



Mortgage Financial Services, LLC

Lock Desk Policy  
Wholesale Channel

Updated January 2024

## Overview

This Rate Lock Policy document formalizes the parameters used by the Secondary Markets Department in managing its day-to-day operations. This policy pertains to the MFS wholesale channel.

## Rate Lock Policy

MFS wholesale channel offers a variety of loan products and lock options to home buyers and refinance applicants.

## Lock Desk Contact Information

**Phone:** 817-601-9030

**Email:** [locks@mfsus.com](mailto:locks@mfsus.com)

All questions regarding rate lock issues, pricing issues, price renegotiations, extensions, or relocks, should be emailed to [locks@mfsus.com](mailto:locks@mfsus.com)

## Lock Desk Hours of Operation and Lock Request Cutoff

MFS wholesale channel's hours of operation are Monday through Friday from 9:00 am-05:00 pm CST. Rate lock requests can be processed daily, within MFStpo.com until 6:00 PM

## Daily Rate Sheets

The Secondary Markets department prepares rate sheets each morning. The rate sheets are published within our pricing engine on MFSTPO.com Historical email rate sheets and notifications can be requested to [locks@mfsus.com](mailto:locks@mfsus.com)

## Intraday Price Changes

MFS wholesale channel reserves the right to suspend pricing and issue a revised rate sheet at any time during the day without notice. Revised rate sheets are published online or sent via email, as applicable.

If there is high market volatility, the lock will not be accepted until market conditions allow.

## **Rate Lock Procedures**

Rate Locks are subject to the following conditions:

- A lock commitment is a lock for a specific borrower(s) and specific property.
  - Locks are not eligible to be transferred to another property.
- All loans must be registered to submit a rate lock request.
- All loans are required to have a valid lock through the funding date of the loan.
- The price for a specific loan can be obtained in TPO Connect

## **Rate Lock Confirmations**

If the lock submission is successful, a lock confirmation will be available to view or download shortly after submitting the lock request. Users with appropriate system access can view and print lock confirmations in TPO Connect.

Users should review all lock confirmations immediately. Any questions or concerns must be communicated to the lock desk immediately. Failure to do so may result in worse-case pricing. Any change requests for loans already locked should be emailed to [locks@mfsus.com](mailto:locks@mfsus.com).

## **Rate Lock Terms**

For Conventional and Government loans, rate lock periods are offered for 15, 30, 45, 60, and 90 days.

## **Rate Lock Expiration**

The rate lock expiration date is determined based on the lock request date and the term of the lock. The expiration date calculation includes the day of the lock. Rate locks expire at 06:00pm CST. If a lock expires on a Saturday, Sunday, or MFS holiday, the lock expiration rolls into the next business day.

## Rate Lock Extensions

In the event that a lock cannot close within the expected original time frame, rate locks can be extended. These extensions cause additional hedging costs that must be passed onto the customer. In addition, an extension MUST be requested by the MLO with the Lock Desk by 5:00 CST on day of expiration. These requests must be made by with Mfstpo.com.

1-day extensions are only available for loans in MFS closing department.

3-day extensions are available for loans with Clear to Close Status

**90-day locks are not eligible for extensions and max number of extensions is 30 days MAX.**

**65-day locks are limited to a max of 7 days for extensions.**

**All other initial lock periods have a MAX extension period of 30 days**

Extension cost applied to discount/lender credits:

Number of days	Cost
1 day	.05
3 days	.125
7 days	.25
15 days	.45
30 days	1.00

## Rate Renegotiation & Float Down Policy

- ❖ Price renegotiations are only eligible if they result in a lower note rate.
- ❖ Renegotiations may be done one time only and must lower the interest rate on the Borrower by .250% or more.
- ❖ The new price is calculated as the **current 30-day price MINUS 0.375%**.
- ❖ Pricing is renegotiated based on the original lock period of the loan; all loans that are in Approved Status or greater.
- ❖ The lock expiration date of the renegotiated lock will be less of 10 Calendar days or the original rate lock.
- ❖ One renegotiation is allowed per loan.
- ❖ All loans must conform to the published Investor guidelines at the time the renegotiation is requested.

### Ineligible Loans:

ARMs, jumbo loans, and loans with an expired rate lock.

## **Rate Lock Cancellations**

Users are encouraged to cancel a lock as soon as such an action is deemed necessary. Lock cancellations are executed through MFStpo.com. If a lock is canceled in error, the lock desk must be contacted immediately at locks@mfsus.com. If the lock desk does not receive the request to reinstate the lock before the end of the business day, the lock will be lost, and the mortgage loan will be subject to reprice or relock at the current market price. Canceled locks that need to be reinstated will be subject to relock pricing per policy. In addition, canceled locks that have expired for 30 days or more will be priced at the current market.

Please not cancelling the lock will not result in loan being adverse, however if loan is adverse for any reason the lock will be cancelled.

## **Re Locks**

Loans re-locked within 30 days of original expiration will be subject to a relock fee of .25 bps to final price. After 31 days you can price the loan based on current pricing.