

## **Lock Policy Overview**

WestGen Lending is dedicated to providing its brokers with an excellent wholesale experience with great products and competitive pricing. The purpose of the lock policy is to outline the parameters surrounding the eligibility and guidelines of wholesale locks and change requests.

## **Lock Requests**

All lock, extension and lock change requests should be made through the product and pricing engine located within WestGen Lending's Wholesale Broker Portal which can be accessed through our website: [www.WestGenLending.com](http://www.WestGenLending.com). Should you have any issues with access to the portal or pricing engine, please contact us at [clients@westgenloans.com](mailto:clients@westgenloans.com) for assistance.

The Westgen Lending pricing engine and lock desk are open Monday through Friday (except for holidays) from 8 AM (Pacific) to 4 PM (Pacific). Requests received after 4 PM (Pacific) will be processed the next business day. Pricing is made available every morning once rate sheets have been updated and sent (typically before 8 AM Pacific). Pricing may be updated throughout the day and new rate sheets will be issued at that time. WestGen Lending does not offer overnight price protection. All locks are made on a best-efforts basis. For questions about locks or rate sheets, please contact the lock desk at [lockdesk@westgenloans.com](mailto:lockdesk@westgenloans.com).

All lock requests for FNMA Home Ready (SFC 900) or FHLMC Home Possible (Identifier Code 241) must have the appropriate special feature code on the corresponding DU/LP findings. For loans locked prior to approval, broker should supply DU/LP findings with the applicable code.

All lock requests for WestGen's FHA Harbor products must be made on or after the approval milestone and are not eligible for Lender Paid Compensation (LPC).

## **Loan Registration**

All loans must be registered prior to requesting a lock. All brokers must be approved or have requested portal access through WestGen's FASTpass Access. For assistance or more details, please contact [clients@westgenlending.com](mailto:clients@westgenlending.com).

## **Lock Confirmations**

Lock confirmations are generated by the pricing engine and uploaded to the document section of each loan in the portal. All lock notifications will be sent to the email designated at time of lock request. If the broker partner does not receive a lock confirmation upon locking a loan online, please email [lockdesk@westgenloans.com](mailto:lockdesk@westgenloans.com) for assistance. Lock confirmations for all manual requests will be sent via email by the lock desk within 24 hours of request.

## **Off sheet Pricing Request**

All products and available rates are accessible through the broker portal and pricing engine. WestGen Lending currently does not offer off-sheet pricing.

### **Locked Loan Pull-Through**

WestGen Lending understands that sometimes locked loans fail to close due to reasons beyond the control of our broker partners. WestGen does monitor broker locked loan pull-through percentages. WestGen will contact brokers with excessive fallout percentages (typically over 15%) to determine the issues causing the fall-out.

### **Lock Periods**

The standard lock periods offered 15, 30, 45, and 60 days. Extended locks are currently not available.

- Loans locked for 15-Days should be submitted for CTC status – no free lock extensions will be authorized for 15-Day Locks.
- Loans must have at least 7 days remaining on the lock for refinance transactions (5 days for purchase and non-owner refinance transactions) at time of doc request.
- Loans that are in the Docs Out status or later and not expired, one free 5-day extension will be applied on the date of expiration.

### **Forward Locks**

Brokers may submit forward locks through the WestGen Broker portal on registered loans.

- A 45- or 60-Day Forward lock requires a full file submission within 7 calendar days of entering the forward lock request. If 7 calendar days elapse before the full file submission occurs, the forward lock will be cancelled.
- A 30-Day Forward lock requires a full file submission within 3 calendar days of entering the forward lock request. If 3 calendar days elapse before the full file submission occurs, the forward lock will be cancelled. (if the 3<sup>rd</sup> day falls on a weekend or holiday, the lock will be cancelled the next business day).
- All submissions with Forward Locks should include an approval/accept eligible DU/LP findings. Forward Locks submitted with no findings or refer/ineligible findings are subject to cancellation.

**NOTE:** During times of high volume, WestGen Lending will not allow 30-Day Pre-Locks. The Pre-Lock will be converted to a 45-Day lock or the broker can cancel the lock at that time and lock the loan on a 30-day lock period after loan has been submitted and disclosed by WestGen. Should the broker choose to cancel their pre-lock, the re-lock policy will not apply.

### **Lock Expiration Date**

When the initial lock expiration date falls on a weekend or holiday, the lock expiration date is automatically moved to the next business day. Loans must be funded on or before 11:59 PM Pacific on the day of expiration. Loans with expired locks will be subject to the WestGen Re-Lock Policy.

