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A well-defined pricing strategy is critical in managing interest rate risk for the organization. CMG has established the following pricing policies to help our wholesale partners manage their locked pipeline of loans.

GENERAL LOCK POLICIES THAT APPLY TO ALL CMG LOAN PRODUCTS

LOCK DESK HOURS AND CONTACT INFORMATION

All lock, relocks and extension requests should be processed online and can be accepted beginning with the morning price release (approximately 7:30 AM PST) through 11:59 PM PST. The extended hours are available for all products except for the Elite (700 Series) Jumbo which has a 2:00 PM PST lock cutoff. All other Jumbo (except for 6800 Series) and AIO program have a 4:00 PM PST lock cutoff. If you have any questions, you can contact your Account Executive, or the lock desk can be reached between 6:30 AM PST and 4:30 PM PST via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

LOCK-IN AGREEMENT

A lock is an agreement between the approved broker and CMG. CMG does not permit locks from brokers that are not approved and in good standing. The lock specifies the number of days the interest rate is guaranteed. Should interest rates rise during the lock-in period, CMG is obligated to honor the committed rate. Should interest rates fall during that period, the broker must honor the lock. Locking an interest rate and price does not guarantee eligibility or approval for the subject loan. The broker should actively manage their locked pipeline and cancel any locked loans that have been withdrawn by the customer.

LOCK PERIODS

Locks are available on a 21, 30, 45, 60 and 75 day basis or as indicated on the daily rate sheet. Loans can be advance locked (N/A for Jumbo, Non-Agency and AIO Loans) for a lock period of 30 days or more. 21 day lock options are available in CLEAR for agency purchase transactions for all loan statuses. The loan no longer must be in an approved status to lock for 21 days. Non-agency products and all refinances require the loan to be in an approved status for the 21 day lock option to be available. Locks are not accepted on suspended, denied or cancelled loans.

FILE DELIVERY REQUIREMENTS

Once a loan is locked, the loan file must be submitted within the delivery requirements below or the lock will be cancelled.

- 30 Day Lock: File must be delivered within 10 calendar days of the lock date.
- 45 Day Lock: File must be delivered within 15 calendar days of the lock date.
- 60 Day Lock: File must be delivered within 20 calendar days of the lock date.

Cancelled locks due to non-delivery are subject to the Re-Lock Policy.



LE REQUESTS

All advance locks require that the Loan Estimate (LE) is requested within 48 hours of the advance lock. If the LE request is not received within that 48 hour period, the lock is subject to cancellation and will be required to follow our re-lock policy. LE requests must be made online through CLEAR.

RATE LOCK CONFIRMATIONS

Interest rate confirmations will be posted online immediately after the loan is locked, relocked or extended. It is the broker's responsibility to report any errors or inconsistencies to the lock desk within 24 hours of the confirmation date.

LOCK EXPIRATION DATE

The lock expiration date for all locks and relocks will be established from the date of the lock. All loans must be funded on or before the lock expiration date. Lock expiration dates that fall on a weekend or holiday will automatically rollover to the next business day. Locks expire at 4:00 PM PST.

DUPLICATE LOCKS

Only one active lock is permitted per property. If a duplicate lock for the same borrower and property address is locked, the original lock will be valid, and the duplicate lock will be cancelled.

MAXIMUM PRICE/REBATE

Maximum net pricing is published on the daily rate sheets. The pricing adjustment to include Admin fee's in the pricing is outside of the maximum net rebate calculation. The maximum pricing cap adjustment cannot be used to pay for lock extension and/or relock fees.

LOAN DATA/STATUS CHANGES

Locks on denied loans will be cancelled at 4:00 PM PST on the day of the denial. If a denied loan is later overturned and approved, the loan will be subject to the relock policy.

Any changes made to a locked loan (LTV, FICO, DTI, etc.) may require changes to pricing adjustments. The broker is responsible for tracking any changes to the loan structure that affects pricing and notifying the lock desk to update the pricing.



INTRA-DAY PRICE CHANGES

CMG reserves the right to suspend locking and issue a price change at any time during the day without notice. When an intra-day price change occurs, the ability to lock loans will be disabled until the price change is completed. All lock requests received after the effective time of the price change will be subject to the new pricing. Monitoring current pricing changes is the responsibility of the broker.

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CONFORMING AGENCY, HIGH BALANCE AND GOVERNMENT LOAN PROGRAMS JUMBO 6800 SERIES ONLY – See page 9 for all other Jumbo/Non QM Product Lock Policies

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. All Lock extensions must be requested through CLEAR and must be requested prior to 11:59 PM PST on or before the lock expiration date. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day.

