



# Western Bancorp Correspondent Lending Guide

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## SECTION 6. PRICING AND LOCK POLICIES

### 6.1 Lock Desk Hours of Operation

Western Bancorp Lock Desk is open Monday through Friday (8:30 A.M. - 4:00 P.M.) for all products. Western Bancorp does not provide rate protection for requests that are submitted outside of the Lock Desk hours of operation. Requests made outside of the normal hours of operation will be addressed at the onset of the next Business Day. Any/all lock requests, relocks or extensions received after 4:00 p.m. (PT) will be processed the following business day using the next business day pricing and appropriate lock extension or relock policy.

### 6.2 Lock Desk Contact and Communication

Lock Desk Contact Information

- Email – [locks@westernbancorp.com](mailto:locks@westernbancorp.com)
- Phone – 408-960-6021

All pricing related requests after initial lock must be submitted in writing through e-mail.

### 6.3 Loan Management System (LMS Xpress)

LMS Xpress is an online proprietary loan management tool used to process loans from initial registration through closing, and is the primary source for program and pricing data. All rate lock requests must be submitted through the Loan Search pricing engine within LMS Xpress. Verbal or written rate lock requests will not be accepted

Sellers should always utilize *LMS* as the primary source of rate and pricing data, as it is the first point of updates to rate and pricing information. Sellers must notify the Lock Desk as soon as possible when a locked loan is cancelled. Notification of cancelled locks should be emailed to [locks@westernbancorp.com](mailto:locks@westernbancorp.com).

### 6.4 Pricing/Rate Sheet

Rates are uploaded to the Loan Search pricing engine within LMS each Business day, followed by the distribution of rates via e-mail when rates are available. Pricing may be adjusted at any time, during which the ability to price and lock loans is temporarily suspended until a reprice occurs. All pricing includes servicing released premiums.

If discrepancies exist between the pricing within LMS Xpress and the current rate sheet, please contact your Account Executive.

The right to correct any published pricing or product error is reserved.



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## 6.5 General Lock Information

- Initial rate lock request requires a valid property address, no TBD locks are accepted.
- Minimum loan amount is \$100,000.
- Selected rate and pricing must not exceed any applicable state or federal high cost, higher priced or similarly restricted loan threshold. Correspondent Sellers are responsible for initial calculation of high cost test.
- Lock confirmations are available from LMS Xpress once verified by the Lock Desk, which will occur no later than the close of business on the day requested.
- All products require an acceptable AUS response. Jumbo loans require a DU Approve/Ineligible.
- Changes to borrower and property may result in worse case pricing.
- The acceptance of a lock request does not guarantee a loan approval.

## 6.6 Third Party Pricing Aggregators

Third party pricing aggregator tools are useful to obtain indicative pricing based on the parameters entered. These systems run using a limited data set and may not collect all data that will affect the final lock price and eligibility. To enable The Seller to obtain accurate loan pricing, the use of LMS Xpress Loan Search is required.

## 6.7 Rate Lock Types

All rate locks are Best Efforts. Lock expiration date will roll forward to the next business day if it initially falls on a Saturday, Sunday or holiday.

- Wholesale lock expiration date is the date the loan is required to be funded.
- Correspondent lock expiration date is the date the closed loan package is delivered and determined to be cleared for purchase.

## 6.8 Lock Terms and File Delivery

Locks are offered for periods of 15, 30, 45, and 60 days

**15 Day Lock**—Loan must be clear to close

**30 Day Lock**—File upload required within 24 hours (one business day)

**45 and 60 Day Locks**—File upload required within 72 hours (three business days)

## 6.9 Appraisal Ordering Requirements

Appraisal must be ordered within 48 hours of initial rate lock, regardless of lock term.

## 6.10 Automatic Cancellation

A lock will be deemed expired and will be automatically cancelled, prior to the lock expiration date, if the above appraisal ordering or file deliver requirements are not fulfilled. Expired locks will follow the relock policy below.

## 6.12 Lock Extensions



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All extension requests must be received by [locks@westernbancorp.com](mailto:locks@westernbancorp.com) prior to 4pm (Pacific Time) on date of lock expiration, or the lock will expire.

## 6.12.1 Requirements for Extensions

- The lock cannot be expired. Expired locks must be relocked
- Loan must be approved or suspended status only
- Appraisal must be completed

(Wholesale originations only) A minimum of 7 business days remaining on a lock is required in order to submit a request for docs. Extensions will be automatically applied to meet remaining 7 business day's requirement.

