



Effective, October 20th 2011, *CMG Mortgage* will adhere to the following Lock Extension, Re-Lock, Roll-down, and Program Change policies for all loans:

LOCK EXTENSION POLICY

- If Market is **better**
5 days no cost 10 days .125 cost 15 days .375 cost
- If Market is **worse by less than .750**
5 days .125 cost 10 days .250 cost 15 days .500 cost
- If Market is **worse by more than .750**
Loan must be relocked at current market pricing and will receive 21 day extension to the current lock expiration date.

Minimum of 5 days on any extension request

Maximum of 15 days in extensions is allowed, anything exceeding 15 days will be relocked at worse case pricing.

Extension fees can not be absorbed by using program max pricing caps

Loans can be relocked worse case on the same program at any time during the loan process **but the lock period must remain the same.**

Previously locked loans can be relocked at current market 30 days after previous lock expiration or cancellation.

ROLLDOWN POLICY

- Only available on the programs listed below :
#101, 102, 103, 104, 125, 101HC, 101 HP/RP, #3101, and 3101HC
- Current market price must be **.500 better** in fee than the original lock price to be eligible for a Price or Rate Rolldown Improvement.
- Lock must be active (not expired or cancelled)
- Active, eligible locks may only be Rolled Down one time.

If all of the above criteria are met, you may request a onetime Rolldown. **The borrower's rate must be improved by at least an .125%**, at which point we will calculate the difference between current market ratesheet base price and the originally locked ratesheet base price, using the originally requested lock term. We will improve the base price from original lock date by 50% of the difference, using the new reduced interest rate. The original lock expiration date will remain in effect.

FOR EXAMPLE:

Locked at 5.375 @ (.500) base rebate (30 days) *must move down by at least .125*

Original base pricing	Current base pricing	Diff
5.25 @ (.250) base rebate (30 days)	5.25 @ (1.250) base rebate (30 days)	1.000

So 5.25 @ (.250) + (.50) final rolldown pricing 5.25 @ (.75) base rebate
(LLA's not included)

OR

Locked at 5.500 @ (.500) base rebate (30 days) *must move down by at least .125*

Original base pricing	Current base pricing	Diff
5.25 @ .250 base cost (30 days)	5.25 @ (1.000) base rebate (30 days)	1.250

So 5.25 @ .250 + (.625) final rolldown pricing 5.25 @ (.375) base rebate
(LLA's not included)

The above examples already accounted for at least an .125 reduction in rate

PROGRAM CHANGE FOR A LOCKED LOAN

If a Loan Program Change request is made for a currently active, locked loan, the loan will be **Re-Locked** worse case according to original lock term pricing with the exception of the scenarios below.

- **1400 series to 1400 series**
- **Open Access series to Open Access series**
- **30 year conventional to 30 year conventional** (except open access)

**THESE POLICIES ARE 'AS IS', AND ARE SUBJECT TO
CHANGE AT ANY TIME WITHOUT PRIOR NOTICE.**