

NON-QM CORRESPONDENT LOCK POLICY

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Lock Desk Operations Hours

- Monday - Friday 8:30 AM - 7:00 PM EST

Locking Hours

- Monday - Friday 9:30 AM - 7:00 PM EST

Lock Desk Contact:

CorrespondentLockDesk@NQMF.com

Lock In Cutoffs

Pricing is valid from 9:30 AM to 7:00 PM eastern standard time. Any lock received after 7:00 PM 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. (See Non-QM Lock In Policy).

Non-QM Lock Policy

All Wholesale and Retail loans should be registered on our portal. All locks should be requested in our portal, via LoanNEX. For continuity of data, LoanNEX will be utilized in concert with our LOS Encompass. Once the Client has requested the lock in LoanNEX, a pipeline Lock Request notification will be sent to the Correspondent Lock Desk who will then confirm the lock data and lock the loan. As the loan progresses through the process, changes may be needed to certain loan data. The Client 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). If the lock is unable to be requested in the portal, an email to the Correspondent Lock Desk, with the Results from LoanNEX or Optimal Blue, indicating the terms of the Lock Request, may be submitted.



Non-QM Pricing Policy

We will use LoanNEX or Optimal Blue to price all Non-QM loans. This system will house all investors base price, adjustments, and SRP schedules. This system will also contain all Client margins, as set-up and maintained by the Client. The price shown to the field will be a price to the borrower in which all comp is already considered. LoanNEX and Optimal Blue will be maintained by the Non-QM Secondary Marketing Department. The interest rate market is subject to movements without notice. Locking in a rate protects you from the time that your lock is confirmed to the day that your lock period expires.

Pricing will be honored from the rate sheet that is effective at the time the lock request is submitted. (If received during regular business hours). In rare cases, technical issues with the pricing engines (LoanNEX or OB) can cause pricing to be misquoted. These issues will be reviewed on a case-by-case basis to determine if the original quoted pricing will be honored and are subject to Exception Approval Procedure.

Capital Markets may temporarily shut down the Correspondent Lock Desk and or LoanNEX/Optimal Blue in the event of dramatic rate swings, market volatility, or geopolitical events without advance notice.

Compliance with Loan Program Guidelines

NQM Funding, LLC only honors locks on loans that conform to the published program guidelines or that have an approved exception to the guidelines. While the NQMF product and pricing engines are robust, they do not capture ALL the required information to determine if your loan conforms to each nuance of the published guidelines. Do not rely solely on the pricing engine or rate sheets to determine eligibility.

Loans that are outside of the guidelines require an exception approval, prior to lock. If it is determined that a loan does not conform to NQM Funding, LLC's program guidelines or a previously approved exception that is in effect on the date of the original lock, all lock protection becomes invalid, and the lock may be canceled at the discretion of the NQMF's Secondary Marketing Department.



Extensions

All extensions should be requested via email to The Correspondent Lock Desk (CorrespondentLockDesk@NQMF.com) It is also a best practice to include your Account Executive.

All lock extension requests totaling no more than 45 cumulative days, from original lock date, are permitted. Additional extensions may be available on a case-by-case basis.

All NQM Funding, LLC's Mortgage products have an extension cost of .175 for 7 days or .375 for 15 days.

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.

Relocks

All relocks should be requested via email to CorrespondentLockDesk@NQMF.com All NQMF Mortgage products will be held to worse case pricing less a 0.25 relock 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.

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 was locked with the same borrower(s) and address on the new file as the old lock, the same pricing and days left on lock will be transferred, unless the file has been expired for 21 days.

Float Downs

Float downs are generally not available for Non-QM. In the event of a material change in the market, an exception may be granted on a case-by-case basis.



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 Correspondent Lock Desk at CorrespondentLockDesk@NQMF.com (If approved, will be 30:1 with a maximum of 60bps in rate for 2 discount points to NQM Funding, LLC).

Minimum (Floor) Rates

The minimum note rates as published on the Correspondent Rate Sheets and posted on our portal and pricing in LoanNEX/Optimal Blue.

Delegated and Bulk Pool Transactions

Delegated and or Bulk Pool Transactions will follow the same policies here-in with the following differences:

Registration – All individual loans and mini-bulk loans must be registered in the NQMF Portal. For larger bulk pools, a process is available to upload and register the loan via bid/date tape. A

3.4 file for each loan may also be utilized to register the loans. All bid tapes and or 3.4 files should be emailed to the Correspondent Lock Desk at CorrespondentLockDesk@NQMF.com.

Delivery – All loans must be delivered prior to the lock expiration date. Once the file is received a Post-Closing Diligence will be completed. The Correspondent will have five (5) business days to clear all conditions. (Or longer if there are additional days remaining on the lock) The loans must be CTC and ready for purchase by the fifth business day or the loan will need to be extended. (See Extensions above).

Pair-Off Fees: In the event a delivery is short, a pair-off fee may be imposed. Any pair-off fees will be identified during the bid process and stipulated on the Bid Commitment.