

WHOLESALE RATE LOCK POLICY

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Rate Locks

- ❖ The best method for locking and submitting loans is directly through our online MORRIS portal.
- ❖ For Advanced Lock and Regular Lock Agency loans, please simply submit a lock request through the MORRIS portal before 6:00 PM Pacific Time. All other loan programs (port, Jumbo, and FHA) lock cutoff time through MORRIS is 4:00 PM Pacific Time. If forced to submit outside of MORRIS, please complete a rate lock request form and email it to locks@fremontbank.com before 4:00 PM Pacific Time. Lock requests emailed to an email address other than locks@fremontbank.com, or faxed rate lock requests will not be accepted.
- ❖ All 15 Day lock requests must have a “final approval” with all prior to doc conditions satisfied (clear to close).
- ❖ ~~Portfolio 406 (5/6m) & Portfolio 407 (7/6m) program lock eligibility: Loans that fit guidelines and are <\$3M are lock eligible upon receipt of file submission. Loans >\$3M or loans that require a guideline exception must have an “Approval to Process” to be lock eligible.~~ Effective 06/03/2022, Portfolio ARM loans may now be locked once an initial conditional loan approval has been issued. This new lock policy is programmed in the MORRIS Portal.

Advanced Locks

- ❖ Advanced rate locks are only available for 30 & 45 day rate lock terms.
- ❖ Broker must run pricing and submit through MORRIS before 4:00 PM Pacific Time or use the ‘Advanced Lock’ rate lock form and email it to locks@fremontbank.com
- ❖ All 30 & 45 Day lock requests must have a complete file delivered to Fremont Bank within 5 calendar days of lock or the lock is subject to cancellation.
- ❖ All Portfolio and FHA streamline loan programs are ineligible for advanced rate locks. Broker must maintain a 75% deliver ratio on all advanced locks to maintain the ability to advance lock loans. Advanced lock pull though performance will be reviewed quarterly.

Rate Lock Extensions

- ❖ Rate lock extension fees are posted on the Fremont Bank [Wholesale Ratesheet](#).
- ❖ The best method for requesting rate lock extensions is through our online MORRIS portal.



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- ❖ Simply login to the MORRIS portal and send over the rate lock extension request before cutoff - 6:00 PM PT Agency locks; 4:00 PM PT Jumbo and FHA. Alternatively, please email the Fremont Bank Lock Desk (locks@fremontbank.com) no later than 4:00 PM Pacific Time on the day of the lock expiration date.
- ❖ Only active, unexpired rate locks are eligible for a rate lock extension. Expired rate locks cannot be extended; they must be re-locked using worst case pricing (see [Rate Re-Locks](#) below).
- ❖ **Lock extension** expiration dates that fall on a weekend or bank holiday will have their lock expiration date moved to the following business day and will be charged for the full length of the lock extension.
- ❖ If existing locked base pricing is more than 0.500 worse than current market at time of expiration, we will honor a one-time free extension. 15 day locks that qualify will be extended for 15 days. 30/45 day locks that qualify will be extended for 30 days. Locks in NOI status at time of extension don't qualify. Locks previously extended don't qualify. GOLD Jumbo, Portfolio ARMs, and FHA Streamline don't qualify.
- ❖ If at time of rate lock expiration date, Docs are drawn, broker is allowed to extend the lock by a max of 10 days at no fee. This is a one-time extension.
- ❖ If at time of rate lock expiration date, Docs are NOT Drawn, broker is allowed to extend the lock up to 30 days max. See fees on page 1 of the [Wholesale Rate sheet](#).
- ❖ All loans (purchase and refinance) must have 5 days remaining on the lock at time of closing docs drawn. If lock expiration date is less than 5 days, the lock must be extended accordingly at cost.

Rate Lock Renegotiations

- ❖ "Gold Jumbo" loans are ineligible for rate lock renegotiations. All other programs are eligible for rate lock renegotiations.
- ❖ Active, unexpired, and never before relocked locks are eligible for renegotiation if they are at or beyond 'Approved Scheduled Signing' (clear to close) stage.
- ❖ If market **pricing** for currently locked interest rate is ≥ 1.250 points better than existing lock pricing, the interest rate will be reduced by 0.125%.
- ❖ Lock expiration terms will not be amended.
- ❖ Only one rate lock renegotiation per loan is allowed.

Rate Re-Locks

- ❖ "Gold Jumbo" loans are ineligible for rate re-locks. All other programs are eligible for rate re-locks.
- ❖ Any lock that has expired is eligible for re-lock the day after expiration.
- ❖ Fremont Bank must be in receipt of a full file submission to be eligible for a re-lock.

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- ❖ LLPA's from current market rate sheet pricing must be used in determining net or final re-lock pricing.
- ❖ Lock terms for Re-Locks will be equal to the original rate lock term.
- ❖ **Worst Case Re-Lock:** Worse of current market or original lock date base pricing will be used to determine Re-Lock pricing. On a worst case re-lock, the highest note rate offered on today's ratesheet is the highest note rate that will be offered on a worst case re-lock, regardless of the originally locked in note rate. Pricing for the highest note rate offered on today's ratesheet and the price for that note rate on the original lock date's ratesheet will be compared with the worse of the two prices to be used to re-lock the loan.
- ❖ The original lock term (i.e. a 15, 30 or 45 day lock) pricing will be used to determine worst case pricing.
- ❖ A second rate re-lock will only be allowed if the loan has all PTD's signed off and is ready for loan docs. Worst case pricing of the 3 rate lock dates will be used to price out the re-lock and pricing will be based off the original rate lock term (i.e. if loan was originally locked for 45 days, worst case pricing will be based off of 45 day pricing), however the re-lock term will be good for only 15 days.
- ❖ A re-lock fee may be imposed on rate re-locks as follows: If existing locks' base pricing is more than 0.500 worse than market pricing (*comparing like for like lock terms, i.e. – if loan locked for 45 days, compare to market 45 day price*), no re-lock fee will apply. If existing locks' base pricing is less than or equal to 0.500 worse than market pricing, a 0.25 re-lock fee will be applied at re-lock. Worst case re-lock policy applies whether re-lock fee imposed or not.
- ❖ All rate locks that have been expired or canceled by either the originator or Fremont Bank will be eligible for current market pricing 60 days after the lock expiration/cancellation date.

Rate Lock Program Changes

- ❖ Active locks switching from a Portfolio #406 or 407 loan program to any other loan program will be priced using current market pricing
- ❖ Active locks switching from a Portfolio #406 loan program to Portfolio # 407 loan program will be priced using worst case re-lock pricing and vice versa (see Worst Case Re-Lock above).
- ❖ Active locks changing programs but not changing terms will be priced using the original rate lock date. This does not apply to changing from conforming to High Bal like terms, or vice versa. Our Lock Desk will issue a new confirm after completing the change. (Brokers have the ability to reply back to the email confirm if they wish not to accept the new terms).
- ❖ All other loan program changes for active locks will be priced using worst case re-lock pricing (see Worst Case Re-Lock above).

Notes



**FREMONT
BANK**

WHOLESALE DIVISION

Fremont Bank Lock Desk

Email: locks@fremontbank.com

Web: www.fremontbank.com/wholesale

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- ❖ Any exceptions to this lock policy must be approved by Fremont Bank Director Level Management or above.
- ❖ All times stated above are Pacific Time, Monday thru Friday, excluding federal holidays.