**Cancelled, Withdrawn, Declined or Expired Locks**

- Rate lock cancellations will only be accepted if made within 2 hours of the requested lock and prior to the daily lock cutoff time. Cancellations should be emailed to [lockdesk@westgenloans.com](mailto:lockdesk@westgenloans.com). No verbal cancellations will be accepted.
- Any requests to cancel a lock after a new rate sheet has been issued will not be granted under any circumstances. Loans whose locks have been cancelled must wait a 24-hour period to be eligible to lock again.
- Cancelled/Withdrawn/Declined/Expired loans are subject to the Re-Lock Policy.

**Lock Extensions**

Broker partners may request an extension on or before the lock expiration date. If a lock is expired an extension may not be requested and the loan must be relocked. When requesting an extension before the lock expiration date, request may only be submitted and will only be granted by WestGen when the loan is within 15 days of lock expiration. **ALL EXTENSION REQUESTS MUST BE COMPLETED IN THE TPO PORTAL WITH THE EXCEPTION OF THE FREE 5-DAY AT DOCS OUT/BACK WHICH SHOULD BE REQUESTED FROM THE LOCK DESK.**

The number of days selected for extension will be added to the expiration date. Lock extension days are available in 5-10-15 day increments at the extension price listed on the WestGen Lending Wholesale Rate Sheet. See below for the maximum number of extensions and the total maximum of extension days.

Extension Days	Extension Cost
5-Day (1 <sup>st</sup> Extension) – Must be Docs Out/Back	Free
5-Day	.125
10-Day	.250
15-Day	.375

Loans can be extended a maximum of 2 times for up to a total of 30-Days. Extensions beyond this policy will be subject to the relock policy or by management exception.

**Lock Changes, Re-Works or Restructures**

- A lock is only valid on the original property; a change in the property address will require a new lock and subject to Worse Case Pricing. Typographical errors will be addressed on an exception basis.
- Program changes are subject to Worse Case Pricing any & all previously extension fees or relock fees will be reapplied to the rework once the base pricing and LLPA’s have been established.

**Re-Locks**

Relocks may only be submitted on expired locks. If a loan has been expired for at least 30 days, then it is considered a new lock and pricing will be based on current market. Relocks for loans expired for less than 30 days are subject to worse case pricing plus previous extensions and a 25 bps relock fee. The relock term is 15 days. Loans may only be relocked one time.

- If at the time of Relock the rate has increased, the worst of pricing between existing price and current price on the new rate lock will apply.
- If at the time of Relock the product is changed, the worst of pricing between the existing price on the original product and the current price on the new product will apply. The price may not improve regardless of product change.

**Renegotiations**

Brokers may submit Renegotiation request from the time the first rate sheet is generated until 3PM Pacific to [lockdesk@westgenloans.com](mailto:lockdesk@westgenloans.com). Brokers are responsible for calculating the Renegotiated gross price using the Renegotiated Price Calculation in this policy. The Renegotiation price is based on the WestGen Lending Wholesale Rate Sheet that is in effect when the request is received. Request received after 3PM Pacific will not be processed, and a new request must be submitted the next business day within the renegotiation hours listed in this policy.

**Renegotiation Price Calculation**

	Current 60-Day Base Price
<b>Less</b>	Renegotiation Fee (.375 bps)
<b>Less</b>	Current day LLPA and Loan Amount Adjustments
<b>Less</b>	Prior Extension Fees
<b>Equals</b>	Renegotiated Gross Price

- Renegotiated rate must result in a minimum of 0.125 improvement in rate to the borrower.
- Loan must be CTC at time of Renegotiation Request.
- Renegotiated lock term will be 15 days regardless of time left on original lock
- Only one renegotiation is permitted per loan.
- The final pricing for the renegotiated product and/or rate cannot exceed the final pricing from the original product and rate.
- Relocked loans are NOT eligible for renegotiation.
- WestGen Pricing Promotions will not apply to new price.

**Duplicate Locks**

Brokers must monitor their pipeline to prevent duplicate loans and double locks (same borrower, same property address, etc.). A lock commitment is associated with one specific physical address. If a property address changes, a new lock is required and will not be considered a duplicate lock.

If a Broker locks a loan with the same property address more than once, the following procedures will apply:

<i>If both loans are active</i>	<b>Original loan will remain active and WestGen will apply worse case pricing between the two locks.</b>
<i>Original loan is cancelled and new loan with same property address is locked <math>\leq</math> 30 days from cancellation</i>	<b>Worse case pricing will apply, in addition to all previous extension fees. The second loan will be canceled.</b>