- **Free 5 day Extension:** CMG offers a one-time free 5 calendar day lock extension. The loan must be in a DOCS - OUT or greater status.
- **Lock Extension Fees:** Extensions are based on calendar days and are available at a cost of .020 per day. A maximum number of days a lock can be extended is 60 days not including the free 5 day extension. Expired loans cannot be extended.

RELOCKS

Relocks are allowed on expired locks only. The loan must be in an APPROVED status or greater to be eligible for a relock. The new pricing is based on the worse case between the original final pricing plus the relock fee below or the current 21 day price. Original final pricing includes all prior extension and/or relock fees.

- 10 Day Relock: .125 Fee
- 21 Day Relock: .250 Fee

Example: Loan was locked for 60 days at 3.75% paying -1.50 and then extended for 10 days for a fee of .20 bps (.020 a day). Original FINAL pricing on expired lock is -1.300. Loan is expired and requesting a 10 day relock:

Current Pricing is the same or better

- Current market 21 day pricing at 3.75%: -1.750
- Original final price plus the 10 day relock fee (-1.300 + .125): -1.175
- Loan is relocked at 3.75 for 10 days at: -1.175 (worse case)

Current Pricing is worse

- Current market 21 day pricing at 3.75%: -.500
- Original final price plus the 10 day relock fee (-1.300 + .125): -1.175
- Loan is relocked at 3.75 for 10 days at: -.500 (worse case)

- Relocked loans are eligible for lock extensions per extension policy.
- Pricing cannot improve on a relocked loan.
- If price adjustments and/or underwriting guideline changes have occurred since the initial lock, the loan will be subject to worse case price adjustments as well as subject to current guidelines.
- Multiple Relocks are permitted.
- Relocks should be processed through CLEAR

Previously locked loans can be relocked using current market pricing 30 days after lock expiration or lock cancellation date. These will be treated as a new lock and relock restrictions and fees will not apply.



RATE RENEGOTIATIONS / ROLL DOWN

When the market improves significantly, we will allow a one-time renegotiation. Rate renegotiations are designed to manage lock fallout in an improving interest rate market.

Guidelines:

- Renegotiations must be requested during normal lock hours
- The original interest rate and price will be compared to the current rate sheet base price for the same lock period as the original lock.
- The renegotiated price will be the current day price for the same lock period as the original lock plus a .625 renegotiation fee.
- The loan must be in an APPROVED or greater status to be renegotiated.
- The original lock expiration date will apply.
- The renegotiation must provide a benefit for the borrower in either a reduced rate, an increased lender credit or reduced discount points.
- Lock extensions are allowed per policy.
- Only one renegotiation is permitted per loan.
- Renegotiations should be requested through CLEAR

PROGRAM CHANGES

Product change requests from one product to another is permitted and can be processed through CLEAR. If a previously locked loan changes program tiers, the loan will be required to be relocked at worse case pricing. If worse case pricing is the original market, the expiration date will remain the same. If a previously locked loan changes programs within the same product tier (regardless of market movement), pricing will be based on the original rate sheet with the existing lock expiration date. Any existing relock or extension fees still apply. Click [here](#) for a list of CMG Product Tiers

LOCK TRANSFERS

Requests for lock transfers from a previous loan (same subject property and same borrower) is allowed under the following circumstances:

- The lock on the previous loan must not be expired.
- All lock transfers must be approved by the CMG Compliance Department.
- The lock must be transferred to the new loan prior to the old loan being cancelled.
- Contact your AE or the lock desk to facilitate the transfer.
- Cancelled or expired locks that are transferred will need to be re-locked per policy.

PROPERTY ADDRESS CHANGE

Locks are tied to the property address. If there is a property address change, the original lock is not transferable, and the lock must be cancelled. The new loan will be priced using current market pricing and treated as a new lock. The original loan must be cancelled, and a new loan will be created for the new lock at the current market.

For instances where the property address change is minor, the original lock terms will be honored.

CMG BUILDER LOCK - EXTENDED LOCK OPTION

CMG offers an extended lock term of 180 days with NO upfront fee required. Pricing is based on a 45 day lock as follows:

Lock Term	Adj to Price
180 Days	1.500
120 Days	1.000
90 days	0.500

Guidelines:

- Available on 30 and 15 Year Fixed terms only
- Available on Conventional, FHA, VA, and USDA
- High balance and Jumbo products not allowed
- A one-time rate renegotiation/roll down is allowed. See below for details
- Extended locks can be extended and relocked per policy.

Procedure: To lock for 180 days, choose the 45 day lock term (180 day term is not an option in CLEAR) and contact the lock desk by 4:00 PST the day of the lock at cmglockdesk@cmgfi.com with the loan number to update the lock term and final price.

