



# TPO Wholesale & Correspondent

## Lending Partner Lock Policy

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# STRONGHILL CAPITAL, LLC

### Overview

The purpose of the lock policy is to outline the parameters surrounding the eligibility and guidelines of interest rate “Lock” and change requests.

### POLICY STATEMENT

This policy is set forth to provide clarity around managing interest rate locking risk and supporting all strategies listed below for both our TPO Wholesale & Correspondent Partners (together our “lending partners”).

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### CONTACT LIST

Stronghill Capital Lock Division: [LockDesk@Stronghill.com](mailto:LockDesk@Stronghill.com)

### LOCKING LOANS

All Stronghill Capital Wholesale & Correspondents lending partners should submit locks online utilizing the embedded pricing engine available on the portal. Lock changes and extension requests must be requested through the TPO Connect online product and pricing portal.

Relocks, off sheet pricing requests & transactions requiring a manual lock request, will need to be submitted using a manual lock form to [LockDesk@Stronghill.com](mailto:LockDesk@Stronghill.com).

Wholesale Brokers & Non-Delegated Correspondents can access online locking by logging into the TPOconnect portal [www.Stronghill.com](http://www.Stronghill.com).

If you are having trouble with our online portal, please contact [LenderSupport@stronghill.com](mailto:LenderSupport@stronghill.com).

### LOCK DESK HOURS

Rate sheet pricing is updated between 9:00 a.m. and 10:00 a.m. CST every business day. Pricing may also be updated throughout the day as needed. Current and Historical Rate Sheets will always be published to the TPO Connect portal. New pricing is automatically made available within the Portal Pricing Engine, each business day once Rate Sheets have been updated and published.

The Lock Desk hours of operation are:	8:30am to 7:00pm (CT)
The Lock Window hours are:	10:00am to 7:00pm (CT)
Lock Desk Email	LockDesk@stronghill.com



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### BEST EFFORTS LOCKS

#### BEST EFFORTS LOCK DEFINITION

A Best Efforts Lock is an agreement between Stronghill and the Wholesale Broker for delivery of specified eligible Mortgage loan by a specific date for a specific price. The Wholesale Broker commits to provide their best efforts to deliver the loan to Stronghill. **Best Efforts locks are borrower and property specific.**

- For loans that do not close, Wholesale Brokers may cancel the lock without incurring a pair-off fee.
- Stronghill expects delivery of all loans that close and reserves the right to collect a pair-off fee in the event the lender closes a locked best-efforts loan and delivers it to another Investor.
- Stronghill also reserves the right to collect a pair-off fee in the event the lender withdraws a best efforts loan after closing package has been delivered.
- For Re-Locks, Brokers are obligated to perform within the Re-Lock terms of this policy.

### LOAN REGISTRATION

All loans must be registered & submitted for initial review, prior to requesting a lock. For more information, please review the provided Training Material or contact your Account Executive.

### LOCK CONFIRMATIONS

Lock confirmations are sent automatically via email to the Wholesale Broker upon Stronghill's Lock Desk confirming a lock that was requested via the online locking system. All lock confirmations will be sent to the email designated at time of lock request. If you do not receive a lock confirmation upon locking a loan online, please email [LockDesk@Stronghill.com](mailto:LockDesk@Stronghill.com) to ensure that your most recent contact email is on file.

Additionally, all Lock Confirmations for loans that are locked online may be retrieved at any time after a loan is locked by the broker by navigating the Pricing section of the TPOconnect portal.

Lock confirmations for all manual requests will be sent via email by the Stronghill Lock Desk within 24 hours of request.

### OFF SHEET PRICING REQUEST

Request for off sheet pricing must be submitted to [LockDesk@Stronghill.com](mailto:LockDesk@Stronghill.com) no later than 3:00 PM CST.



