

MORTGAGE FINANCIAL SERVICES, LLC

NMLS #43021

Lock Desk Policy



Effective October 1st, 2026

Supersedes the version dated August 7, 2025

For mortgage professional only not intended for
borrower use.

1. Overview

This policy explains how rate locks work at Mortgage Financial Services, LLC (MFS) and what loan officers need to do to lock, extend, renegotiate, relock, cancel, or request a price exception. It applies to all locks, extensions, relocks, renegotiations, cancellations, and price exceptions.

MFS offers a variety of loan products and lock options to home purchase and refinance applicants. All rate lock activity is subject to the terms of this policy, applicable investor and agency requirements, and all applicable federal and state law.

1.1 At a Glance

Topic	What you need to know
Where to lock	Polly (loan must be registered)
Lock terms	15, 30, 45, 60, 90, or 120 days
Lock expiration	5:00 p.m. CT on the expiration date
Extensions	Request in Polly by 5:00 p.m. CT on the day of expiration. 0.03 pts per day, 30-day max
Relock within 30 days	0.375 adjustment to final price
Relock after 30 days	Current market pricing
Renegotiation	One per loan, rate must drop 0.25%+, 30-day price less 0.375
Price exceptions	Email locks@mfsus.com before locking or re-disclosing
Loan changes after lock	Notify the Lock Desk right away. Loan will be repriced

1.2 Lock Desk Contact Information

Channel	Detail
Phone	817-601-9030
Email	locks@mfsus.com
Hours of operation	Monday–Friday, 9:00 a.m. – 5:00 p.m. Central Time
Lock request cutoff	6:00 p.m. Central Time, daily

All questions regarding rate locks, pricing, renegotiations, extensions, relocks, or price exceptions must be directed to locks@mfsus.com. Requests submitted through any other channel are not considered received.

All times stated in this policy are Central Time (CT), observing Central Standard Time and Central Daylight Time as applicable.

1.3 Business Days and Holidays

Business days are Monday through Friday that is not an MFS-observed holiday. The MFS holiday calendar is published annually and maintained on MFS intranet and/or TPO Portal. Where a deadline or expiration in this policy falls on a Saturday, Sunday, or MFS-observed holiday, it rolls to the next business day.

2. Pricing and Rate Sheets

2.1 Daily Pricing

The Secondary Markets Department prepares and publishes pricing each business morning. Pricing is published in Polly, which is the pricing engine of record for MFS. Loan officers obtain all pricing, scenario quotes, and lock requests through Polly.

Historical pricing snapshots are retained in Polly and are available on request to locks@mfsus.com.

2.2 Intraday Price Changes

MFS reserves the right to suspend pricing and issue revised pricing at any time during the business day without prior notice. During periods of elevated market volatility, lock requests will not be accepted until market conditions allow, and all such requests remain subject to pricing current at the time the lock is ultimately accepted.

2.3 Products Not Priced in Polly

Some niche, non-agency, and jumbo products are not priced in Polly. For these, request pricing directly from the Lock Desk at locks@mfsus.com:

- State DPA products
- Jumbo (CONV)*
- Broker and Non QM *

3. Rate Lock Procedures

Rate locks are subject to the following conditions:

- A lock commitment is specific to identified borrower(s) and a specific subject property.
- Locks may not be transferred to another property or to a different borrower.
- All loans must be registered in Encompass/TPO Connect before a lock request may be submitted.
- A loan may carry only one active lock. Duplicate or concurrent locks on the same borrower and property are prohibited.
- All loans are required to have a valid, unexpired lock through the funding date.

3.1 Lock Confirmations

Upon successful submission, a lock confirmation is generated and made available in Polly, and the lock terms are written to the loan file in Encompass and/or TPO connect. Users with appropriate system access may view and print lock confirmations.

Loan officers must review every lock confirmation immediately upon receipt. Any discrepancy must be reported to the Lock Desk the same business day. Failure to report a discrepancy timely may result in worst-case pricing as defined in Section 3.4.

If the lock terms shown in Encompass or TPO Connect ever differ from your Polly lock confirmation, the Polly confirmation governs. If a system issue delays a lock from posting to Encompass, the lock is still honored at the price and terms confirmed in Polly.

Any change request on a loan already locked must be emailed to locks@mfsus.com.

3.2 Rate Lock Terms

For conventional and government loans, rate lock periods are offered for 15, 30, 45, 60, 90, 120 days. Additional terms, if any, are published on the MFS rate sheet.

3.3 Rate Lock Expiration

The rate lock expiration date is determined by the lock request date and the lock term. The expiration calculation includes the day the lock is taken. Rate locks expire at 5:00 p.m. Central Time on the expiration date. If a lock expires on a Saturday, Sunday, or MFS-observed holiday, the expiration rolls to the next business day.

