

Registration & Lock Commitment Policy

Registration

The InterFirst Lock Desk ensures timely and accurate registration of individual loan locks.

Registering a Loan

Clients must register and lock loans with InterFirst through the [InterFirst Portal](#) via the internet. For instructions, see the [Broker Portal Tutorial](#) in the InterFirst Portal under the Guides and Forms tab.

Register / Float

Individual loans can be registered in one of two ways: (1) with a float status (no price or delivery timeframe is set or given) or (2) a lock status. A Client may register a loan with a float status in order to obtain a loan number prior to submission for underwriting. If pricing is requested, it will be quoted from the current day's rate sheet for the loan attributes and delivery timeframe requested.

Key Registration Data Fields

The following key data fields are required to register a loan:

- Client's company name and ID number
- Web User Name
- Primary Borrower's first and last name
- Primary Borrower's Social Security Number
- Primary Borrower's credit score
- All Co-Borrower's first and last names
- All Co-Borrower's Social Security Numbers
- All Co-Borrower's credit scores¹
- Primary wage earner
- Loan program code number and product name
- Property address, city, state, and zip code
- Property type
- Note rate (optional for floating loans)
- Term / Amortized Term (in months)
- Occupancy
- Loan purpose
- Documentation type
- Escrows
- Sales price, appraised value, or LTV
- Ratio (DTI)
- Units
- Condo type (if applicable)
- CLTV (required when there is another lien)
- Other lien balance (required for CLTV)
- Any other loan program specific field (as reqd.)

¹ If the product requires the credit score to be locked and the credit score is not available at the time of registration, pricing may be denied or the loan may be placed in Pending status.

Licensing

InterFirst will not accept loans in states where Clients are not properly licensed to conduct business. If InterFirst does not have a Client's current license or exemption on record, it cannot accept loan registrations or locks. If any Client license issues are under review, the Client's loans will be placed in Pending status.

Registration & Lock Commitment Policy *(Cont.)*

To remove the loans from Pending status, the Client must take the following steps:

- Update all state licensing and exemption information by emailing the information directly to InterFirst at Credit.Risk@InterFirst.com.
- Once this information is received and our system has been updated to reflect the appropriate approval, the Client must submit a new lock request to the Lock Desk at the prevailing loan rate. Rates effective on the original request date will not be honored.

Escrow Waivers

When the Client elects to waive escrows for property tax and/or homeowner's insurance on a loan, certain restrictions and price adjustments apply. To be eligible to waive the property tax and/or homeowner's insurance escrow, the loan must meet program eligibility guidelines and qualifications.

Partial escrow waiver loans should be registered and locked as escrowed, but priced as non-escrowed. For properties in a flood zone, both flood and homeowner's insurance must be escrowed.

Policy / Loan Program Exceptions

Exceptions will be considered for registered loans on a case-by-case basis. Examples of exceptions that may be considered are Underwriting exceptions (LTV/FICO restrictions) and free lock extensions. Clients can initiate the exception review process by submitting a request for an exception to their assigned Account Executive. Before submitting an Exception Request, the Client must register the loan online and obtain a loan number. Loans in pending status will be reviewed, but not locked until the pending exception is cleared. No loan under consideration for an exception can be locked until the exception is approved by the appropriate Operations Manager and the Secondary Marketing Manager.

Initial File Delivery

Any loan that is locked prior to the receipt of a full and complete file must be delivered to InterFirst within 10 calendar days of the lock date. The file must be "in the door" at InterFirst no later than 5:00 PM (CST) on the 10th calendar day. Submissions must be complete and marked as "TRUE" submissions. The submission must contain, at a minimum, the following documents: AUS findings (does not apply to non-conforming product), LE, 1003, and income documentation.

If the loan is not delivered by 5:00 PM (CST) on the 10th calendar day, the lock will be cancelled. The Client will be required to register a new loan number. The loan will be subject to a relock and worst-case pricing, plus an additional applicable relock hit once the complete submission is given a new loan number.

Locked and Unlocked Loan Changes

The Lock Desk determines if a request to change loan information requires the loan to be re-priced. Changes to loan information are not automatic or recommended. The Lock Desk may require additional information to facilitate the change. InterFirst routinely audits the changed fields to protect against fraud and to fulfill banking and regulatory requirements.

