

FundNation

Secondary Marketing Policies & Procedures:

10/16/02

1. Rate Distribution

FundNation will distribute rates via email and fax each morning. Rates will also be posted daily on our website "FundNation.com." FundNation reserves the rights, however to change the rates and/ or prices quoted for any mortgage loan program more frequently than daily and at any time throughout the day. Midday rate changes will be communicated as early as possible.

2. Rate Lock Submissions

Internet automated lock feature will be in effect until 5:30 p.m. EST. Rate locks should be submitted via internet automated lock feature or if not available for the product, via fax or email. **All loans must be locked 72 hours prior to closing.** Any locks expiring on Saturday, Sunday or any Holiday will considered expiring the following business day. All refinances must **Fund** and **disperse** on or before the lock expiration date.

3. Automated Lock Procedure

Internet automated lock feature will be in effect for Conventional products only. These loans must be locked at a price equal to or greater than current published rate sheet (including loan level price adjustments). Any negative deviations from the published rate sheet will need to be communicated to the Secondary Department. A lock form is to be faxed or emailed to the number listed on the website.

4. Lock Deviations

All locks received via the Internet will be processed with in 24 hours of receipt. If the Internet does not reflect the request within this time frame, the assumption can be made that the department did not receive the request, and a new request should be made immediately upon discovery. Secondary will not be responsible for Internet problems. If there is, existing problems with the Internet please contact your Account Executive.

5. Lock Extensions

A locked loan can be extended once it has been determined that it cannot close within the original lock period. An extension request must be emailed to Secondary Marketing Department. This must always be done prior to the expiration date and is subject to the following fees.

2-7 days = .125% cost
15 days = .25% cost
30 days = .375% cost

6. Relocks

Once a loan has gone beyond its expiration date including two extensions it can be re-locked at *worse case pricing*. At this point, a relock request must be completed via e-mail reply to the original lock confirmation, 72 hours prior to the closing date.

7. Rate Changes During Lock Period

During the lock period, the quoted interest rate can be changed as long as the product is not affected. The loan must remain in the same product code as when it was locked. If a transaction type is changed for example: rate/term to cash out the price adjustment will be made to the original lock price. These changes must be made online 24 hours prior to closing. Please allow 24 hours to receive your confirmation on requested change. If not received please assume the Secondary Department did not receive the original request.

8. Product Changes

Any change in product whether the loan is locked or in an expired status is subject to *worse case price*. These Product changes must be completed online 24 hours prior to closing. Please allow this time frame to receive your confirmation. If the confirmation is not received, please assume the Secondary Marketing Department did not receive it.

9. Property Change

Locks cannot be transferred from property to property. If subject property address is changed the loan must be priced using current days rates.

10. Overnight Protection

Overnight protection is not offered by FundNation Funding.

Any policy exceptions must be cleared through the Secondary Marketing Department.