instances, significant market movement generates requests from borrowers to renegotiate the terms of their lock-in.

In an improving rate environment, terms of a conforming commitment may be renegotiated only when the result is a minimum of .125% improvement in rate to the borrower. A renegotiation will be calculated at current market using the original lock term, less 0.500% (capped at original price). The current lock expiration will remain the same. A loan may only be renegotiated once.

Non-Conforming (Jumbo) loans are not eligible for rate renegotiations.

FLC Bank will monitor the frequency of the renegotiation requests at the customer level and reserves the right to not renegotiate with those customers whose performance appears to be outside the norm.

Change to Lock-ins / Commitments

Changes to an existing lock can be made on FLCB's website by choosing Optimal Blue Change Request and then by choosing Profile Change.

Loan Program Changes

Loan program changes will fall into two categories based on the product type. If the product change is the same product type (Conventional to Conventional, FHA to FHA, Jumbo ARM to Jumbo ARM) the original lock day's pricing will go into effect.

If the product change is a different product type (Conventional to FHA, Jumbo to Conforming, Jumbo ARM to Jumbo Fixed) then the price will be determined by comparing the original lock date to current market and taking the worse pricing of the two.

Loan Amount Changes

The delivery variance for locks/commitments is greater of \$50,000 or 10% of the loan amount. If the loan amount increases above the variance, the amount above the variance will be priced at current market. Loan amount decreases are not subject to reprice.

Address Changes

If the property address changes, the Lock/Commitment is NULL AND VOID. A new loan number and lock will be required.

Duplicate Lock-ins

If FLCB determines that the same loan was locked in a second time, FLCB reserves the right to choose which lock will be canceled.

Changes to these Policies and Guidelines

The pricing policies and guidelines set forth in this document are subject to change at any time and without prior notice by FLCBank without limitation.