

Lock Policies

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Section 1 Introduction

1.1 Lock Desk Info

Phone: (714) 439-9735 **Email:** Locks@AmeritrustTPO.com

Lock Desk Business Hours: Online locks through Lending QB are accepted between 7:00AM am and 3:30 pm, Pacific. Lock Desk email support is available between the hours of 7:00 am to 4:00 pm Pacific.

1.2 Lock Period

A lock period begins the day after the loan is locked.

Example: A 10 day lock is taken on June 1st and will expire on June 11th.

Lock Expiration Date

Ameritrust Mortgage Corporation's lock expiration policy is that a lock will always expire on a business day. A lock expiration that would naturally fall on a weekend or holiday will be rolled to the first following business day.

Example: If a 30 day lock would put the expiration date on a Saturday or Sunday, the lock expiration date will automatically roll to the next business day.

1.3 Lock Procedures

You may submit an interest rate lock request at any time to our Lock Desk through MeridianLink (LOS) after you have registered your loan and confirmed that the loan is eligible for the loan program and rate desired.

NonQM Rate Locks

Rate lock requests for all NonQM product types are only eligible after initial loan Approval.

Lock Confirmations

Your interest rate and price are only effective after your lock request is confirmed by our Lock Desk. You will receive an emailed confirmation once it's been confirmed. Please verify the interest rate, program, lock period, and price are accurate and immediately notify the Lock Desk of any errors.

Note: Lock period changes are only eligible if the Lock Desk is notified within the same business day the lock was requested (i.e a 30 Day lock was mistakenly requested and the desired lock period was 15 for 45 Days)

Canceling a Rate Lock

All rate lock cancellation requests must be emailed to our Lock Desk. The Lock Desk will confirm your rate lock cancellation by email and request that the Underwriter and Processor decline or withdraw the application.

Section 2 Lock Extension Policy

Lock Extension Fees

Number of Days	Extension Fee
5	.125
10	.25
15	.375

2.1 Lock Extension Rules

- A lock extension must be requested on or before the rate lock is set to expire.
 - Please email your request to: Locks@AmeritrustTPO.com
- The maximum allowed extension days on a single lock of 45-days or less is 15. Once 15 days in extensions have been reached, the lock is subject to worst case pricing/relock.

Section 3 Relock Policy

An inactive lock is an expired lock and includes loans that were locked and later canceled or denied.

Loans with expired locks will be considered for relocks at the worse case pricing and are subject to a relock fee.

3.1 Relock Policy

All relock requests within 30 days after the initial lock expiration date will be relocked at the worse case pricing and will be charged a relock fee as described below.

Worse case pricing will compare the base pricing net of all loan level adjustments from the initial lock to the pricing in effect at the time of the relock request. See definition below for additional information.

3.2 Relock Fees

- 30 day relock: Worse case pricing and a .25 relock fee.

3.3 Worse Case Pricing Definition

Worse case pricing will compare the original price including prior extension fees to the current market price for the same term. Any prior lock extension fees and/or branch pricing specials will be reapplied once worse case pricing is determined. The relock fees will be applied once worse case pricing is determined.

Example: Loan was locked for 30 days and lock expires, compare original 30 day price (including any applicable extension fees) to the current market price at the same rate for 30 days.

When it is determined that the current market price is worse case, prior extension fees may be removed and loan can be locked at current market price without the prior extension fee.

3.4 Relock Requirements and Restrictions

Relock fees are cumulative. If a loan has been relocked once and requires another relock, an additional relock fee will apply.

Requests for relocks will only be considered for loans that are approved by underwriting.

If a loan has been relocked once and requires a second relock, to qualify for a second relock, the file must be ready for docs and all prior to doc conditions must be signed off.

If price adjustments and/or underwriting guidelines have occurred since the initial lock, the loan will be subject to worse case price adjustments as well as subject to current underwriting guidelines.

Loans may be relocked at the current market pricing when at least 30 days have passed from the current lock expiration date. This will be considered a new lock and is not subject to relock fees and/or requirements.

Relock requests will only be taken by email.

If the rate the loan was initially locked at is not available at the time of relock, the worse case pricing is calculated by comparing the pricing of a new available rate.

Loans that have been relocked are not eligible for a lock extension, unless the loan is in a clear-to-close status. If the loan is not in a clear to close status, the file must be relocked again, subject to worse case pricing and an additional relock fee.

3.5 RESPA/Compliance

All relocks require the date of the relock request to be used as the new Lock Date.

Section 4 Program Changes

When requesting a program change on a locked loan, the broker may be subject to worse case pricing.

Scenario 1: The original lock date is worse case.

- * Loan is subject to the pricing from the original lock date and the original lock expiration date will apply.

Scenario 2: The current pricing is worse case.

- * The loan is subject to the current day's pricing. The lock expiration date will be based on the date of the program change. If the original lock was for 30 days, the new lock will be for 30 days.

Exception: If the broker is changing to a 'like product' (Agency to Agency with similar or same terms) the original lock terms may apply. The Ameritrust Mortgage Corporation Lock Desk will determine if the program change is to a 'like product.'

Examples of like products (similar products and terms):

Program Change from Agency 30yr to Agency 25yr
Program Change from FHA 30yr to FHA 15yr
Program Change from Agency 30yr to Agency 15yr

Examples of non-like products (different products and/or terms):

Program Change from FHA 30yr to Agency 30yr

Section 5 Property Address Changes

When it is requested that a full property address is changed on a locked loan, the loan will be relocked using the **current market price**. This situation will be treated like a brand new lock with a new lock expiration date based on the date of the request for an address changed. The original lock will be cancelled and a new loan will be created for the new lock at current market.

