



CLIENT GUIDE | CHAPTER 3

Loan Registration and Lock Policies with Gateway First Bank

CORRESPONDENT LENDING



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Daily Rates and Price Notification

General

Clients are notified of daily rates and prices as follows:

- For TVLB Loans please refer to Gateway's TVLB Product Description on our website.
- Rate sheets will be distributed daily via email and selected pricing engines.
- Rates and prices are valid until 11:59 p.m. CT. There is no overnight protection available. Locks for first liens must be completed online in our GEMS portal.
- Second Liens must be locked manually with our Commitment Desk between 8:00 a.m. and 6:00 p.m. CT after locking your first lien purchase loan in GEMS. See further details in Loan Registration and Lock Procedures below.
- Pricing will be available from the time the first rate sheet is posted until 11:59 p.m. CT. Commitment Desk personnel can be reached from 8:00 a.m. until 6:00 p.m. CT at 855.825.6520 or Corrlock@GatewayLoan.com.
- Price Adjustments and SRP schedules can be found on the rate sheet(s).
- Final price quoted on all Lock Confirmations includes adjustments and SRP.

Volatile market conditions may dictate that prices change more than once per day. Gateway will notify Clients of price changes when possible; however, there are circumstances when the Secondary Marketing department must temporarily close the Commitment Desk until revised pricing is available.

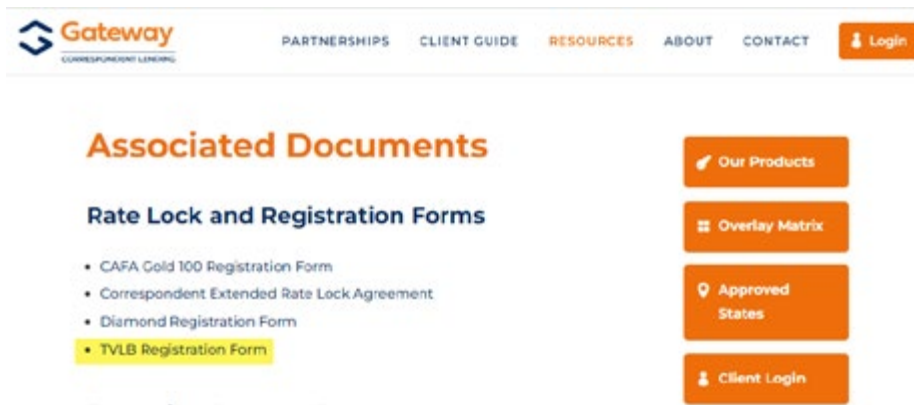


Loan Registration and Lock Procedures

General

Clients must register and/or lock and extend first liens electronically through Gateway First Bank, Correspondent Lending website portal, Gateway's Expert Mortgage System "GEMS".

For TVLB Loans please refer to Gateway's [TVLB Registration Form](#) on our website.



Additionally, the following loan registration and lock policies apply:

- All loans must be locked prior to submission for prior underwriting or exception consideration (not available on all loan programs/products); and
- All loans must have a registered lock no later than one (1) business day prior to delivery
- Clients must email the Commitment Desk at Corrlock@GatewayLoan.com for any post-lock changes.



Escrow Waivers

Policies and procedures regarding escrow waivers are:

- For TVLB Loans please refer to Gateway's TVLB Product Description on our website.
- Escrow waiver price adjustments for Conforming loans may vary according to loan terms and state. See the SRP Schedule for specific escrow waiver price adjustments.
- Escrow waivers for Conforming loans allowed for all states with LTV 80.00% or less (90.00% in California) if loan is not HPML.
- Escrow waiver allowed for Conforming loans for all states (except California) when LTV is >80.00% up to 90.00% if all items listed below are met:
 - Loan is not HPML
 - Maximum DTI 40%
 - Minimum Credit Score 700
 - Mortgage Insurance must be single premium (Lender or Borrower paid)
 - No Bankruptcy, Foreclosure, Short Sale or Short Payoff dismissed, discharged or completed in last 3 years
- Hazard Insurance includes ALL policies covering ALL applicable perils per Agency Guidelines.
- **If waiving escrows for taxes ONLY or hazard insurance ONLY or if waiving for BOTH taxes and hazard insurance, the full Escrow waiver fee adjustment applies. Select "Yes" for Waive Escrows in GEMS.**
- Escrow waiver for flood insurance is not allowed for properties requiring flood insurance, however, even if flood insurance is required to be escrowed, waiving hazard insurance and taxes for the property is allowed and fees are charged as applicable.
- Escrows for flood insurance will not be required for loans secured by property that is part of a condominium, cooperative, or other project development, if the property is covered by flood insurance provided by and paid for, as a common expense, by the condominium association, cooperative, homeowners association, or other applicable group.
- If an escrow waiver is requested within ninety (90) days after Gateway purchases a loan, the Client will be billed for the escrow waiver fee price adjustment.

