

## RATE LOCK AGREEMENT/AUTHORIZATION:

**WHAT DOES 'LOCKING' MEAN?** - To 'lock' the rate means that the lender will agree to give the 'locked' rate as long as the loan can close within the agreed number of days. It is NOT a guarantee to give the rate. Most loans are locked before the borrower has been completely qualified by the lender, and the rate and actual closing of the loan is contingent upon the borrower and the property finally being qualified for the program within the 'lock' period. Neither the lender nor No Bull Mortgage is obligated to make a loan to you.

**HOW LONG CAN WE 'LOCK' A RATE?** - It is up to the policy of each lender. The industry average number of days is 8, 15, 21, 25, 30, 45, and 60, though periods of up to 270 days are available for certain construction loans.

**IS THERE A FEE TO 'LOCK'?** - The price of any given interest rate increases with the 'lock' period. The lender is taking a gamble on where rates are going for a longer period of time, and charges more for the term to hedge against loss. In addition, various lenders have risk-based fees included in the locking price according to the factors of your loan. A few of these factors may be; Loan To Value exceeding a certain amount, income documentation type, property type, asset documentation type, and other factors. Most lenders now want your insurance and taxes included in your monthly payment (known as "impounds.") If you don't want to pay your taxes and insurance this way most lenders charge .25% of the loan amount included in the locking pricing.

**HOW LONG DO I 'LOCK'?** - 'Lock' periods shorter than 21 days are usually for loans that have been approved with few or no conditions. Even when loan papers are ready to go to escrow for signing, a few days are needed to fund the money and close the transaction. On a 'lock' of 21 days we need to have the entire loan application to the lender within 3 to 5 days. A 30-day period gives us 7 to 10 days, etc.

**HOW CAN I GET A SHORT TERM PRICE?** - You do not have to 'lock' your loan until papers are ready to be drawn for final signing. The loan can be submitted to the lender and then the rate watched as the loan progresses. As each shorter 'lock' period is available the decision to 'lock' can be made.

**WHAT HAPPENS IF I DON'T 'LOCK'?** - Not 'locking' your rate is called '**FLOATING**'. With market conditions causing rates to change as many as 3 times a day, 'Floating' can be a gamble.

**HOW DO I 'LOCK' MY RATE?** - The mortgage broker needs your name, address and social security number to 'lock' a rate. Most lenders require the broker to complete a lock-in request form and fax it to the lender before 4 P.M. Pacific Time. Some lenders will take the information over the phone, and issue a confirmation to the broker either the same day or the next day. The 'Lock' period application is not valid until the broker receives the confirmation from the lender.

### BORROWER/S AGREE :

1. No Bull Mortgage is not responsible for the lender accepting any lock-in agreement. No Bull Mortgage is not responsible for any actions by the actual lender, including claims by the lender such as their fax was out of paper, the agreement was lost, etc. No Bull Mortgage will document as best we can the steps taken to lock the rate.
2. No Bull Mortgage will diligently pursue all normal processing procedures to obtain approval and funding of this loan within the 'lock' period. However, third party service providers such as appraisers, title companies, credit bureaus, etc perform many functions of this process. No Bull Mortgage is not responsible for lost rates due to those providers causing delays.

Borrower/s understand that time is of the essence in the agreement, and will upon request furnish any information and/or documents required by the lender of mortgage broker in a timely manner. In the event that the borrower/s loan request is declined, any 'lock' agreement/s shall be void.

**At this time I/We do not wish to lock in our rate and fee. I/We understand that I/We may lock any time during the loan process prior to the final documents being prepared for escrow.**

\_\_\_\_\_  
BORROWER

\_\_\_\_\_  
CO-BORROWER

\_\_\_\_\_  
DATE

**It is my/our intention to lock this loan with the terms described below. I understand that our broker is not the lender, and is simply forwarding the terms represented by the lender.**

\_\_\_\_\_  
Rate

\_\_\_\_\_  
Borrower Pd Pts

\_\_\_\_\_  
Program

\_\_\_\_\_  
Lock Expiration

\_\_\_\_\_  
Lender Pd Points

\_\_\_\_\_  
BORROWER

\_\_\_\_\_  
CO-BORROWER

\_\_\_\_\_  
DATE

#### OFFICE USE ONLY BELOW

Locked by \_\_\_\_\_ Date/Time \_\_\_\_\_ How locked \_\_\_\_\_ Confirmed? \_\_\_\_\_

Confirmed how? \_\_\_\_\_ Confirmation in file? \_\_\_\_\_ Borrower notified \_\_\_\_\_