Float Down:

- Float downs must be requested during normal lock hours and prior to lock expiration.
- The new price will be the current day price for the lock period chosen plus a float down fee of .625.
 - o The LLPA for the extended lock feature (above) will NOT be charged at float down (All other LLPA's apply).
- The float down can only be exercised within 60 days of closing.
 - o Lock terms of 21, 30, 45 or 60 are allowed.
 - The new expiration date will be the shorter of the original date of expiration or the date associated with the new lock period chosen.
- Lock extensions are allowed per policy.
- Only one float down is permitted per loan.



LOCK AND SHOP (LOCKING TBD PROPERTIES)

We offer a Lock & Shop option for purchase transactions only. This program allows you to secure an interest rate up to 90 days while the borrower is still shopping for a property. Pricing is based on 45 day pricing as follows:

Lock Term	Adj to Price	Property must be identified within
60 Days	0.250	45 calendar days of the lock date
90 Days	0.500	45 calendar days of the lock date

Guidelines:

- Available on 30 and 15 Year Fixed terms only
- Available on Conventional, FHA, VA, and USDA
- Not available for Non-Agency products
- Loan must be pre-approved with CMG
- Not available in NY, MA and OR
- A property must be identified within 45 days of the lock date. If the property is not identified within that period, the lock will be cancelled.
- A one-time rate renegotiation/roll down is allowed after the property is identified (refer to the Rate Renegotiation/Roll Down section for additional information).
- Rate lock extensions and relocks are allowed per policy once the property has been identified

Procedure for locking: Lock & Shop locks cannot be locked in CLEAR. Once the loan is pre-approved, your lock request must be submitted to the lock desk via email at cmglockdesk@cmgfi.com with the following information:

- Requested Rate
- Lock Term: 60 or 90 days
- Property State

The lock desk will lock the loan manually and generate a lock confirmation

Procedures when a property address is identified:

- Requests must be submitted to cmglockdesk@cmgfi.com with the subject property address within 2 days of the sales contract date
- The lock desk will update the lock and generate a new lock confirmation
- The Loan Estimate and disclosures must be issued within 3 days of the property/contract date. To order your LE, you will need to upload the following documents in CLEAR:
 - Fee Sheet
 - 1003 with property details
 - Sales Contract

The CMG Disclosure desk will contact the broker to get any necessary details to complete. If property address changes after being provided, the lock cannot be transferred.

ALL IN ONE (AIO) Program

The All in One Loan is a first lien position open-ended line of credit that utilizes the 1 Month Libor Index, combined with an applicable margin, to create the fully-indexed interest rate your borrower pays. The index may adjust each month and is published on the rate sheet on the first (1st) of every month and distributed daily. The AIO also includes a lifetime cap-rate of 6.000% over the initial fully-indexed-rate (Index% + Margin% + 6%) set at time of lock in accordance with the terms described below.

LOCK PROCEDURE

All AIO loans are automatically locked by CMG when final conditions are being submitted to underwriting for clear to close. No action is needed by the broker to lock AIO loans.

ADVANCE LOCKS

Advance locks are not permitted on this program. Once all conditions have been cleared and the loan is ready to be “cleared to close”, CMG will take care of locking the loan.

LOCK TERM

There is no defined lock term on AIO loans. All AIO loans are locked through the 15th of the following month in which it is locked (if the 15th falls on a weekend/holiday, it will be extended to the next business day).

LOCK EXTENSIONS

If the AIO loan does not disburse by the lock expiration date, the loan can be extended at no additional cost to the last business day of the month. Additional extensions are allowed; however, new closing documents may need to be prepared to reflect the current 1 Month LIBOR index. Contact your AIO team for additional information.

MARGIN CHANGES

Margin changes are permitted on locked loans. All margin changes must be requested through the lock desk at cmglockdesk@cmgfi.com or by phone at 925-983-3224



JUMBO & NON-AGENCY LOAN PROGRAMS

PREMIER JUMBO 6200 & PREMIER NON-QM 7200 SERIES

EXPANDED JUMBO 6600 & EXPANDED NON-QM 7600 SERIES

SIMPLY JUMBO 6700 SERIES

RENEW JUMBO 6900 & RENEW NON-QM 7900 SERIES

ADVANCE LOCKS

Advance locks are not permitted on this program. The loan must be in an approved status before the loan can be locked.

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. All lock extensions must be requested by contacting the lock desk before 4:00 PM PST. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day. Extensions can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

- **Lock Extension Fees:** Extensions are based on calendar days and are available at a cost of .020 per day.
 - Extensions must be requested in increments of 5, 10, 15, 20 or 30 days
 - A maximum of 2 rate lock extensions or 30 days total allowed, whichever comes first

RELOCKS

Relocks are allowed on expired locks only. The new pricing is subject to worse case pricing using the same lock term with all previous extension fees. No relock fee.

