

## **HOURS OF OPERATION**

Locks will be accepted from the morning price release through 6:59 AM ET on the next business day through NewRez's [Correspondent site](#). The ability to lock will be restricted from 7 AM ET until the next pricing release. The Lock Desk is physically staffed from 8 AM to 8 PM ET Monday through Friday. Overnight locks are those that are received on any business day after 8 PM ET thru 7 AM ET of the following business day. Locks are accepted over the weekend and on holidays through NPF's online portal.

For Approved Correspondents: Contact 877-930-PENN Or e-mail [portalsupport@newrez.com](mailto:portalsupport@newrez.com)

## **LOAN AMOUNT AND TERM RESTRICTIONS**

NewRez will only allow loan amounts to be in whole dollars:

- Loan Amount of \$145,625.00 is acceptable
- Loan Amount of \$145,625.75 is not acceptable

All Loans sold to NewRez must be closed with terms on 5-year increments (10, 15, 20, 25,30 years).

## **LOCKED LOANS**

A locked loan means a loan that has been registered for a guaranteed rate and price if delivered within a stipulated price term. The Lender is responsible for printing its Confirmation from the portal as evidence of the agreement entered into by NRZ and the Lender. It is the Lender's responsibility to report any inconsistencies with the Lender's understanding of the loan to NewRez within 24 hours of the Confirmation Date. If NewRez agrees with the Lender's report of inconsistencies given within that period, NewRez will forward the Correspondent details on the changes.

## **LOCK EXPIRATION DATE**

Various lock periods are published on our rate sheet each NewRez business day. The lock expiration date associated with each lock period is calculated by using the day after the lock date as day one. When the initial calculated lock expiration date falls on a weekend or NewRez holiday, the lock expiration date will automatically roll forward to the next NewRez business day.

## **FILE DELIVERY DEADLINE**

The lock expiration date that is associated with the various lock periods quoted for each product displayed on NewRez's daily rate sheet is the date by which all closed and disbursed loans committed by the Lender to NewRez are due for delivery. Imaged files must be successfully received by NewRez's system, and in fundable condition, by 3:30 pm CT on or before the lock expiration date.

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## **DUPLICATE LOCKS**

In the case where a Lender locks a loan for the same borrower and the same property under two separate loan numbers, the following procedures apply:

- If both loan numbers are active locks, then the original lock will remain active and the second lock will be cancelled.
- If the first lock has either been cancelled for less than 30 days or the initial lock has been expired for less than 30 days, then the original lock will be relocked at worse case pricing and the applicable relock fee will be applied. The second lock will be cancelled.
- Loans locked but then cancelled within the same business day will result in the lock being classified as null and void and NewRez will change the lock to a floating registration.
- If one loan has a lock status of “floating” and the other loan has a lock status of “locked,” then NewRez will honor the “locked” loan and cancel the “floating” loan.

## **LOCK LIMITS**

Maximum dollar volume of locked loans is limited to \$5,000,000 per Lender. This limit begins once our rate sheet is distributed each business day and ends at 8 PM EST. Overnight locks are those that are received on any business day after 8 PM ET thru 7 AM ET of the following business day. Overnight locks are capped at a total of \$1,000,000 or 1 loan.

## **OVERNIGHT RATE PROTECTION**

NewRez will allow Best Effort locks from the morning price release through 6:59 AM ET on the next business day.

## **PRODUCT SWITCHES**

- The Lender is responsible for tracking any changes to the structure of the loan that affect pricing, and providing proper notification to NewRez. Any changes to the structure of the loan that affect pricing will be validated by the NPF Lock Desk. NewRez must be notified immediately if the Correspondent makes any changes to the mortgage loan that differ from the confirmed pricing structure. All loans must meet the terms of the latest Confirmation.
  - On re-worked loans due to changing terms, the price impact will be applied to the lock and may impact premiums due to the Correspondent. If there is a product change on the existing lock, pricing will be determined based on the grid below. For product switches, the major product groups are VA, FHA, Conventional, Smart Series, and Non-Agency Jumbo.
  - To determine worst case pricing in a product switch scenario, the existing product pricing including all previously applied extension/relock fees is compared to current market pricing of
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the new product excluding all previously applied extension/relock fees. The lower price is considered the worst-case price.