Confirmations

Follow these policies and procedures for confirmations:

- For TVLB Loans please refer to Gateway's TVLB Product Description on our website.
- Lock confirmations are available in the GEMS portal by selecting Lock History, View Lock Confirmation.
- Lock Confirmation will be generated once a valid lock is entered in GEMS.
- If Lock Confirmation is not generated, please contact Commitment Desk Corrlock@GatewayLoan.com.
- It is the Client's responsibility to review each Lock Confirmation for accuracy.
- If the Client notes any discrepancies, they should contact the Commitment Desk immediately.
- In the event of a discrepancy between the price stated on the Lock Confirmation and the price as calculated using the published rate sheet as of the day and time of the lock, the published rate sheet will prevail.



Lock Policies

General

Gateway's general lock policies are as follows:

- For TVLB Locks please refer to Gateway's TVLB Product Description on our website.
- Lock periods for first liens are available for 7, 15, 30, 45 and 60-day terms.
- Lock period for the second lien is 45 days.
- Lock confirmations are tied to the property address. If the property address changes, a new lock is required at current market pricing. If the property changes back to any previous address locked with the borrower, the pricing will be subject to worse case.
- Locks with weekend or holiday expiration dates will expire on the first business day following the stated expiration date.
- If the loan amount changes by more than 10% of the original principal balance, the difference between the final loan amount and the loan amount on the lock will be subject to the worse of current market or original lock date pricing.
- Gateway offers the option to select a term from 8 to 30 years on conventional purchase and refinance loans for first liens, with pricing based on the closest traditional amortization term. As a reminder, the final 1003, all closing documents and AUS findings must reflect the correct amortized term.
- Clients are required to use the AUS System that corresponds with the selected Agency Loan Program (AUS Pure). The reason for this requirement is there may be a difference in pricing between FNMA (CF30) vs. FHLMC (CF30-FHLMC) on Gateway's Rate Sheet and in the GEMS System. If you Price/Lock a FHLMC Loan Program, clients MUST use and deliver LP as the AUS Findings. If a FNMA Loan Program will be Price/Locked, clients will be required to use and deliver DU as the AUS Findings".
- Clients should review product descriptions and guidelines before locking a loan to ensure the loan meets Gateway's policies. Acceptance of a lock by Gateway does not guarantee loan eligibility.
- Clients must ensure the rate and pricing selected does not exceed any applicable agency, state or federal "high cost", or similarly restricted pricing limits. Gateway does not perform any points and fee testing prior to accepting locks.
- "Best efforts" delivery is expected on all locked loans. Clients must make every effort to close the loan according to the terms of the Lock.
- If the borrower changes the type of loan requested so that the terms of the loan no longer agree with the terms of the Lock, the Client must notify the Commitment Desk and the loan will be re-priced.
- Loan delivery is "mandatory" on closed loans that are locked with Gateway.
 - It is an event of default, under the Gateway First Bank, Correspondent Lending Loan Purchase and Sale Agreement, if a loan subject to a "best efforts" lock closes but is not delivered to Gateway. In the event of such a default, notwithstanding the remedies outlined in the Agreement, Gateway may charge the Client a pair-off penalty. The pair-off penalty will not be less than the quoted loan price on the expiration date of the Lock less the Lock price, with a minimum penalty of one eighth of one percent (0.125%) of the loan principal.
- If a locked loan is withdrawn, an audit may be completed to verify that the borrower has withdrawn the loan.
- If AUS Findings delivered do not match the Agency Locked Loan Program, pricing will be adjusted based on the delivered AUS Findings for purchase at the date/time of initial Locked Loan. The Agency locked program name needs to match supporting AUS Findings. If a locked loan is going to use different AUS Findings than the Loan Program allows (DU findings on a CF30-FHLMC), please contact the Gateway Commitment Desk to update findings and adjust price to supported AUS Findings.



Lock and Shop Program

Gateway's Lock & Shop program gives your borrower peace of mind while shopping for their new home and helps alleviate the stress related to interest rate fluctuations. When the sales contract has been fully executed and submitted to Gateway, the borrower has the option to either keep their original rate or float down to current market. A "TBD" address is used at time of lock.

All properties must be primary residence, purchase only.

The Lock and Shop Program is available for Conforming Fixed Rate, FHA Fixed Rate, and VA Fixed Rate 30 and 15-year terms. FHA 184, RD, High balance, TVLB and Specialty Loans are not allowed.

Locking Process: Client locks with Gateway using "TBD" for the address and a 60-day Best Effort Lock with one of these loan programs selected.

