



NPF's rate lock policy is critical to our success as an industry price leader. This policy should answer most of your questions regarding the lock process and pricing guidelines. Locks targeting specific investors (Jumbo Series, etc) will be subject to the individual investor's policies.

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## **Rate Lock Agreement**

A lock is an agreement between the Broker and New Penn. 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 Broker 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. Brokers should make every effort to close with New Penn all loans locked at New Penn. It is also requested that Brokers actively manage their locked pipelines and cancel any locked loan that has been withdrawn by the customer.

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## **Lock Desk Hours**

Locks will be accepted from the morning price release through 6:59 AM EST on the next business day. The ability to lock will be restricted from 7 AM EST until the next pricing release. The Lock Desk is physically staffed from 8 AM to 8 PM EST Monday through Friday. Requests received outside of these hours will be processed the morning of the next business day.

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

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## **Lock Process**

All locks are handled through our online portal at 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.

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## **Rate Lock Confirmation**

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

New Penn will also send a rate lock confirmation directly to the customer when the loan is locked.

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### Change in Critical Information

The Broker 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 Lock Desk. New Penn must be notified immediately if the Broker 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 reworks due to changing loan terms, the price impact will be applied to the lock and any costs should be passed on to the borrower.

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 Conv/Gov (includes: Fannie Mae, Freddie Mac, FHA, VA, and USDA programs), Jumbo Advantage/Non-QM (includes: Jumbo Advantage, Homebuyer Power, Homekey, Foreign National), and Jumbo Series.

| Switch From            | Switch To                           | Pricing                         | Lock Dates and Terms         |
|------------------------|-------------------------------------|---------------------------------|------------------------------|
| Conv/Gov               | Jumbo Series/Jumbo Advantage/Non-QM | Worst case pricing              | New lock dates and term      |
| Conv/Gov               | Conv/Gov                            | Pricing from the last lock date | Expiration of last lock date |
| Jumbo Advantage/Non-QM | Conv/Gov                            | Worst case pricing              | New lock dates and term      |
| Jumbo Advantage/Non-QM | Jumbo Series                        | Worst case pricing              | New lock dates and term      |
| Jumbo Advantage/Non-QM | Jumbo Advantage/Non-QM              | Pricing from the last lock date | Expiration of last lock date |
| Jumbo Series Fixed     | Conv/Gov                            | Worst case pricing              | New lock dates and term      |
| Jumbo Series Fixed     | Jumbo Advantage/Non-QM              | Worst case pricing              | New lock dates and term      |
| Jumbo Series Fixed     | Jumbo Series ARMs                   | Worst case pricing              | New lock dates and term      |
| Jumbo Series Fixed     | Jumbo Series Fixed (Same Series)    | Pricing from the last lock date | Expiration of last lock date |
| Jumbo Series Fixed     | Jumbo Series Fixed (New Series)     | Worst case pricing              | New lock dates and term      |
| Jumbo Series ARMs      | Conv/Gov                            | Worst case pricing              | New lock dates and term      |
| Jumbo Series ARMs      | Jumbo Advantage/Non-QM              | Worst case pricing              | New lock dates and term      |
| Jumbo Series ARMs      | Jumbo Series Fixed                  | Worst case pricing              | New lock dates and term      |
| Jumbo Series ARMs      | Jumbo Series ARMs (Same Series)     | Pricing from the last lock date | Expiration of last lock date |
| Jumbo Series ARMs      | Jumbo Series ARMs (New Series)      | 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.

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### 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 email the Lock Desk at LockRequest@NewPennFinancial.com to validate the lock to reflect the new terms of the loan.

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## Lock Expiration Date

All loans must be funded on/by the 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.

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## Lock Cancellations

For non-active status loans that currently have active locks, the region has 2 days to let Secondary know 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
- Closed for Incompleteness

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## 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.
- Loans requiring Subordination Agreement have the following restriction:
  - Documentation not sent to Subordination Group – minimum 60 initial day lock term
  - Documentation submitted to Subordination Group – minimum 30 day initial lock term
  - Documentation approved by Subordination Group – no restrictions

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## 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.

Once the Initial Closing Disclosure is sent to the borrower, lock extensions must be reviewed by New Penn Financial and can only be extended in 7 day increments.



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

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### Relock Policy

A relock is a request to lock a loan for a second time. A loan that does not close by its Lock Expiration 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.
- Jumbo Series products follow their respective Jumbo Series’ relock policy. Please contact the Lock Desk for Jumbo Series relock pricing.
- 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 (**other restrictions may apply on Jumbo Series products**), 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.
- If the current market has improved by more than 50bps from the most recent lock date and the loan will be moving to Clear to Close, the relock fee will be waived. The maximum number of days permitted in these cases is 15 days.
- A free relock may not be available on a Jumbo Series loan. The eligibility is at the discretion of the specific Jumbo Series. Please check with the Lock Desk for eligibility.

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### Product Release and Discontinuations

Discontinuation of a Product – Unless given a specific “lock by date” communication from secondary, loans will be eligible to use products that were available based on the application date. 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.

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. If the lock is tied to a BE contract and is changing investors, secondary approval is required.

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### Rate Sheets

Rate sheets give indications only, as market conditions may cause intra-day changes to pricing. It is the client'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. Please be aware that market movements may delay rate sheet distribution and may cause multiple rates changes in a day.

Brokers 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.

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## Wholesale External Lock Policy & Procedures

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For Approved Clients: Contact 877-930-PENN  
or email [portalsupport@newpennfinancial.com](mailto:portalsupport@newpennfinancial.com)

Interested in becoming approved?

Contact us at 888-852-5631 or visit our [Get Approved Page](#)



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