

C · M · G

M O R T G A G E

Effective March 8th 2010, *CMG Mortgage* will adhere to the following Lock Extension, Re-Lock, Roll-down, and Program Change policies:

LOCK EXTENSION POLICY

	5 days	10 days	15 days
Better in fee			
0 -.750	0.000	0.125	0.375
> .75	0.000	0.000	0.250
Worse in fee			
0 -.50	0.125	Market	Market
> .50	Split the difference	Market	Market

* Only one extension can be requested per loan

* Extension fees can not be absorbed by using program max pricing caps

RE-LOCK POLICY

Loans are eligible for re-lock beginning 1 day after cancellation.

Expired locks, and locks cancelled by Broker:

- Expired/Cancelled **not more than 30 days prior**: *re-locked for 21 days at worst-case 30-day pricing.*
- Expired/Cancelled **more than 30 days prior**: *re-locked at current pricing*

Locks cancelled by CMG:

- **Advanced locks with files not received by their due dates*** will be cancelled by CMG, and the loan cannot be re-locked until it receives underwriting approval, and then at worst-case pricing.

- **Loans which have been U/W declined** may re-lock under a new program using worst case pricing.

ROLLDOWN POLICY

- Only the #100 Series, #3101, #4101 loan program are eligible for the following roll down policy (*roll down requests for all other loan programs will be handled on a case by case basis*):
- Current market price must be .750 better in fee than the original lock price to be eligible for a Price or Rate Rolldown Improvement.
- File must be ready for docs. **(All PTD's must be signed off)**.
- Lock must be active (not expired or cancelled)
- Must be an approved broker.
- Active, eligible locks may only be Rolled Down one time.

If all of the above criteria are met, you may request a onetime Rolldown. **The borrower's rate must be improved by at least an .125%**, at which point we will calculate the difference between current market ratesheet base price and the originally locked ratesheet base price, using the originally requested lock term. We will improve the base price from original lock date by 50% of the difference, using the new reduced interest rate. The original lock expiration date will remain in effect.

FOR EXAMPLE:

Locked at 5.375 @ (.500) base rebate (30 days) *must move down by at least .125*

Original base pricing	Current base pricing	Diff
5.25 @ (.250) base rebate (30 days)	5.25 @ (1.250) base rebate (30 days)	1.000

So 5.25 @ (.250) + (.50) final rolldown pricing 5.25 @ (.75) base rebate (LLA's not included)

OR

Locked at 5.500 @ (.500) base rebate (8 days) *must move down by at least .125*

Original base pricing	Current base pricing	Diff
5.25 @ .250 base cost (8 days)	5.25 @ (1.000) base rebate (8 days)	1.250

So 5.25 @ .250 + (.625) final rolldown pricing 5.25 @ (.375) base rebate (LLA's not included)

The above examples already accounted for at least an .125 reduction in rate

PROGRAM CHANGE FOR A LOCKED LOAN

If a Loan Program Change request is made for a currently active, locked loan, the loan will be **Re-Locked** for 21 days and be subject to worst case 30 day pricing under the following scenarios:

- Changing from a **#100 Series** or the **#3101** loan program to any other loan program.

**THESE POLICIES ARE 'AS IS', AND ARE SUBJECT TO
CHANGE AT ANY TIME WITHOUT PRIOR NOTICE.**