- BE-CF15-FHLMC-LS
- BE-CF30-FHLMC-LS
- BE-CF15-LS
- BE-CF30-LS
- BE-F15-LS
- BE-F30-LS
- BE-V15-LS
- BE-V30-LS

Once all parties have accepted and executed a sales/purchase contract, the following steps must be taken:

- Within 2 business days of the execution date, the sales/purchase contract must be uploaded to the GEMS portal.
- Within 2 business days of the execution date, client must email corrlock@gatewayloan.com and choose one of the following two (2) options:
 - o Client selects Original Lock Terms
 - Gateway Commitment Desk will clear original lock information
 - Upload the most current MISMO 3.4 file when updating your lock
 - Client relocks loan at original rate for 45 days in GEMS and notifies commitment desk the loan has been locked.
 - Selected Loan Program must be a non-LS product.
 - Commitment Desk will update base pricing to match original base lock price and the desk will respond to the email when the pricing has been updated.
 - Loan Type and Amortization term cannot change.
 - **This process must be completed before the next rate change.**
 - o Client selects to lock at current Market Price/Rate
 - Gateway Commitment Desk will clear original lock information
 - Upload the most current MISMO 3.4 file when updating your lock
 - The client can choose 15, 30, 45, 60 or 75 days to lock.
 - Selected Loan Program must be a non-LS product.
 - Pricing will be current market.

Client is responsible to check the GEMS portal for lock accuracy based on their email request.

- o Please double check that the requested rate matches the locked rate.
- o Contact commitment desk immediately if requested rate differs from the locked rate.



Extended Lock Program

Extended locks are available for Conforming Fixed Rate and FHA Fixed Rate 30 and 15-year terms. High balance and TVLB Loans are not allowed.

All properties must be primary residence, new construction only.

A float down option is available and it must be exercised prior to closing. The client may choose from the 15, 30, 45, or 60-day lock periods at float down. If the float-down is exercised, the lock expiration date will be the sooner of the lock term selected at float-down or the original lock expiration date. Lock extensions after the float-down are subject to Gateway's extension policy. Loan level price adjustments (LLPA) are based on the original lock date or the date the float-down is exercised.

An extended lock requires completion and execution of Gateway First Bank, Correspondent Lending Extended Rate Lock agreement and an upfront lock fee to be submitted within 5 business days from the original lock date. Check submitted must be from the Client payable to Gateway First Bank. Checks from Borrowers to Gateway and or Borrower checks endorsed to Gateway will be returned as unacceptable. The upfront lock fee is 1.00% of the total loan amount at the time the loan is locked. The lock fee will be refunded on the date the loan is purchased by Gateway. You may also request it refunded if the Borrower does not complete the purchase transaction.

A copy of the executed Gateway First Bank, Correspondent Lending Extended Rate Lock agreement and a check for the lock fee must be sent by express mail, for tracking purposes to:

Gateway First Bank, Correspondent Lending
Attn: Susan Wheeler or Jan Rice
Accounting Department
244 South Gateway Place Jenks, OK 74037-3448

Extended Lock Period Options:

Lock Period	Extended Lock Adjustment
90 days	60 Day Base + 0.250 to Rate
120 days	60 Day Base + 0.375 to Rate
150 days	60 Day Base + 0.625 to Rate
180 days	60 Day Base + 0.875 to Rate
210 days	60 Day Base + 1.125 to Rate
240 days	60 Day Base + 1.375 to Rate
270 days	60 Day Base + 1.625 to Rate

Single Loan Mandatory

TVLB Loans are excluded from Single Loan Mandatory sale at time of lock.

Once the loan is delivered it becomes a mandatory commitment and conditions must be cleared within Gateway's 30-day purchase by date.

Eligibility: Clients must be prior-approved by Gateway First Bank, Correspondent Lending to execute mandatory locks. Clients who are interested in obtaining mandatory approval should contact their Regional Sales Manager for eligibility requirements.



Single Loan Mandatory (continued)

Mandatory Commitment Periods: 7 and 14-day locks only.

Lock Extensions: If Clients exercise a lock extension before the current expiration date, Mandatory locks may be extended up to 3 times for a maximum of 30 days as follows:

3 Days: .0375%
7 Days: .0875%
15 Days: .1875%
30 Days: .3750%

Automatic Extensions on Delivered Loans:

If the file is delivered on or prior to the Lock Expiration Date, Clients have up to ten (10) calendar days after the Lock Expiration Date for the loan to be reviewed and purchased. If the loan is not purchased within ten (10) calendar days from the Lock Expiration Date, the loan will automatically be extended seven (7) calendar days and assessed a .0875% extension fee. This automatic extension and fee assessment will repeat every seven (7) calendar days up to a maximum of 30 days from the original Lock Expiration Date. If all suspense conditions are not cured and the loan is not purchased within thirty (30) calendar days from the original Lock Expiration date, Gateway has the option of continuing to extend the loan as indicated above or deciding that the loan is no longer eligible for purchase and returning the loan file to the Client.