- Relocked loans are eligible for lock extensions per extension policy.
- If price adjustments and/or underwriting guideline changes have occurred since the initial lock, the loan will be subject to worse case price adjustments as well as subject to current guidelines.
- Multiple Relocks are permitted.
- Previously locked loans can be relocked using current market pricing 30 days after lock expiration or lock cancellation date.
- Relocks can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

RATE RENEGOTIATIONS / ROLL DOWN

When the market improves significantly, we will allow a one-time renegotiation.

Guidelines:

- The original interest rate and price will be compared to the current rate sheet base price for the same lock period as the original lock.
- Current market pricing must be at least .250% better in rate
 - If the above apply, current pricing is permitted subject to a .250 renegotiation fee.
- The original lock expiration date will apply.
- Lock extensions are allowed per policy.
- Only one renegotiation is permitted per loan
- Rate renegotiations can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

PROGRAM CHANGES

Product change requests from one product to another is permitted within the same program Series (6200 to 6200). If a previously locked loan changes product series, the loan will be required to be relocked at worse case pricing according to the original lock term.

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ELITE JUMBO – 700 SERIES**ADVANCE LOCKS**

Advance locks are not permitted on this program. The loan must be in an approved status before the loan can be locked.

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. All lock extensions must be requested by contacting the lock desk before 2:00 PM PST. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day. Extensions can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

- **Lock Extension Fees:** Extensions are based on calendar days and are available at a cost of .020 per day.
 - Extensions must be requested 7, 15 or 30 day increments
 - A maximum of 30 days of extensions is allowed

RELOCKS

Relocks are allowed on expired locks only. The new pricing is subject to worse case pricing using the same lock term. The following relock fees will be applied after the worse-case price has been calculated:

- 15 Day Relock: .250 Fee
 - 30 Day Relock: .500 Fee
- Relocked loans are eligible for lock extensions per extension policy.
 - Pricing cannot improve on a relocked loan.
 - Multiple relocks are permitted.
 - Previously locked loans can be relocked using current market pricing 30 days after lock expiration or lock cancellation date.
 - Relocks can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

RATE RENEGOTIATIONS / ROLL DOWN

When the market improves significantly, we will allow a one-time renegotiation.

Guidelines:

- The original interest rate and price will be compared to the current rate sheet base price for the same lock period as the original lock.
- Current market pricing must be at least 100 bps better than the original base price
- Renegotiated price must lower the borrower's rate by at least .125%
- The renegotiated price will be the current day price for the same lock period as the original lock plus a .500 renegotiation fee.
- The new net price cannot exceed the current locked net price
- The original lock expiration date will apply
- Loans cannot be relocked once a renegotiation has been applied. Any relock will result in a loss of the negotiated price.
- A lock can be renegotiated more than one time for a .500 bps fee per renegotiation.
- Lock extensions are allowed on renegotiated locks per policy.
- Rate renegotiations can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

PROGRAM CHANGES

Product change requests from one product to another is permitted within the same program Series (730 to 715). If a previously locked loan changes product series, the loan will be required to be relocked at worse case pricing according to the original lock term.



FLEX JUMBO – 6400 SERIES

ADVANCE LOCKS

Advance locks are not permitted on this program. The loan must be in an approved status before the loan can be locked.

LOCK EXTENSIONS

Lock extensions are allowed on un-expired (current) locks only. All lock extensions must be requested by contacting the lock desk before 4:00 PM PST. Lock extension expiration dates that fall on a weekend or holiday will automatically roll over to the next business day. Extensions can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

- **Lock Extension Fees:** Extensions are based on calendar days and are available at a cost of .020 per day.
 - Extensions must be requested only in 7 day increments
 - A maximum of 4 extensions is allowed

RELOCKS

Relocks are allowed on expired locks only. The new pricing is subject to worse case pricing using the same lock term with all previous extension fees applied. There is no fee to relock a loan.

- Relocked loans are eligible for lock extensions per extension policy.
- Multiple relocks are permitted.
- Previously locked loans can be relocked using current market pricing 30 days after lock expiration or lock cancellation date.
- Relocks can be requested by contacting the lock desk via email at cmglockdesk@cmgfi.com or by phone at 925-983-3224.

RATE RENEGOTIATIONS / ROLL DOWN

Not permitted on the Flex Jumbo 6400 Series

PROGRAM CHANGES

Product change requests from one product to another is permitted within the same program Series (6430 to 6415). If a previously locked loan changes product series, the loan will be required to be relocked at worse case pricing according to the original lock term.

