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Non-QM LOCK IN POLICY WHOLESALE & RETAIL

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Lock Desk Operations Hours

- Monday – Friday 8:30 a.m. - 7:00 p.m. EST

Locking Hours

- Monday – Friday 9:30 a.m. – 7:00 p.m. EST

Lock Desk Contact:

- **Email:** lockdesk@nqmf.com

Lock In Cutoffs

Pricing is valid from 9:30 a.m. to 7:00 p.m. eastern standard time. Any lock received after 7:00pm may be subject to the next day's pricing.

Lock In Periods

We lock in periods ranging from 15 to 30 days. Extended rate locks may be available upon request to the lock desk. **The maximum lock period is 45 days.** (See Non-QM Retail Lock Policy).

Non-QM Lock Policy

All loans will be locked via our pricing engine LoanNEX. For continuity of data, LoanNEX will be utilized in concert with our LOS Encompass. Once the MLOs/AE's have requested the lock in LoanNEX, a pipeline Lock Request notification will be sent to the lock desk who will then confirm the lock data and allocate to an investor or hedge said loan. As the loan progresses through the process, changes may be needed to some of the loan data. The MLOs/Processors will request these changes via email and the lock desk will reprice the loans based on this new data. (Loans will be re-priced based on the pricing at the time of the initial lock).

Non-QM Lock Policy and Locked Loan Attribute Changes

- **Changes resulting in a loan program group (Select Prime/DSCR/Flex Supreme/Second Lien) change:**
 - **Loans currently locked to NQM Select Prime, and subsequently determined to be ineligible under NQM Select Prime but qualify for another NQM product will be locked to worst case pricing between the original lock date and current market.**
 - **Loans currently locked to NQM Flex Supreme, and subsequently determined to be ineligible under NQM Flex Supreme but qualify for another NQM product will be locked to worst case pricing between the original lock date and current market.**



- Loans currently locked to NQM DSCR, and subsequently determined to be ineligible under NQM DSCR but qualify for another NQM product will be locked to worst case pricing between the original lock date and current market.
- Loans currently locked to NQM Second Lien, and subsequently determined to be ineligible under NQM Second Lien but qualify for another NQM product will be locked to worst case pricing between the original lock date and current market.
- No Rerlock fee will be charged.
- Loan Changes not resulting in a change in loan program group (Select Prime/DSCR/Flex Supreme/Seconds):
 - Attribute changes not resulting in a change in loan program group will be priced to the same rate sheet as the original lock.
 - Changes to income documentation that do not result in a loan program change will also be priced to the same rate sheet as the original lock.

Non-QM Pricing Policy

We will use LoanNEX to price all Non-QM loans. This system will house all investors base price, adjustments and SRP schedules. This system will also contain all corporate margins and branch margins. The price shown to the field will be a price to the borrower in which all comp is already considered. LoanNEX will be maintained by the Non-QM Secondary Marketing Department. The Non-QM Secondary Marketing Manager, along with SVP will be responsible for monitoring the current market and make changes to margins and rates as necessary due to market conditions.

Extensions

All extensions should be requested via email to lockdesk@nqmf.com. All NQM Funding, LLC, Non-QM Mortgage products have an extension cost of .25 for 7 days or .375 for 15 days.

All brokered or correspondent loans in the retail channel will be held to the investor policies. For cost email the lock desk at lockdesk@nqmf.com.

If a loan contains escrows for minor repairs, the lock period must cover the extension period until the repairs are completed and the escrow funds are released.

Rerlocks

All rerlocks should be requested via email to All NQM Funding, LLC, Non-QM Mortgage products will be held to worse case pricing less 0.25 rerlock fee. Worse case pricing is defined as the lesser of the day you locked or current market. If there are any changes to the loan parameters from time of lock through closing, the changes will also be priced based upon time of lock.

All brokered or correspondent loans in the retail channel will be held to the investor policies. For cost email the lock desk at lockdesk@nqmf.com.



Cancelling Files

If a file is being cancelled because a deal fell through the lock may follow to the new file under these conditions.

If it is an inhouse underwrite and was locked with the same borrower(s) and address on the new file the old lock with the same pricing and days left on lock will be transferred, unless the file has been expired for 15 days.

If this is a non-delegated or brokered file, it will be held to the investors policies for cancellation.

Float Downs

Float downs are not available for Non-QM. All brokered or correspondent loans in the retail channel will be held to the investor policies. For cost email the lock desk at lockdesk@nqmf.com.

Rate Buy Downs

Rate buy downs will be permitted on a case-by-case basis. All rate buy down requests are to be emailed to the lock desk at lockdesk@nqmf.com (Rate buy downs, if approved, will be 30:1 with a maximum of 60bps or 2 points)



Minimum (Floor) Rates

The minimum note rates as published on the Wholesale and Correspondent Rate sheets, and posted in LoanNEX, cannot be broken without the approval of the SVP - TPO Lending.