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### DUPLICATE LOCKS

All Lending Partners 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 the Lending Partner locks a loan with the same property address more than once, the following procedures will apply:

<b>If two loans are registered and locked with same borrower/property address and...</b>	<b>Then the...</b>
Both loans have locks that are active,	Original loan will remain active and Stronghill will apply worse case pricing between the two locks. The second loan will be canceled and will count against the Wholesale Broker's fallout percentage.
the original loan is canceled and a new loan, with the same property address is locked $\leq$ 30 days from the cancellation date,	Worse case pricing and applicable relock fee will apply, in addition to all previous relock and extension fees. The second loan will be canceled and will count against the Wholesale Broker's fallout percentage.

### LOCK TRANSFER

A Lock Transfer is available when system issues or restraints prevent the original loan from being funded in its current state.

All lock transfers will be based on the original loan locked rate sheet. Any differences in loan attributes from the original loan to the new loan will be reviewed and pricing updated accordingly.

All extensions and any incurred fees will be carried over to the new loan as well as the expiration date updated to match original loan's lock expiration date.



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### FALLOUT

Stronghill Capital will continually monitor its Lending Partners fallout percentages. Stronghill may contact Partners with excessive fallout percentages (~20%+) to discuss and evaluate the reasons for the fallout. Additionally, an overall reduction in that Broker's pricing may be applied until percentages fall below the threshold.

### LOCK PERIODS

The standard lock periods are outlined below as follows, depending on the loan type.

- Non-QM Achiever Loans: 30, 45, & 60 days.
- Jumbo Prime Achiever Loans: 30, 45 & 60 days.

Extended locks are not available on any of Stronghill Capital's Loan programs at this time.

Before a lock request can be placed and confirmed in Stronghill's system, the loan must be registered & submitted in the portal.

### 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 delivered in fundable condition (credit and closed loan package) on or before 11:59 PM CST one calendar day prior to the lock expiration date.

Loans delivered after the lock expiration date will be subject to Stronghill Capital's Relock policies.



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### LOCK EXTENSIONS

Lending Partners may request an extension on or before the lock expiration date. If a lock is expired the system will not allow an extension to be requested and the loan must be relocked under the standard relock guidelines below.

The number of days selected for extension will be added to the expiration date. Lock extension days are available in 3, 7, 15, & 30-day increments at the extension price listed on the Stronghill Rate Sheet. See below for the maximum number of extensions and the total maximum of extension days.

	<b>Stronghill Achiever Programs</b>
<b>Max extension requests</b>	3
<b>Max extension days</b>	30
<b>Extension Cost (Per Day)</b>	(0.040) BPS

All extension requests must be submitted online.

Stronghill will only accept email extension request for loans that were originally locked manually or in the case of system related issues.

- Email extension requests must be submitted by 3:00 PM CST on the day of expiration to be considered valid.

While Stronghill Capital will make every effort to monitor and alert Partners of lock expiration status, it is the responsibility of the Lending Partner to ensure that lock extensions are submitted timely and when needed.

For loans that are in the Approval Milestone or later, and not expired, one automatic free 3-day extension can be requested prior to the date of expiration by reaching out to the Lock Desk at [LockDesk@stronghill.com](mailto:LockDesk@stronghill.com)



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### RELOCKS

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. Loans that have been expired for less than 30 days can be relocked for 15 days at 0.25% point cost or 30 days at .50% point cost.

Relocks for loans expired for less than 30 days are subject to worse case pricing, plus previous extensions fees and the relock fee. Loans may only be relocked one time without Stronghill's approval.

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.

### WORSE CASE PRICING:

Worse case pricing is determined automatically by the online system. Automation evaluates the original lock price and terms against the same lock terms at current market pricing. The lower price is applied to the current lock commitment.

### RENEGOTIATIONS

Locked loans are NOT eligible for renegotiation.

### PRICING EXCEPTIONS

Pricing exceptions are required on anything that differs from the guidelines listed within this policy or as listed on Rate Sheets. All exception requests must be submitted through your Account Executive via the Stronghill Capital Pricing/Fee Exception Form.