Any incorrect Borrower information, such as the Borrower's name or Social Security Number, requires additional documentation and may result in worst-case re-pricing, plus an additional applicable relock hit.

Registration & Lock Commitment Policy *(Cont.)*

Regardless of the loan status, the following fields cannot be changed:

- Client ID
- Borrower's and Co-Borrower's names
- Borrower's and Co-Borrower's Social Security Numbers
- Property address¹
- Property state
- Property zip code

¹ *Changes to property address: The only time the property address may change is for a purchase transaction in which the initial agreement of sale is cancelled and a new property is located. Under that scenario, the original loan will be cancelled and a new loan with the updated information will be registered, subject to current market pricing conditions. The Lock Desk may request additional documentation to process the request. See the Lock Commitments section for potential pricing implications.*

NOTE: Any other circumstances necessitating a change to the property address will result in worst-case re-pricing, plus an additional applicable relock hit, and may require additional documentation for review.

For a locked loan, in addition to the fields above, revisions to the following field are not permitted:

- Lock Duration

For locked loans, changes to the following fields may result in re-pricing:

- | | | |
|--------------------------------------|-------------------|----------------------|
| • Loan amount | • Credit scores | • Program code |
| • Loan purpose | • Sales price | • Documentation type |
| • LTV | • Appraised value | • Property type |
| • CLTV | • DTI | • Escrows |
| • Other liens or secondary financing | • Interest rate | |
| • Occupancy | • Term | |

Incomplete Registration (Pending Status)

In some cases, the Lock Desk may attempt to register and/or lock a loan, but cannot complete the registration, due to one or more of the following issues:

- Missing / incomplete / incorrect Social Security Numbers
- Missing / incomplete / incorrect property address
- Missing / incomplete / incorrect Borrower's and/or Co-Borrower's names
- No credit score is provided (and product requires it)
- No DTI is provided (and product requires it)
- Loan does not fit product guidelines
- Product code not provided
- Rate is not selected

Registration & Lock Commitment Policy *(Cont.)*

- Rate lock window is not selected
- Requested rate is not available
- Client is not licensed in the state where property is located (see the Licensing section for more info)
- Other reasons not listed here

In these cases, the loan is placed into Pending status. Placing a loan in Pending status will save some of the loan information, but the loan cannot be locked until all open issues have been resolved. The lock will be canceled for any loan that is locked with an incomplete registration and the loan will be subject to worst-case pricing, plus an additional applicable relock hit.

Intra-Day Pricing Changes

Due to the volatile nature of the secondary market, all pricing is subject to change at any time and without notice. InterFirst reserves the right to determine the standard used to establish the cutoff time for intra-day pricing changes.

- Internet.** When InterFirst is re-pricing or preparing new Rate Sheets, website transactions will be disabled.
- Fax or Email (only applicable if web was down due to technical issues).** InterFirst time stamps all inbound and outbound fax transmissions. All registrations, changes, and other time-sensitive requests will be honored if they are received by InterFirst before the established rate change and are deemed complete. Pricing for loan registrations, changes, or locks received after the price change has started will be subject to pricing as of the next available rate sheet.

Error Notification

InterFirst will not be held responsible for incorrect registration and/or loan lock errors. Errors, omissions, or mistakes that are reported to the InterFirst Lock Desk within twenty-four (24) hours after the incident occurs will be considered on a case-by-case basis for correction without penalty. It is the Client's responsibility to contact the InterFirst Lock Desk to report registration or lock-in issues or missing lock-in requests within twenty-four (24) hours of the initial request. Any correction of errors or supplemental information for omissions after the twenty-four (24) hour period will require that the loan be re-priced based on prevailing rates.

Lock Commitments

In order to close loans with InterFirst, the Client must obtain a Rate Lock Commitment. A variety of pricing options are available to meet the needs of our Clients. For related information, see the Registration section.

All locks are subject to a final price review by the Company and may change in the event of user/technical error or other violation of Company policy or agreement.

Commitment Defined

A Rate Lock Commitment is an agreement whereby the Client commits to deliver a loan, as described in the Commitment Confirmation that is eligible for purchase under the terms of this Registration & Lock Commitments Policy. The Client must enter into a Commitment for each loan prior to the scheduled closing with InterFirst.

