



EXCELERATE CAPITAL

Lock Desk Policies & Procedures **Effective 08/17/2017**

General:

Calculated Risk Analytics, LLC. D.B.A. Excelerate Capital issues rates and pricing for various product types every business morning. As financial markets are subject to volatility, the release of pricing may be delayed in the morning. Excelerate Capital also reserves the right to suspend or adjust pricing as necessary to reflect market movement.

Lock Desk Contact Information:

- Lockdesk@exceleratecapital.com

Lock Desk Hours of Operation:

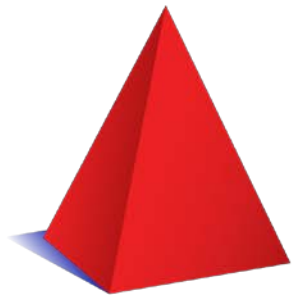
- Monday Through Friday from 9:00am-3:30pm PST.
- All Lock requests received after Lock Desk hours will be subject to the following business day's pricing.
- Lock Desk is closed on all Federal Holidays.

Lock Procedures:

- Locks must be requested through the company's LOS price engine or a manual lock request form can be completed (<http://ec-tpo.com/forms.html>)
- Loans that have specific information not outlined in the LOS or manual lock request form can be notated in the comments section at time of lock request.
- Loans must not be in Suspended status to be eligible to lock.
- Lock confirmations will be emailed to assigned employees and broker on each loan.
- AE's/Loan Officers/Brokers should review the lock confirmation for accuracy and notify the Lock Desk immediately of any changes or errors.

Lock Periods:

- Lock Periods are for 15, 30, 45, or 60 days
- 15-day locks require Clear to Close status or Manager approval.
- Lock Terms must provide enough time for loan to Fund.



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Pricing:

- Pricing will be honored from the rate sheet that is effective at the time the lock is confirmed with the investor.
- Lock requests received without all the required information to process the lock will be rejected until all required information is submitted.
- Due to market volatility, prices are not guaranteed until you receive the final lock confirmation.
- Price concessions/exceptions must be approved by Secondary Marketing.

Lock Extension:

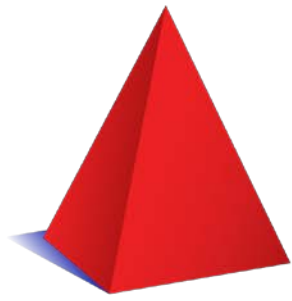
- The lock expiration date must allow sufficient time to cover loan funding.
- Extension request must be submitted prior to Lock Desk end of day, 3:30pm PST.
- Loans may be extended a maximum of two times but no more than 30 days in total.
- Non-QM loans are subject to investors extension policy.

Lock Extension Cost:

- Extension cost per day = 2bps
- 7-day extension = 15bps
- 15-day extension = 30bps
- 30-day extension = 60bps

Relocks:

- If a lock expires prior to funding, that loan is subject to worse case pricing.
(Example – The original loan's lock date and current market pricing will be compared, the worse of those two prices will be applied to the loan)
- A relock fee of .25% will be charged in addition to worse case pricing.
- Any extensions prior to the relock will remain when relocked.
- The relock term will be for 15 days.
- Only after the original lock term is expired for 45 days can a loan be relocked at current market without receiving worse case pricing and a relock fee.
- Any concessions/exceptions will not be applied on the relock unless re-approved by management.



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Cancelling Locks:

- Maintaining a clean locked pipeline with Secondary Marketing is essential. Loans that withdraw or are inactive need to be cancelled with the Lock Desk and Escrow on a weekly basis. Email the cancellation notice to both departments.
- Due to tighter compliance and disclosure requirements, there are circumstances where restructuring a loan would require a new loan number. The original loan's pricing follows the property, rather than the loan number. Therefore, the lock would be transferred to the new loan number. If there is a change in loan terms, file may be priced worse case.
- If an underwriter denies a loan, the lock will be cancelled in LendingQB and an adverse action letter will be sent to the borrower.
- If an underwriter suspends a loan, the AE/LO will be responsible for reworking the loan to fit guidelines.

Change of Circumstance:

- When a change is required on a locked loan prior to underwriting, email Lockdesk@exceleratecapital.com with details of what is changing.
- Once the file is approved by underwriting, changes need to be sent to underwriting to update the file accordingly.
- Pricing will be reviewed after each change, and if necessary a new lock confirmation will be saved and sent to the AE/LO/Broker/Processor/Underwriter.
- A change to Loan Program or Term will result in a worse case reprice.
(Example – A 30YR Conv loan changed to 20YR Conv will be priced worse case.)