

Rate locks must be submitted by 4:30PM PST and will be confirmed via email within 60 minutes of receipt. It is the responsibility of the client to review the confirmation for accuracy. Disputed locks will not be guaranteed without lock confirmation. Bay Equity LLC reserves the right to refuse lock requests or to change rates at any time due to fluctuations in the secondary market. A notice will be communicated to our clients when a re-price is in effect.

Tier 1 Client – Pre-lock Requirements and Restrictions

1. A File will need to be Registered with an Automated Underwriting approval generated by EDGE prior to locking. All Tier 1 clients must be up and running on EDGE before they will be eligible to pre-lock.
2. Orange Label files must have an underwriting approval to be eligible for lock. Changing from a standard product to an Orange Label product will be considered a re-lock and will be subject to worse case pricing.
3. Loans that require Mortgage Insurance (MI) must be approved by the MI provider to be eligible to lock.
4. Loan files must be received within 3 calendar days of a 25 pre-lock and 15 calendar days of a 40 day pre-lock
5. 12 day locks are ONLY available for files that are ready for docs with all PTD conditions signed off by the underwriter.

Orange Label Product – Must have an Underwriting Approval to Lock

The Orange Label product should only be utilized by an originator who has a thorough understanding of the guideline overlays and can communicate the overlays, and risks of not being able to comply with these overlays, to their clients. This product is exclusively for the highest grade transactions, and any unique scenarios or properties will likely be rejected.

A file must be Approved and determined Orange Label eligible by an underwriter to lock Orange Label pricing. If a transaction is locked with Orange Label pricing, and then at any point in the underwriting process it is determined that the transaction does not qualify for the Orange Label product, this will be considered fall out, the file will need to relock, and the pricing will be based on a "Worse Case" scenario. This means that we will compare the standard pricing from the day the file was locked on Orange Label pricing with the pricing for the day of relock, and the relock pricing will be based on the worse of these two rate sheets. There will be no exceptions to this policy, and eligibility is based entirely on the discretion of the underwriter.

Orange Label Extensions – If an Orange Label file does not fund by the lock expiration date, the cost to extend the lock will be 0.25% and the file will be given another 10 days to fund. If the file does not fund within this extension period, it will be subject to worse case pricing including a 0.50% relock fee.

Tier 2 Client

Tier 2 clients need a full underwriting approval prior to locking. If a loan is being locked prior to being clear to close, the file must locked on a 25 or 40 day lock period. **Loans that require Mortgage Insurance (MI) must be approved by the MI provider to be eligible to lock.**

Clients can become Tier 1 with Bay Equity if they have locked and closed a minimum 4 out of 5 loans. They can also become a Tier 1 client if they provide proof to Bay Equity that they are currently Tier 1 with Provident, Wells or BofA. **The turn time on upgrading a client from Tier 2 to Tier 1 is 24 hours.**

Lock Periods

- 12 day – Best Effort Commitment (File Must Be Ready for Docs – All PTD Conditions Signed Off)
- 25 day – Best Effort Commitment
- 40 day – Best Effort Commitment

Extensions

Extension fees will be applied regardless of market movement. A maximum of 2 extensions will be allowed, not to exceed 30 days total. Extensions are requested by emailing the secondary marketing department at lock@bayeq.com.

Fixed Rate Agency Products (excluding Open Access and Home Path):

- First 7 Day Extension = 0.10% COST
- Second 7 Day Extension = 0.15% COST
- First 15 Day Extension = 0.20% COST
- Second 15 Day Extension = 0.25% COST

ARMS or Specialty Products – 0.15 COST for each 5 days - Maximum of 2 Extensions

If a lock expires and loan documents have been issued, we will automatically apply an extension that may need to be absorbed by the Originator to avoid re-disclosure.

Relock

Re-Lock will be at current market or the original lock *plus* applicable extension fees, whichever is worse. To be eligible for re-pricing without extension fees, the client must wait 60 days from the lock cancel date, which may be later than the lock expiration date. Locks can be cancelled by emailing lock@bayeq.com.

Revisions

Revisions to the product, term, property address, or occupancy type will be subject to worse case pricing.

Off Sheet Pricing

Off sheet pricing may be available on a case by case basis. Email lock@bayeq.com for further information.

Renegotiations

Renegotiations may be available on a case by case basis. Email lock@bayeq.com for further information.