Registration & Lock Commitment Policy *(Cont.)*

Once the loan has been locked, the Client is considered to have entered into a Best Effort Delivery Commitment with InterFirst.

- **Best Efforts Delivery Commitment.** A Best Efforts Delivery Commitment is a lock for a specific Borrower with a specific property.
 - Although there is no penalty charged on an individual loan if it does not close, InterFirst closely monitors pull-thru ratios of locked pipelines. Unacceptable pipeline levels may impact the Client's ability to maintain normal business relationships with InterFirst
- **Additional Rules Applicable to Commitments.**
 - Each lien position of a property may have no more than one Commitment outstanding at any one time with InterFirst
 - The Client may not assign or transfer a Commitment, in whole or in part, without the prior express written consent of InterFirst

NOTE: The term Commitment is not to be confused with other agreements or terminology that may be in effect between the Client and InterFirst (such as a master commitment or a forward commitment).

Daily Pricing and Rate Protection

Daily prices are established at approximately 10:00 AM (CST) and are available in the InterFirst Portal under the Pricing tab, Rate Sheets Option. Rate sheets may be available to Client contacts through email on a limited basis. For more information, please contact InterFirst Client Services at: (847) 239-7272.

The InterFirst Lock Desk, under normal conditions, will be open for locking seven (7) days a week from 10:00 AM (CST) to 11:45 PM (CST). As a result, InterFirst will have periods when no pricing is available. These "blackout periods" are generally from 11:45PM (CST) through 10:00AM (CST) daily, when InterFirst updates the daily rate sheet. There may also be periods during the day when market conditions will necessitate a general rate sheet price update. During these periods, when new rate sheets are being generated, Clients will not be able to obtain rate locks. Faxes or emails for lock requests will not be honored during these periods.

Pending Status

InterFirst activates a rate lock only when the Client provides complete loan data that meets InterFirst's program guidelines. Loans with incomplete loan data will be placed in Pending status and will not be priced. Once the cause of the pending condition is removed or corrected, InterFirst will allow loans to receive a rate lock at the current market pricing. It is the Client's responsibility to contact the Lock Desk to rectify any problems and ensure the loan is locked.

See the Incomplete Registration (Pending status) section for more information.

Commitment Confirmation

The pricing provided on the Commitment Confirmation is subject to change. Changes, including but not limited to, loan characteristics, program eligibility, commitment terms, and late fees will affect the final loan price. InterFirst and its Affiliates reserve the right to modify and/or revise the Commitment Confirmation if either of the following situations occurs:

- The information submitted in the final loan package differs from the information provided during the Pricing Functions service

Registration & Lock Commitment Policy *(Cont.)*

- The loan does not meet InterFirst's or its Affiliates' guidelines

A Commitment Confirmation does not constitute a loan decision / approval or a commitment to purchase a loan.

Locked Loan Changes

Most changes to a locked Commitment will require a relock and be subject to worst-case re-pricing, plus an additional applicable relock hit. Common reasons for change include:

- The rate lock expiring prior to the loan closing and funding
- The rate lock being cancelled for non-delivery (within 10 calendar days from the original lock date)
- Address changes

For more information regarding locked loan changes, see the Locked Loan Changes section.

All product changes completed without re-price are at the complete discretion of the Lock Desk and may be approved or denied based upon existing market conditions.

Rate Lock Extensions

Clients must request Rate Lock Extensions online via the Change in Circumstance (CIC) icon in the InterFirst Portal. The client should email locks@InterFirst.com if there are any technological issues or error messages in regards to lock extensions.

InterFirst may grant individual Best Effort Lock extensions of up to thirty (30) days on or before 5:00 PM (CST) of the lock expiration date. Clients should refer to the CIC icon in the Portal and select the lock extension option for a quote for new pricing after an extension. Extension requests beyond thirty (30) days from the original lock expiration will only be considered on a case-by-case basis and must be requested directly with the InterFirst Lock Desk. At no time shall extensions exceed an aggregate of sixty (60) days. Extension requests beyond sixty (60) days would be considered extraordinary and would need to be requested through an Account Executive or Sales Manager.

All rate lock extensions are calculated in calendar days and must be continuous. Extension policies are at the discretion of InterFirst and are subject to change without notice – InterFirst will not offer free extensions. Clients should use the InterFirst Portal or email locks@InterFirst.com for a quote on new pricing after a lock extension. InterFirst has the right to refuse to permit extensions on individual loans or products at any time for a variety of reasons including, but not limited to, current market conditions or changes in product eligibility / guidelines.