## 6.12.2 Extension Fees

Standard Extension Fees

- .025 Per calendar day.
- Maximum 2 extensions not to exceed 30 days
- Extension Fee due to redraw of loan docs (*Wholesale Originations only*)
  - All redraws initiated by the Broker/Borrower must have 10 calendar days remaining on the rate lock and will be automatically extended at a cost of .035 per calendar day. Partial redraw of loan documents is not allowed.

Western Bancorp Extensions (Docs Back)

- If Western Bancorp receives a funding package with no outstanding conditions within 3 business days of lock expiration, Western Bancorp will automatically extend at no cost.

## 6.13 Relocks

Relock requests must be emailed to [locks@westernbancorp.com](mailto:locks@westernbancorp.com)

- Relocks are only allowed on expired locks
- Relock cost will be at a minimum of (the higher of) .250 , whichever is worse
- Maximum of 1 relock allowed for a total of 15 days
- Pricing will be compared at the original lock term to current market same term

## 6.14 Current Market Pricing

Rate locks on Agency products that are expired 60 days or greater are eligible for current market pricing. All other products require Lock Desk confirmation of current market pricing eligibility, after 60 days expired.

## 6.15 Lock Changes

E-mail all change requests to [locks@westernbancorp.com](mailto:locks@westernbancorp.com). Changes to a rate lock may result in worse case pricing.

### 6.15.1 Changes after Initial Rate Lock



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Changes typically include loan amount, appraised value, purchase price, secondary financing, property type, loan purpose, occupancy, interest rate, FICO, impounds & DTI ratios.

## 6.15.2 Product Changes

All product, program or term changes may result in worse case pricing.

If any Non-Agency product change occurs after the loan is Underwriting Approved, a .150 fee will be applied to the price for each change.

## 6.16 Risk Based Price Adjustments

Underwriting and/or product exceptions granted may result in a price adjustment to fee or rate, which will be manually applied by the Lock Desk once the exception approval is received.

## 6.17 Rate Lock Renegotiation

Western Bancorp may consider rate lock renegotiations on a case by case basis. Renegotiations will be handled at the rate lock desk and will require Management approval. E-mail [locks@westernbancorp.com](mailto:locks@westernbancorp.com) for assistance.

## 6.18 Correspondent Closed Loan File Delivery

Delivery of a closed Correspondent loan file is required by rate lock expiration. Any loan delivered after rate lock expiration will automatically be relocked at worse case, or a minimum of .250.

## 6.19 Loan File Suspense

Correspondent Sellers are to deliver purchasable loans to Western Bancorp by lock expiration, with any loan deemed not purchasable being placed into suspense. Five calendar days are allowed to clear outstanding suspense conditions. If a file is not in purchasable condition by the sixth calendar day, fees will be applied.

- Suspense cure fees of .125 will automatically be applied every five calendar days, up until the file is cleared for purchase.
- Files in suspense for greater than 15 days will be returned to the Seller.

## 6.20 Pair-Off Fee Assessment

In the event a pair-off is due, a Pair-Off Letter and a copy of the Lock Confirmation Letter will be sent to the Seller. Fees are due within 10 Business Days from receipt of the Pair-Off Letter. The right to net any outstanding pair-off fees from current purchases is reserved. The Seller will be notified of adjustments of funds prior to purchase.

## 6.21 Pull Through

Western Bancorp will not accept the following lock behavior;

- Locking loans that are currently locked with another institution
- Pulling locked loans and delivering to another institution



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If this policy is abused, the matter will be referred to Senior Management. The right is reserved to impose a monetary penalty if a locked loan is pulled and delivered elsewhere

Pull through is calculated as the percentage of funded / delivered loans compared to total expired locks during any consecutive three month period. Western Bancorp may, at its discretion, suspend or terminate the Seller's privileges if it determines that excessive fallout has occurred during any three month period.

## 6.22 Unsaleable Correspondent Loans to Investors

A purchased closed loan that is subsequently found unsaleable to a third party investor due to representation, warranty and covenant violations, will be returned to The Seller and is subject to a pair out fee.

The market price used to determine the pair-off pricing is at the time the loan is canceled. To determine the pair-off fee

<i><b>IF</b></i>	<i><b>Then</b></i>
The market price is better	The pair-off fee is the full difference between the locked price and the market price, subject to a minimum charge of 0.125%
The market price has declined	The minimum pair-off fee is 0.125%