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### PRICING EXCEPTION AUTHORITY

To provide a positive customer experience and reduce mortgage lock cycle times, the following positions will have the authority to approve interest rate lock concessions within the scope of their cumulative maximum concession authority and limited to the Exception Type as described below

- SVP, TPO Correspondent & Wholesale Sales ≤ 50 bps
- VP, Secondary Markets ≤ 100 bps
- President, Stronghill Capital ≤ 250 bps

### PRICE EXCEPTIONS TYPE(S)

All pricing exceptions are reviewed on a case-by-case basis and are not guaranteed. Ensure you provide your Account Executive with a valid reasoning and detailed explanation as to why the exception should be granted.

If an exception is requested, concessions can only be granted provided it is for the following reasons:

1. Competitor Price Match
2. Customer Service Issue – Process delay
3. Customer Service Issue – Errors/Omissions
4. Extension Waiver
5. Renegotiation – Market based changes
6. Relock waiver
7. Lender Credit Concession – Market based changes
8. Prevent High-Cost Trigger
9. Satisfy Net Tangible Benefit Requirement

When submitting requests please provide sufficient documentation and explanation that provide verification or validation of the exception type. Stronghill Capital shall upload all documents into Encompass for historical reference. Examples of required documentation include but is not limited to:

- Competitor Loan Estimate providing proof of competitor rate for matching
- Artifacts showing cause of delays/errors/omissions by a Stronghill Capital employee.
- Documentation describing how the customer service issue prevented the loan from progressing causing delay in processing.
- Include amount of concession requested, either rate or bps

The pricing desk shall include a notation showing the economic difference the exception caused and the total net economic value after the exception.



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### PRICING EXCEPTION SLA

All pricing exception are reviewed on a cumulative basis

- Exceptions less than or equal to 100 bps will be approved/denied within 4 business hours.
- Exceptions less than or equal to 250 bps will be approved/denied within 6 business hours.

Normal Stronghill Capital Lock desk business hours are as follows:

- Monday to Friday 8:30AM CST to 7:00PM CST.

### LOAN PRODUCT AND TERM CHANGES

Repricing for loan product and term changes on existing locked loans are product specific. If product changes, pricing will be determined based upon the most recent locked date or current market as outlined in the grid below.

Stronghill Capital product change are as follows:

- Non-QM – Investment Achiever, Asset Achiever, Income Achiever & Credit Achiever
- Non-Conforming – Jumbo Achiever Program

Change From	Change To	Pricing	Lock Expiration
Non-QM	Non-QM	Last Locked Date	Existing Expiration Date
Non-QM	Non-Conforming	Current market	Relock Expiration Date
Non-Conforming	Non-QM	Current market	Relock Expiration Date

### CONFLICT RESOLUTION

Conflicts between the provisions of this policy and any other Stronghill Capital policy or Stronghill requirement shall be presented to the President who shall decide to resolve the conflict as effectively as practical. Conflicts, or perceived conflicts, which may arise between this policy and departmental or divisional policies or procedures, shall be subordinate to this policy unless otherwise granted an exemption or exception.



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### EXEMPTIONS AND EXCEPTIONS

Requests for exemptions or exceptions to the provisions of this policy shall be submitted formally in writing to the Pricing Team at [LockDesk@Stronghill.com](mailto:LockDesk@Stronghill.com) for consideration. Exemptions or exception approvals shall be made in writing and issued by the Pricing Team.

All exemptions and exceptions shall be reviewed at least annually and reauthorized for an additional period not to exceed 12 months between authorizations.

The Secondary Markets team shall maintain a record of all requests for exemptions and exceptions, the disposition of the requests, and the last review and reauthorization date.

### Definitions

Exception – an adjustment to a rate lock after its initial lock price

Exemption – authorization to be excluded to the terms and provisions of this specific policy document.

### POLICY UPDATE RECORDS

Stronghill Capital Lock Policy

09/01/2022



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Version	Change Description	Release Date	Author
1.0	Initial	9/1/2022	Ryan Zonana, VP of Secondary