3.4 Worst-Case Pricing

Where this policy provides that worst-case pricing applies, the loan is priced at the less favorable of (a) the price and rate of the original lock, or (b) current market pricing at the time the triggering event is identified, in each case inclusive of all applicable adjustments.

Worst-case pricing applies to, at minimum:

- Locks that expire without a timely extension request and are subsequently relocked within 30 days, as provided in Section 5.3.
- Loans where a lock discrepancy was not reported timely under Section 3.1.
- Loans subject to a repricing event under Section 3.5 that was not disclosed to the Lock Desk.

3.5 Change of Circumstance and Repricing

A locked loan must be re-priced when any of the following change after the lock is taken:

- Loan amount, loan program, loan term, or amortization type
- Occupancy, property type, or number of units
- Representative credit score, loan-to-value, or combined loan-to-value
- Appraised value, where it changes the applicable adjustment tier

- Any other attribute that drives a loan-level price adjustment or investor eligibility

The loan officer must notify the Lock Desk promptly upon becoming aware of any such change.

Repricing applies the adjustments in effect at the time of the original lock unless the change results in a different product or loan program, in which case worst-case pricing applies. A change that renders the loan ineligible under the locked product requires cancellation of the existing lock and a new lock at current market pricing.

Where a change of circumstance affects rate-dependent charges, a revised Loan Estimate must be issued within required disclosure timelines.

4. Rate Lock Extensions

Where a loan cannot close within the original lock period, the lock may be extended. Extensions create additional hedging cost to MFS and that cost is passed through to the transaction.

4.1 Request Requirements

- An extension must be requested by the loan officer with the Lock Desk by 5:00 p.m. Central Time on the day of expiration.
- All extension requests must be submitted through Polly
- Extensions are not granted retroactively on an expired lock. An expired lock is handled under Section 5.3.

4.2 Extension Cost

Extension cost is assessed at a flat rate of **0.03** points per calendar day of extension, applied to discount or lender credit.

MFS reserves the right to adjust the daily extension rate, with notice, where market volatility or carry costs cause the standard rate to materially under-recover actual hedge cost.

4.3 Extension Limits

- The maximum cumulative extension period is 30 calendar days across all extensions on a single lock.
- 75-120 day locks are not eligible for extension.

5. Renegotiation, Cancellation, and Relock

5.1 Rate Renegotiation and Float Down

Renegotiation is available subject to all of the following:

- The renegotiation must result in a lower note rate to the borrower.

- The rate reduction must be 0.25% or greater.
- One renegotiation is permitted per loan.
- The loan must be in Approved status or later at the time of the request.
- The new price is the current market price for the 30-DAY TERM, less 0.375 points.
- The loan must conform to published investor guidelines in effect at the time of the renegotiation request.
- The benefit of the renegotiation must be passed on to the borrower.
- *Ineligible for renegotiation: ARM products, investor-underwritten loans, jumbo loans, and any loan with an expired rate lock.*

5.2 Rate Lock Cancellations

Users are encouraged to cancel a lock as soon as cancellation is determined to be appropriate. Lock cancellations are executed in Polly.

If a lock is cancelled in error, the Lock Desk must be contacted immediately at locks@mfsus.com. If the reinstatement request is not received before the end of the same business day, the lock is lost and the loan is subject to reprice or relock at current market pricing.

Cancelling a lock does not, by itself, render a loan adverse. However, if a loan becomes adverse for any reason, the associated lock is cancelled.

5.3 Relocks

A loan relocked within 30 calendar days of the original lock expiration is subject to a relock adjustment of 0.375 applied to final price.

A loan relocked 31 or more calendar days after the original lock expiration is priced at current market.

6. Price Exceptions

6.1 Eligibility

A price exception may be considered under the following circumstances:

- Verified competing Loan Estimate or documented rate quote
- Significant borrower relationship value, including repeat client relationships
- Imminent market movement where lock timing was outside the loan officer's control
- Retention of a loan at documented risk of fallout or cancellation
- Company-driven promotional pricing initiatives

6.2 Request Process

1. All requests must be submitted prior to issuing a revised Loan Estimate or locking the loan, except where the request relates to an active lock under review.
2. Requests must be emailed to locks@mfsus.com.

3. Each request must include the justification for the exception, the desired rate or price adjustment, and supporting documentation such as a competitor Loan Estimate or scenario notes.

6.3 Approval Authority

Total exception	Approval authority
Less than 25 bps	Pricing Desk, Branch Manager, Account Executives
25 – 50 bps	Capital Markets Leader
Greater than 50 bps, or any margin-impacting exception	EVP

All approvals are documented in the loan file.

6.4 Disclaimers

- Exceptions are a privilege, not an entitlement.
- MFS reserves the right to deny any exception that is not in the best interest of the company or that violates investor, compliance, or secondary market requirements.
- Exception approvals are not pricing guarantees and must align with available execution channels.
- All exceptions are logged and reviewed by Capital Markets for consistency and fair lending compliance.