Switch From	Switch To	Pricing	Lock Dates & Terms
FHA	VA	Pricing from the last lock date	Expiration of last lock date
FHA	Conventional	Pricing from the last lock date	Expiration of last lock date
VA	FHA	Pricing from the last lock date	Expiration of last lock date
VA	Conventional	Pricing from the last lock date	Expiration of last lock date
Conventional	FHA	Pricing from the last lock date	Expiration of last lock date
Conventional	VA	Pricing from the last lock date	Expiration of last lock date
Conv/FHA/VA	Smart Series	Worst Case Pricing	New lock dates and term
Conv/FHA/VA	Non-Agency Jumbo	Worst Case Pricing	New lock dates and term
Smart Series	Conv/FHA/VA	Worst Case Pricing	New lock dates and term
Non-Agency Jumbo	Conv/FHA/VA	Worst Case Pricing	New lock dates and term

## POLICY ON OTHER CHANGES TO A LOCKED LOAN

- Changing the term on a Best Effort locked loan is allowed without affecting the lock should the change not result in changing the product.
- If changing the term necessitates changing the product, then NewRez rules concerning a product change must be enforced.
- Interest rate changes on Best Effort locked loans will result in the price associated with the new rate being derived from the initial.
- Borrower name changes are **only** allowed for typographical corrections or adding or deleting co-borrowers because a lock is borrower specific.
- Property address changes are **only** allowed for typographical corrections because a lock is property specific.

## EXTENSIONS

All rate lock extensions for Best Effort commitments must be exercised on or before the lock expiration date. Extensions are not available on loans where the lock has expired. NewRez reserves the right to not allow extensions based upon product guideline changes. The number of days selected for an extension will be added to the expiration date, and will not roll forward to the next business day should the new calculated date fall on a non-business day. NewRez will extend the date out to the next business day and assess the Lender a per day charge.

- Locks may be extended up to 3 times at a cost of 2 bps per day. If 4 or more extensions are requested, the cost is 4 bps per day.
- In no case may the original locked expiration date be extended a total of more than 60 days.

## RELOCKS

NewRez reserves the right to disallow a relock based upon a rate or product guideline availability.

- It is the responsibility of the Lender to relock an expired lock prior to delivering the closed loan package. Delivering a package that has an expired lock may delay the processing of that loan package, and NewRez will not be responsible for adverse market movement between the time of delivery and the time the Lender request a relock.
- If a relock occurs within 30 days of the lock expiration date or the lock cancellation date, relock pricing is based on either current market pricing at the desired lock term or the existing pricing minus the relock fees below, whichever is worse.

	<3 Prior Extensions	>=3 Prior Extensions
15 Days:	0.30	0.60
30 Days:	0.60	1.20
45 Days:	0.90	1.80
60 Days:	1.20	2.40

- The relock fees apply to each relock regardless of current market conditions.
- Relock requests for loans expired more **than 30 days** will be priced to the current market at the time of relock.
- Any previous extension or relock fees will be retained and deducted from the new price.
- The new expiration date is calculated from the date the loan is relocked.
- Non - Agency Jumbo and Smart Series may have separate re-lock policies. Please contact the Lock Desk for relock pricing.

## NON-DELIVERY PAIR OFF FEES (BEST EFFORTS COMMITMENTS)

Once a Lender closes a loan committed to NewRez under a best efforts lock, then that best efforts commitment becomes a mandatory delivery to NewRez. Failure to deliver a closed loan package will result in the Lender being assessed a Pair Off fee.

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- The fee will be calculated by determining the difference between the seven-day price on the day after the commitment expiration date (use current day if the lock has not expired) and the price on the commitment.
- This fee will only be charged when the market has improved between the commitment price and the seven-day price used in the Pair Off calculation.
- In addition to the Pair Off fee calculated, a non-delivery penalty may be assessed.
- NewRez reserves the right to impose a minimum Pair Off fee or use the Pair Off calculation, whichever is greater.
- A minimum Pair Off fee may also be imposed when the market has remained flat or declined from the commitment price to the seven-day price used in the Pair Off calculation.

### **CURE PERIOD FOR SUSPENDED LOANS**

If NewRez detects a deficiency in the closed loan package during the funding review process, a Lender Suspense notification will be sent to the Lender. The Lender Suspense Notice will identify all the missing and/or incorrect documentation and the date by which all required items must be received by NewRez to clear the loan for purchase.

- The period provided to cure the deficiencies is determined by **the greater of** seven calendar days from the Lender Suspense Notice date or the expiration date of the lock commitment.
  - If the deficiencies are not received by NewRez by the cure period expiration date provided in the Lender Suspense Notice, then the Lender will begin accruing an extension fee of 2 basis points per calendar day beginning on the day after the cure period expiration date.
  - The cure period expiration date may only be extended for a maximum of 30 calendar days.
  - If the loan is not in fundable condition by the end of the 30 calendar days provided under the allowable cure period extension policy, then the lock will be subject to a 15 day relock and the applicable relock fee plus all extension fee charges that have accumulated.
  - NewRez reserves the right to return the closed loan package to the Lender and the Note (if applicable) to the appropriate party per the bailee agreement should the Lender fail to clear all the suspense items by the end of the 30 calendar days provided in the cure period extension policy.
  - NewRez will not be obligated to purchase a loan should the Lender fail to deliver all the required suspense items within our allowed cure period extension policy.
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