Clients must advise InterFirst of any erroneous extension requests prior to 5:00PM (CST) on the same day as the request. Requests for changes after this time will not be permitted.

Expirations

Lock Expiration

The Rate Lock Expiration is the expiration of InterFirst's Commitment to honor a locked loan at a particular interest rate. All Loans must be closed and funded by the Lock Expiration Date. If the Client requires additional

Registration & Lock Commitment Policy *(Cont.)*

time, all extension requests must be made on or before 5:00 PM (CST) of the Rate Lock Expiration Date. Any requests received after this date would be subject to relock at worst-case pricing, plus an additional applicable relock hit. InterFirst will not offer free extensions.

InterFirst encourages all Clients to monitor lock expiration dates very carefully. Failure to extend a lock prior to its expiration date, in order to meet Funding Dates, may result in costly re-pricing.

Expired Commitments

An expired lock commitment is subject to worst-case pricing, plus an additional 0.25 hit for non-conforming loan amounts.

Relocks:

- Must be for the same or shorter lock period for conforming loan amounts, and must be for the same lock term for non-conforming loan amounts.
- Are eligible for current market pricing 30 days after the original lock expiration (conforming loan amounts only)
- May be subject to an additional risk of secondary market illiquidity, and InterFirst may not accept the original locked rate. InterFirst may deny the original locked rate on expired locks due to market illiquidity. Rates not listed on the current rate sheet are illiquid rates and the Client may not be able to relock them
- Must meet all current product eligibility guidelines

Holiday or Weekend Lock Expirations

Clients must request to extend the rate lock during weekly standard hours until 5:00 PM (CST) before the rate actually expires.

Locks expiring on a weekend or holiday will roll into the following business day.

Suspended Loans

InterFirst will not close loans with incomplete closing and/or credit packages.

Denied Loans

InterFirst will not extend or relock loans that are in Underwriting Denied status.

Policy / Loan Program Exceptions

Policy and loan program exceptions are not offered at this time. If and when exceptions are offered, InterFirst will consider them on a case-by-case basis only when an Account Executive submits a completed Loan Exception Request. The Client must register the loan in order for InterFirst to review it. If the loan is in Pending status, InterFirst will not lock it until the Pending status clears. InterFirst will not lock any loan under consideration until the exception is approved and the Client submits a current request to lock.

In general, policy and Loan Program exceptions will be subject to a renegotiation of rate and or pricing. InterFirst may, at its discretion, charge a cancellation fee if the decline of an exception request results in the cancellation of a locked Commitment.

Registration & Lock Commitment Policy *(Cont.)*

Float Down Policy

Under certain market conditions, InterFirst will consider a float down of a locked rate. The minimum movement needed before InterFirst will consider renegotiating the rate is 0.25% in Rate for the same product and lock term. Float downs do not affect the lock expiration date.

At InterFirst's discretion and depending on market conditions, some products will not be eligible for negotiation regardless of market conditions. Float downs for Non-Conforming Jumbo loans are not permitted. Float downs are not permitted after interest rate increases or program changes. Program changes and interest rate increases are also not permitted after float downs.

A 0.5 cost adjustment will be applied to the pricing for each float down. The new negotiated price will not exceed the original quoted price. The Borrower must receive the full benefit of the renegotiation as a rate reduction with no additional points.

A float down is considered a CIC and should be executed via the CIC icon in the InterFirst Portal. Clients should contact locks@InterFirst.com, or select the CIC icon and then Float Down option in the InterFirst Portal to obtain a pricing quote for any float down.

Change in Circumstances

All CIC requests should be made via the CIC icon in the InterFirst Portal. Please refer to [How To Submit a CIC Request](#) or email locks@InterFirst.com with any questions or issues.

Problem Resolution

Any contingency, issue, process, or scenario not covered in this document should be considered outside of InterFirst's policy and, therefore, subject to review by the Lock Desk. Clients are encouraged to call the Lock Desk when they have questions or pricing issues. An analyst will make every effort to resolve the issue. If the issue cannot be resolved, the matter may be escalated to the Lock Desk Manager.