5.1 Exceptions

If a property address change is not significant, (see examples below), the original lock terms will be honored.

The following address changes are examples of when the original lock term is allowed:

- Address changes from 123 Street to 123 Ave.
- Transposed numbers - Address changes from 4592 to 4529.
- The property's zip code changes.
- The property's city changes.

Note: If a copy of the purchase contract is provided with the changed address and is signed by the borrower(s) prior to the lock date, the original lock terms will be honored.

Section 6 Lock Renegotiations

Ameritrust Mortgage Corporation offers a float-down renegotiation policy to assist customers in managing lock fallout during volatile interest rate environments.

Eligibility Information

All QM eligible loans in valid lock status can float-down under the following terms:

- Loans status must be either Approved with Conditions or Final Approval status.
 - Approved with Conditions - new interest rate must be lowered at least .250% compared to original rate lock.
 - Final Approval - new interest rate must be lowered at least .125% compared to original rate lock.
- New price is calculated as current 30-day price less 0.625, capped at lesser of original or current lock price (price may not be increased to float down from).
- New lock expiration date will be set to 30 days from float-down.
- Loan program changes are ineligible without prior Lock Desk review and approval.
- Extending a lock after Float-Down is based on current published lock extension guidelines.
- Loans will be limited to one float-down, no subsequent float-downs permitted.
- Re-locks of loans with a previous float-down are subject to worse case pricing.

For example:

Original locked pricing = 4.5% @ 100.00

Current market pricing = 4.25% @ 100.00; 4.375% @ 100.50%; 4.5% @ 100.75

Float down pricing options: 4.25% @ 99.5 (approved with conditions minimum rate float-down); 4.375% @ 100.00 (final approval minimum rate float-down option)

In the above scenario, 4.5% @ 100.25 is not an available option as it does not provide a rate reduction of the locked rate, and the final price would exceed the original locked price.

6.1 Restrictions

- A one time lock renegotiation is permitted for each loan.
- A one time extension is allowed on the renegotiated lock terms as long as no previous extensions were offered. The standard extension fees apply.
- Any existing extensions will be carried over to the renegotiated price.
- Jumbo loans are not eligible for lock renegotiations.

Section 7 Pricing Considerations

Premium Pricing Considerations:

Premium pricing may be used to pay all bona fide third-party costs, including Ameritrust Mortgage Corporation fees. Ameritrust Mortgage Corporation will permit a principal curtailment on purchase or refinance loans as a result of excess premium rate credit. The excess premium must be identified on the HUD-1 Settlement Statement or Closing Disclosure and is limited to the amount of the excess premium rate credit below. The premium rate credit is the amount associated with the lowest pricing rate option that allows for some or the entire borrower's closing costs to be paid so the borrower does not have to pay those closing costs out of pocket. If the borrower was not provided with the best rate, the loan is not eligible to be closed by Ameritrust Mortgage Corporation.

- If the premium rate credit is less than or equal to \$2,000 for loan amounts up to \$350,000, or \$4,000 for loan amounts exceeding \$350,000, then no further documentation is required.
- For premium credits exceeding these thresholds, evidence that the next lower pricing option would require the borrower to pay closing costs out of pocket must be documented in the file (GFE or LE, pricing/rate sheet, etc.).

Discount Pricing Considerations:

Discount Points in any loan transaction can only be used if you can demonstrate through written documentation that a borrower acting reasonably has elected to pay Discount Points for an interest rate that is lower than what was made available to that borrower without the payment of Discount Points. Each mortgage loan with discount points must clearly document from where the starting rate is being bought down. Interest rate lock extension fees may not be charged to a borrower as discount points unless approved by management (additional documentation may be required).

Loans that feature below-par pricing are eligible if they are knowingly paid by the borrower and result in a meaningful reduction of the interest rate on the mortgage. In addition, the total points and fees may not exceed the QM points and fees threshold.

Section 8 Business Policies

8.1 Fair and Responsible Lending

Fair and responsible lending is an integral part of Ameritrust Mortgage Corporation's mission to meet the credit needs of the communities it serves and to make credit available to all qualified applicants through Ameritrust Mortgage Corporation's network of broker and correspondent partners. Ameritrust Mortgage Corporation seeks to make credit accessible and available to all qualified applicants, and to do so in accordance with all applicable laws and regulations. Specifically, it is Ameritrust Mortgage Corporation's policy to make all credit products available to all current and future borrowers without discriminating on the basis of any prohibited characteristic, including race, color, religion, sex, sexual orientation, marital or familial status, age, national origin, handicap, receipt of public assistance, or good faith exercise of rights under the Federal Consumer Credit Protection Act. Promoting sustainable homeownership opportunities provides long-term economic prosperity and quality of life for individuals and families throughout neighborhoods and communities.

8.2 Steering

Loan originators may not engage in a practice of "steering" a mortgage applicant to a loan with a higher interest rate and/or fees designed for less creditworthy borrowers when the borrower could qualify for a less costly loan with similar characteristics.

8.3 Equal Housing Lender

Ameritrust Mortgage Corporation conducts business in accordance with the **Federal Fair Housing Act**. (Fair Housing Amendments Act of 1988), it is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin. Any person who feels he or she has been discriminated against should file a complaint with:

U.S. Department of Housing and Urban Development
Assistant Secretary for Fair Housing and Equal Opportunity
Washington, DC 20410
1 (800) 669-9777 or 1 (800) 927-9275 (TTY)