



BankSouth Mortgage
Secondary Marketing Lock Policies

Revised: November 2017



General Information

Locks	BankSouth mortgage locks the borrower, not the property.
Standard Lock Times	Lockdesk hours are between 10:00 AM and 4:30 PM EST. Lock requests are accepted via Encompass submission during these hours. In the event of technical impairment, notification will be released and locks will be accepted via email to lockdesk@banksouth.com .
Daily Snapshots	Daily Snapshots are published between the hours of 10:00 AM and 11:00 AM each day. Daily Snapshots are emailed to all Mortgage Bankers at this time. Additionally, live rates are active via the Optimal Blue pricing engine at the same time. Rates are subject to change without notice and any price changes are effective immediately upon engine update.
Overnight Protection	Overnight protection is available between the hours of 4:30 PM EST and 8:00 AM EST the next business day. This protection is afforded to eligible products only and only available on new application transactions (purchase or refinance). Any lock request received by Lockdesk between 8:00 AM EST and the release of rates for that day will be declined. APPROVED PROGRAMS – Conforming (non-jumbo) and Government Fixed Rate Loans.
Off-sheet Quotes/Inquiries	Off-sheet quotes may be available upon request. Requests may be made to Lockdesk@banksouth.com . Verbal quotes will not be honored. Any general inquiries should be emailed to Lockdesk@banksouth.com , not to individual members of the Secondary department; only those sent to Lockdesk will be guaranteed by Secondary to be reviewed. If there is believed to be a discrepancy in a lock confirmation, Lockdesk is to be notified, via email, within 24 hours of confirmation.

Lock Requests



Encompass

To lock a loan, it is to be requested through Optimal Blue via the TPO Portal. Secondary will rely on the information on the LOCK REQUEST only – not information located within the loan in Encompass.

All notes must be added to the Optimal Blue lock request. It is important for this information to match; however, if there is a discrepancy between the lock request and the loan information within Encompass, the lock request information will take precedence and will be relied upon by Secondary in processing the lock request.

Information Required to Lock a Loan

The accurate representation of the following information is required to lock a loan:

- Borrower's full name
- Co-Borrower's full name
- Mid FICO score from most recent report
- Property address (street address/city/state/zip/county) – Unless lock n' shop transaction.
- Lock period
- Loan amount/Appraised value/Sales Price/2nd Lien info
- LTV/CLTV (or Gross LTV if financed MI)
- Loan program
- Amortization term
- Loan purpose
- Occupancy
- Property type
- Impound option (Escrow waiver)
- Mortgage Insurance option if applicable

Interest rate, price, and all applicable adjustments must be completed based on the above information and is absolutely necessary to properly lock a loan. Lockdesk will base final pricing on the above information and lock the loan accordingly. The Lockdesk reserves the right to make necessary corrections on lock requests that do not reflect accurate pricing based on the most accurate loan information in the Encompass system for that particular program. Inaccurate /Incomplete lock requests may result in the lock request being delayed or declined. Once a request is declined, it is removed from the Lockdesk queue and the lock request must be corrected and resubmitted through Optimal Blue via Encompass. **Locks that have not been confirmed due to inaccurate/incomplete information are subject to market fluctuation.**



