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External Lock Policy & Procedures

NPF's rate lock policy is critical to its success as an industry price leader. This policy should answer most of your questions regarding the lock process and pricing guidelines.

Best Efforts Lock-In Agreement

A lock is an agreement between the Correspondent and New Penn Financial (NPF). It specifies the number of days for which a loan's interest rate is guaranteed. If interest rates rise during that period, New Penn is obligated to honor the committed rate. Likewise, if interest rates fall during that period, the Correspondent must also honor the lock. Locking in a rate and price does not guarantee eligibility or approval of the subject loan. Locks are also not transferable. Locks are tied to the property, not the borrower. Correspondents should make every effort to deliver with New Penn all loans locked at New Penn. It is also requested that Correspondents actively manage their locked pipelines and cancel any locked loan that has been withdrawn by the customer.

Lock Desk Hours

Locks will be accepted from the morning price release through 6:59 AM ET on the next business day. 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. Requests received outside of these hours will be considered overnight locks and will be processed the morning of the next business day. 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 \$600,000 or 1 loan.

Locks received over the weekend and on holidays will be accepted and processed the morning of the next business day.

Best Efforts Lock Process

All locks are handled through NPF's online portal at www.GoNewPenn.com. Manual lock requests cannot be honored via phone or email.

Once a loan is locked, a complete file must be submitted within the timeframe below for the lock to remain active. Otherwise, the lock will be canceled.

- 30 day lock: Complete file must be delivered in 10 calendar days
- 45 day lock: Complete file must be delivered in 15 calendar days
- 60 day lock: Complete file must be delivered in 20 calendar days
- Longer than 60 day lock: Complete file must be delivered in 20 calendar days

A reinstatement of a lock due to non-submission is allowed. There must be at least 15 days remaining on the original lock and the file must be submitted before the lock can be



reinstated. Pricing will be based off of current market pricing or a 0.125 fee, whichever is worse.

Best Efforts Rate Lock Confirmation

The Correspondent is responsible for printing its Confirmation from the portal as evidence of the agreement entered into by NPF and the Correspondent. It is the Correspondent’s responsibility to report any inconsistencies with the Correspondent’s understanding of the loan to New Penn within 24 hours of the Confirmation Date. If New Penn agrees with the Correspondent’s report of inconsistencies given within that period, New Penn will forward the Correspondent details on the changes.

Change in Critical Information

The Correspondent is responsible for tracking any changes to the structure of the loan that affect pricing, and providing proper notification to New Penn. Any changes to the structure of the loan that affect pricing will be validated by the NPF Lock Desk. New Penn 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 the purpose of product switches, the major product groups are VA, FHA, and Shellpoint (includes: Owner’s Advantage, Homebuyer Power and Home Key).

Switch From	Switch To	Pricing	Lock Dates & Terms
FHA	VA	Pricing from the last lock date	Expiration of last lock date
VA	FHA	Pricing from the last lock date	Expiration of last lock date
FHA/VA	Shellpoint	Worst Case Pricing	New lock dates and term
Shellpoint	FHA/VA	Worst Case Pricing	New lock dates and term

To determine worst case pricing in a product switch scenario, the existing product pricing including all previously applied extension fees and concessions is compared to current market pricing of the new product excluding all previously applied extension fees and concessions. The lower price is considered the worst-case price. Pricing may not improve on an avoidable product switching situation.

Invalid Locks

Once a loan is locked, any changes made to the loan that may affect pricing (e.g.



LTV, credit score, property address, debt ratio, etc.) might invalidate the lock. Please notify your Account Executive and Account Manager or email the Lock Desk at LockRequest@NewPennFinancial.com to validate the lock to reflect the new terms of the loan.

Lock Expiration Date

Lock Expiration Date

Legal Package on closed loans must be delivered, in purchasable condition on or before the Lock Expiration Date.

Locks with weekend or holiday expiration dates will expire on the first business day following the stated expiration date; this will be the effective expiration date. Locks may expire on the last Saturday in a given month if the last business day of that month is a Friday.

Purchase by Date

NPF must purchase the loan by the Purchase by Date or the loan will be subject to extension or relock in order to be purchased by NPF. The Purchase by Date is equal to the later of the Lock Expiration Date or Delivery Date plus five calendar days. The Delivery Date is the date that the Correspondent submits the closed loan package to New Penn for purchase. Refer to the Extension and/or Relock Policy section of this document for detail on costs or associated calculations.

Best Efforts Lock Cancellations

For non-active status loans that currently have active locks, the Correspondent shall have two days to notify NPF if a loan should not be cancelled, or else the lock will be automatically cancelled. Cancelled locks will be subject to Relock Policy. Non-active statuses include:

- Withdrawn by customer prior to U/W
- Denied by Region
- Cancelled by Borrower
- Denied by Underwriting

Best Efforts Lock Periods

All loans have the following lock terms, with the additional restrictions noted below: 15 days, 30 days, 45 days, and 60 days. A lock term of 90 days may be allowed in certain situations.

- 15 day locks require an Approved or greater status.
- Loans must be locked before a Clear to Close can be issued.

Lock Extensions (for unexpired loans)

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.

If an extension request is received and the extended loan will expire on a weekend or holiday, the Lock Desk will require the appropriate additional days at cost. The maximum number of days requested per individual request is 45 days.

All Extension Requests are to be requested through the portal or by emailing LockRequest@NewPennFinancial.com. Locks must be extended prior to midnight EST on the date of lock expiration.

Relock Policy

A relock is a request to lock a loan for a second time. A closed loan where the Legal Package is not delivered by its Lock Expiration Date or is not purchased by NPF on or before the Purchase by Date and is not extended may be subject to the Relock Fee.

Relocks must be requested with full documentation during normal lock hours.

- Relocks may be necessary on expired locks and cancelled locks.
- 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. All previous extension costs and concessions will still apply in all pricing scenarios.

	<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

- Once 30 calendar days have passed from the lock expiration date or the lock cancellation date the relock will be subject to current market price. No relock fee will apply and all previous extension costs and concessions will be cleared out.

Product Release and Discontinuations

Discontinuation of a Product – Unless given a specific “lock by date” communication from NPF, loans will be eligible on products that were available based on the submission date, which is the date that the loan was originally submitted to NPF. Any loans with an application date, or lock date if specified, that is after the product was discontinued will be ineligible to lock that product. If a re-lock is required, the loan will be ineligible to lock under the current product if it has been discontinued.



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Product Releases – When a new product is released all floating loans will be eligible to lock under that product assuming the loan characteristics meet guidelines. Any existing locks will be able to switch to the new product at worst case pricing.

Rate Sheets

Rate sheets give indications only, as market conditions may cause intra-day changes to pricing. It is the Correspondent's responsibility to keep abreast of price changes. Intraday price changes may occur due to fluctuating market conditions, and all lock requests received by the Lock Desk after the re-price notice will be subject to the new pricing.

Rates will be populated and distributed by approximately 10:30AM EST each day, depending upon pricing release. Market movements may delay rate sheet distribution and may cause multiple rates changes in a day.

Correspondents will be notified of rate changes by distribution of an updated rate sheet. Any rate lock that is received by NPF after a rate change is subject to the updated rates.

Maximum price is stated on the daily rate sheet.

For Approved Correspondents: Contact 877-930-PENN
or email portalsupport@newpennfinancial.com

Interested in becoming approved?
Contact us at 888-852-5631 or visit our
**[Get Approved Page on
www.gonewpenn.com](#)**



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