



Pacific Union Financial

Secondary Marketing Department
Policies and Procedures

Effective: August 2011

General Information

Standard Lock Times	The Lock Desk will accept emails between the hours of 9:00 am and 4:00 pm PST. Lock requests will be accepted via fax and email during the hours of 9:00 am and 4:00 pm PST.
Rate Sheets	Rate sheets are posted to our website between 8:30 am and 9:00 am PST each business day. Rates and pricing are subject to change without notice and during volatile markets pricing may be unavailable during the hours stated above. Prior to requesting a lock it is recommended that the AE / LO verify current pricing.
Lock & Doc Requests	Lock requests must be submitted no later than 11 am on the day of ordering docs. PUF will make every effort to lock these loans as soon as possible, but makes no guarantees on lock turnaround times.
Overnight Protection	PUF currently does not allow for overnight protection on rate lock requests. All rate lock requests must be received between the standard hours noted above.

Lock Requests

Fax To lock a loan, a completed rate lock request form must be faxed to the fax number on the PUF rate sheet or emailed to the lock department. Once the lock request is received, the data from the form will be entered into PUF's database and a confirmation, including the assigned loan number, will be emailed to the AE or retail LO by end of day.

Information Required to Lock a Loan The following information is required when locking a loan:

- Borrower's full name
- Co-Borrower's full name
- Lowest, middle credit score from PUF's most recent report
- Property Address (Address, City, State, Zip and County)
- Lock Period
- Loan amount, Appraisal Value, Sales Price and 2nd Lien
- LTV, CLTV
- Loan Program
- Amortization Term (number of years)
- Loan Purpose
- Occupancy Type
- Property Type
- Impound option
- Interest Only option

Interest rate, price, margin, and all applicable adjustments must be completed based on the above information and is absolutely necessary to properly lock a loan. The Lock Desk will base final pricing on the above information and lock the loan accordingly.

Inaccurate/Incomplete lock requests will delay the processing of the lock request. The Lock Desk reserves the right to make necessary corrections on locks that do not reflect accurate pricing, based on the current rate sheet and program adjustments. **Locks that have not been confirmed due to inaccurate/incorrect information are subject to market fluctuation.**

Max Rate/Program PUF will not accept rate lock requests on approved loans when the rate requested is higher than the maximum rate (Max Rate) the loan was approved for. **Until the lock desk has been notified that the rate has been increased to accommodate the request, pricing is subject to market fluctuation.**

If the loan program on the rate lock request differs from the loan approval, the Lock Desk will not lock that loan. A change request must be submitted to and approved by underwriting before the loan can be relocked under the new program. **Until the lock desk has been notified that the program has been changed to accommodate the request, pricing is subject to market fluctuation.**

Confirmations: PUF will email all confirmations by end of day. If the Broker/Branch does not agree with the rate lock confirmation, he/she must notify the Lock Desk within 24 hours from receipt of the rate lock confirmation to have it corrected. If a lock confirmation is not received within 24 hours, it is the Broker/Branch's responsibility to verify that a valid lock is in place. If there are any questions regarding the confirmation, please contact the Lock Desk..

Standard Lock Options

Prior to Lock PUF does not accept pre-locks, loans must be approved before a locking.

Lock Periods

Standard agency and FHA programs.

28 day locks require, at a minimum, the following:

Underwriting Approval.

Acceptable Appraisal.

Executed Broker Compensation agreement.

Tax Returns or 4506T results that support the income.

FHA case number assigned to Pacific Union.

14 day locks require all prior to doc conditions are cleared by PUF staff,

AND the following if applicable or required:

4506T results.

All appraisal conditions including the 1004D.

Subordination agreement.

The purchase contract and/or short sale agreement must be in effect for at least 7 days after the lock request.

Standard Lock Options, continued:

Portfolio programs.

14 day locks - Loans must be clear to close with all PTD conditions clear.

Non-Agency Jumbo Programs.

25 and 40 day require, at a minimum, the following:

Underwriter's approval.