Lock Options

Lock Periods	Standard lock periods are reflected in the pricing engine. If an error is made on lock period, Lockdesk must be notified to correct prior to 4:30 PM EST the same day of lock. If not, extension fees apply.
Extended Lock Periods	Certain programs are eligible for extended lock periods. See Daily Indication sheet and Optimal Blue for available programs and pricing.
Float Down	<p>Float downs are available for eligible programs on lock periods 60 days or greater on purchase money or new construction transactions only. Float down must be executed within 60 days and 15 days or more outside of closing date (secondary is to have 15 days from float down to close) and will be calculated off of current market pricing. A float down must benefit the borrower but pricing cannot improve from initial lock. It can, however, worsen if float down warrants based on market.</p> <p>NOTE: The float down option is tied to the initial lock only. Any extensions or relocks of expired commitments will result in forfeiture of the float down option.</p> <p>ELIGIBLE PROGRAMS – Conforming (non-jumbo) and Government Fixed purchase transactions.</p>
Lock n Shop	<p>BankSouth will allow borrowers to lock in a mortgage rate prior to finalizing a property address. In these instances the borrower will be required to provide an accurate address within 30 days of lock in or the lock will be cancelled and standard re-lock policy will apply.</p> <p>ELIGIBLE PROGRAMS – Conforming (non-jumbo) and Government Fixed</p>
Lock Expiration Date	The lock expiration is calculated by using the day of lock as “day 1.” If the initial expiration date falls on a weekend or federal holiday, the lock rolls over to the next business day. A request is to be submitted to the Lockdesk in the event the lock expiration falls on weekend or federal holiday, and the lock will be adjusted accordingly (at no cost) as the system must accurately reflect expiration date.



Price Change

When the mortgage market moves, new pricing will come into effect. Optimal Blue is updated as investors change pricing in order to provide the most up to date, accurate market pricing. Rates are subject to change without notice.

Loan Registration

All loans must be at least registered to enable the submit icon on the BankSouth TPO website.

Product Changes/Exceptions

Product Changes

Product changes constitute a new lock and are priced at current market. A product change is defined as any change that falls into a new pricing grid on the Daily Indication.

Examples:

FROM Fannie 30 yr fixed TO Freddie 30 yr fixed: not product change

FROM FHA 30 yr fixed TO VA 30 yr fixed: not product change

FROM Fannie 30 yr fixed TO Fannie 20 yr fixed: product change

Product Changes (cont)

Adjustments to pricing due to product changes is the responsibility of the Loan Officer requesting the change and the Lockdesk reserves the right to adjust the pricing if inaccurate information was received at the time of the lock requests.

Product/Policy Exceptions

All product, pricing, or policy exceptions are required to be approved by Secondary management in writing. Any exception to product, pricing, or secondary policy should be emailed to Lockdesk prior to lock submission or delays could result. **Any delays due to failure to submit exception approval prior to lock request are subject to market fluctuation.**

Section 32 Loans

Section 32

BankSouth mortgage does not close loans that fall under Section 32 rules. No exceptions.



Lock Extension Policy

Extension Policy Only locks not yet expired may be extended. Loans may be extended for a maximum of 30 days. This includes any free extension (rollovers) along with requested extensions. The extension will guarantee the initially locked loan for an extended period of time and will be subject to extension fees. After 30 days of extensions, the lock is considered a relock and is subject to worse case pricing. The relock policy will apply. All extension requests must be made through Optimal Blue via Encompass.

Extension Pricing **BankSouth will grant a free 5 day extension on all loans. After the free 5 days, additional extensions are available at a cost, to the borrower, of .025 per day.**

Extension Pricing (Cont)	Examples:	<u>Extension request</u>	<u>Cost</u>
		5 days	.125
		15 days	.375
		30 days	.750

Re-Lock Policy A re-lock is a request to lock an expired loan that has been previously locked. Relocks within 30 days of last expiration date are subject to worse case pricing. If the expired lock is worst case (note: Current market price is better), then a pricing adjustment (cost) of - .25 will apply. After the 30th day, the loan may be relocked at current market. All relocks are for 30 day period, regardless of initial lock period, unless the initial lock was 15 days in which case the relock will be 15 days. Relocks on any loans that are subject to outside underwriting are relocked based on the underwriting investor's policy. If you are unsure of the policy of specific investors, submit inquiry to Lockdesk@banksouth.com.



Maximum Number of Relocks

The maximum number of re-locks is one (1). More than one relock, if available, will be subject to exception pricing. Email Lockdesk@banksouth.com for availability and any exception pricing applicable.

Closed Loan Delivery

Closing Timelines

All loans must disburse by the lock expiration date. On transactions with rescission periods, we will go by the disbursement date.

Delivery Timeframe

All customers have 7 days to deliver the closed loan file for purchase before extensions apply. After the 7th day, extensions will accrue at 2.5 bps per day.