

### Contacts

Loans can be locked until 11:59 pm EST Monday– Friday. You may contact our secondary department with any questions by emailing [secondary@townemortgage.com](mailto:secondary@townemortgage.com), Monday – Friday, 9AM – 6PM EST.

Please Note: Rates may change at any time due to market conditions and at time of extreme market volatility. Towne may suspend the receipt of rate lock request until new rates can be published.

### Locking Rates

Locking is to be done in Encompass TPO Connect using the Optimal Blue Interface. If you do not have a log in or do not know how to lock within Encompass TPO Connect, please contact your Account Executive, Client Relations Representative or Encompass Support at [esupport@Townemortgage.com](mailto:esupport@Townemortgage.com).

Towne Mortgage Company strictly enforces a Par Pricing Policy. It is the loan officer's responsibility to confirm that the borrower is fully made aware of any and all charges when pricing and locking loans. To obtain a detailed copy of the Par Pricing Policy, please contact your manager.

Towne offers 15, 30, 45, 60 and 90 day locks on most of its products.

In the event that a rate lock would expire on a weekend or holiday using the typical lock term, the lock expiration will push forward to the next business day.

A loan is not considered locked until it is reflected as such in Encompass TPO Connect (not the OB interface). Once the loan officer accepts pricing, they should promptly exit the loan in Encompass TPO Connect so the OB pricing can pass through the systems properly. If the OB pricing does not pass through to Encompass TPO Connect the loan will not be considered locked.

### Lock Extensions

All locks can be extended on any day, up to 8PM EST unless it is in a clear to close status and then contact secondary, as long as the lock has not yet expired. A lock can be extended up to 3 times, and up to 30 days. The fee schedule locks are as follows:

Lock Extension Duration	Cost
1-6 days	2bps per day
7 days	.125
15 days	.25
30 days	.50

In the event the selected period for an extension ends on a weekend or holiday, the extension will automatically extend to the next business day. At an additional cost of 2bps per day (i.e. if a 15 day extension lands on a Saturday, the loan will be charged the standard 15 day extension cost of 0.250, plus another 0.04 for the additional 2 days to bring it to Monday). All loans will be reviewed for a clear lock validation prior to

extension being approved. To prevent denial of an extension please ensure that all profile changes have been made through OB prior to requesting the lock extension.

If a loan is within 48 hours of expiration or in a clear to close status, and the current rate/lock term is better or the same as the original lock. The loan can be extended free for up to 7 days, by emailing [secondary@townemortgage.com](mailto:secondary@townemortgage.com).

**Relock Policies**

After a lock has expired, the lock may be reinstated and relocked by using worse case pricing. This is calculated by comparing the original locks BASE PRICE before adjusters, and the current rate sheets price of the SAME LOCK TERM (i.e. 45 day original compared to 45 day current). Whichever term has the lower price will be the end base price of the relocked loan. All relock terms are relocked for 15 days from the time of relock regardless of the original lock term (plus any extension fees already incurred).

**Expired Locks**

A locked loan that has expired for greater than 30 days will be considered a new lock.

**Loan Term Changes**

In the event that a term on a locked loan changes prior to closing, pricing will be updated using the rate sheet that was used for original pricing. All loan level pricing adjusters will be recalculated using the updated values.

Changes made on loans that have been expired will be repriced when the loan is ready to be relocked. This will be done as a worst-case scenario (inclusive of all loan adjustments including extensions), comparing the updated loan terms on the original lock day, to the current rate sheet.

**Product Changes**

This is only permitted on Fixed Agency and Government loans (i.e. from conventional fixed lock to FHA lock or FNMA to Freddie) on a locked loan product change prior to closing, pricing will be updated using the rate sheet that was used for original pricing. All loan level pricing adjusters will be recalculated using the updated values.

Product changes made on loans that have been expired will be repriced when the loan is ready to be relocked. This will be done as a worst-case scenario (inclusive of all loan adjustments including extensions), comparing the updated loan terms on the original lock day, to the current rate sheet.

**Mini-Correspondent**

All Closing/Collateral packages must be delivered to TOWNE no later than the lock expiration date to avoid extension fees. If the Correspondent cannot make the delivery period, they must have the lock extended, or be subject to re-lock fees (see above policy).

### Rate Locks (Best Efforts to Mandatory)

Loans that are locked under a best efforts commitment are 'mandatory if the loan closes', meaning that if a loan is locked with TMC, the Correspondent is obligated to sell the loan to TMC if the loan closes. If the Correspondent closes a loan that has been locked with TMC (regardless of whether or not the lock is expired), but does not deliver the loan to TMC, the Correspondent is subject to pair off fees.

### Renegotiations

**Rate Renegotiation for best effort loans only will be considered under the following condition:**

- 1) Renegotiation requests must be emailed with the following information to [Secondary@townemortgage.com](mailto:Secondary@townemortgage.com)
  - a. Loan number
  - b. Product
  - c. Lock date/expiration
  - d. Current interest rate and price
  - e. Desired interest rate and price
- 2) A request must be received by 4pm ET and are reviewed on a case by case basis
- 3) For a renegotiation to be considered the minimum improvement to the borrower must be 0.25% in rate
- 4) The price will be calculated at current Market 60 day price, less .50% (capped at the original price)
- 5) A renegotiation may be exercised only once per loan.
- 6) The renegotiated price is based on the rate sheet, LLPAs, and SRPs that are in effect when the request is received less any prior accumulated extension, relock or other fees
- 7) Loan program changes are ineligible without a prior Lock Desk review and approval
- 8) No additional concessions can be granted once the renegotiation is complete