Executed Broker Compensation agreement.

Acceptable appraisal.

Acceptable documentation of income used in the approval.

Any guideline exceptions must be approved.

Lock Expiration Date PUF calculates the lock expiration by using the day of the lock as "Day One." When the initial lock expiration date falls on a weekend or holiday, the loan must fund no later than on the business day following the expiration date.

Pricing Adjustments

Introduction All products published on our rate sheets will reflect base pricing. Program specific loan level price adjustments are not included in the base price; however, they are listed separately on each rate sheet. These adjustments will be applied based on information in PUF's data base at time of lock and will be adjusted as necessary in the event of changes to the locked loan prior funding.

Escrow/Impound Waivers Adjustments for escrow / impound waivers on each loan program will be located on the rate sheet. Not all programs or LTV's are eligible for escrow / impound waivers. Both Taxes and Hazard insurance must be escrowed / impounded in order to avoid the escrow / impound waiver price adjustment. **Exception:** Condominiums will not require for Hazard insurance to be escrowed/impounded.

Government Loans: All FHA/VA loans require Escrow/Impounds regardless of LTV.

Price Change When the mortgage market moves substantially, new pricing will come into effect. An updated rate sheet will be posted on our web site. During volatile markets a rate change notice may be posted on our website during this period locks will be subject to the next posted rate sheet. Rate lock requests received by the Lock Desk during or after a rate change will be adjusted and confirmed accordingly.

Product Changes/Exceptions

Product Changes Although it is discouraged, it is not uncommon for a broker/branch to switch from one product to another after the loan has been locked. Program switching is allowed on a case-by-case basis and may be subject to worst case pricing. All program changes require a new lock request for to be faxed to the Lock Desk.

Product Exceptions All product exceptions must be requested through the Underwriting Department. Upon approval of the exception, a rate and/or price adjustment may be assessed in addition the standard rate/price adjustments shown on the rate sheet. This adjustment will be disclosed at the time the exception is approved, Contact the lock desk for the amount of the adjustment.

Loan Changes If there are changes to a loan that are required to be made by the Lock Desk, a fax or email request must be submitted to the Lock Desk. These changes may include loan amount, appraisal value, rate, property type, etc. Any necessary changes to loan and/or pricing will be made by the Lock Desk, and the person requesting the changes will be notified when they are complete, as well as notified of any pricing changes.

Section 32 Loans

Section 32 PUF does not accept loans that fall under the Section 32 rules.

Lock Extension Policy

Extension Policy The broker/branch may request **one rate lock extension only**, on or before the lock expiration date. The extension will guarantee the initially locked rate for an extended period of time and will be subject to an extension fee. Extensions requested after the expiration date of the rate lock will be subject to worst case pricing.

On a case by case basis, locks may be extended up to 3 days at no cost, on 30 day locks only. 15 day locks will not be granted free extensions.

Extension Pricing The new expiration date will be based on the original expiration date plus the extension days. The following are the extension options:

7 Days = 0.15 cost

14 Days = 0.30 cost

21 Days = 0.45 cost

All extension requests must be made via fax or email to the Lock Desk.

Re-Lock Policy

Re-Lock Policy A re-lock request is a request to lock an expired or cancelled loan that has been previously locked. The price will be based on a worst-case basis. This is where the original lock price plus any extensions necessary and the current price are compared and the worst-case price is used. Each program may have different relock policies. Re-Locks must have all prior to doc conditions are cleared.

Whenever possible, the Lock Desk will make every effort to use the pricing from the original lock date, if it is to the benefit of the borrower.

Loans expired for more than 60 days can relock at current market and will be charged a .25 fee.. The new expiration date will be based upon the lock period selected at the time the loan is re-locked.

Maximum Number of Re-Locks The maximum number of re-locks is one, no exceptions.

Float Down Policy PUF does not offer a float down option. Please contact the Lock Desk for a case-by-case review of float downs.

When the market has moved significantly, we may lower the rate on a lock but will never increase the rebate.

These policies are subject to change without notice.