Loan Substitutions: If a client is unable to deliver a loan that was committed under a mandatory lock, Gateway will allow the client to substitute a similar loan in its place at no penalty. Substituted loans must be the same product code, note rate, and loan amount (within 2%) as the original loan.

Pair-off Fees: Clients are charged a mark-to-market pair-off fee if the Client fails to deliver loans locked under a mandatory commitment.

Pair-off fees are assessed to a Client as of a pair-off assessment date that is determined by:

- The date the Client notifies Gateway of an election to not deliver a loan, or The date the Client notifies Gateway of an election to make a substitution (the pair-off will be applied to the difference, if any, between the original lock amount and the substituted loan amount), or The close of business of a lock expiration date (delivery date) if the loan is not delivered, or when Gateway determines that a loan delivered by the Client is not eligible for purchase.

Pair-off Calculation and the Payment of Pair-off Fees:

- If the current market price (for the same interest rate) is higher (better) on the lock expiration or assessment date, a pair-off fee equal to the difference between the lock confirmation base price minus any extension fees and the posted current base price, as a percentage of the loan amount will be charged.
 - Example: \$200,000 loan locked at 101.000, current market at 102.000:
\$200,000
x 1.000%
= \$2000.00 Pair-off Fee
- If the current market price (for the same interest rate) is the same or lower (worse) on the lock expiration or assessment date, a .125% pair-off fee of the loan amount will be charged.
 - Example: \$200,000 loan locked at 101.000, current market at 100.000:
\$200,000
x .125%
= \$250.00 Pair-off Fee



Re-Locks, Expirations, Extensions and Renegotiations



Re-Locks and Expired Locks

Re-locks and expired rate lock policies and procedures are:

- For TVLB Loans please refer to Gateway's TVLB Product Description on our website.
- If the original lock term expired within the last 30 days, a one-time "Re-lock" may be granted under the following terms:

Re-lock Term	Re-lock Price
1-7 days	Worse of: Current 15-day price-or-Original Price minus any extensions fees applied for new desired expiration date
8-15 days	Worse of: Current 30-day price-or-Original Price minus any extensions fees applied for new desired expiration date
16-30 days	Worse of: Current 45-day price-or-Original Price minus any extensions fees applied for new desired expiration date

- The loan must meet guidelines in place at the time of the re-lock.
- If the original lock has been expired for more than thirty (30) days, the loan is re locked at current market pricing. Loan cannot have closed prior to the re-lock date.
- If a loan has been expired for more than forty-five (45) days, the loan will automatically be canceled from Gateway's pipeline.
- All exceptions to pricing policies are negotiated on a case-by-case basis.



Extension Fees

For TVLB Loans please refer to Gateway's TVLB Product Description on our website.

The extension of an existing first lien lock must be completed prior to expiration. A loan may be extended up to three (3) times for a maximum of thirty (30) days total. After the third extension or extensions exceeding thirty (30) days, the loan is subject to worse case pricing. See below for extension terms and fees:

Extension Term	Extension Fee
1-3 days	.0375%
4-7 days	.0875%
8-15 days	.1875%
16-30 days	.3750%

Notes

- The loan must meet guidelines in place at the time of the extension
- Policies are subject to change without notice.

Renegotiations

For TVLB Loans please refer to Gateway's TVLB Product Description on our website.

Lock renegotiations are evaluated on a case-by-case basis. Please contact your [Regional Sales Manager](#) for consideration of a specific case.

Program Changes

For TVLB Loans please refer to Gateway's TVLB Product Description on our website.

Please utilize the following table if a program change is necessary during an existing lock period:

Original Program	New Program	Rate Sheet
Fixed > 15 Years	Fixed > 15 Years	Original
Fixed <= 15 Years	Fixed <= 15 Years	Original
Fixed > 15 Years	Fixed <= 15 Years	Worse Case
Fixed <= 15 Years	Fixed > 15 Years	Worse Case
ARM	Other ARM Product	Original
ARM	Fixed	Worse Case
Fixed	ARM	Worse Case



Fallout Policy

General

Gateway's general lock policies are as follows:

- Gateway's ability to offer competitive pricing is directly affected by our Clients' ability to manage their fallout ratios at an acceptable level. Fallout occurs when a loan is not delivered for purchase. A loan is considered a fallout loan if:
 - the lock expired prior to the loan delivery
 - the loan was denied
 - the loan was withdrawn
- Clients are responsible for notifying the Commitment Desk within one (1) business day if a loan falls out due to denial or withdrawal.
- Gateway reserves the right to charge a pair-off fee for any locked loan that is closed but not delivered to Gateway.
- The pair-off fee is calculated by taking the difference in original price and current market and multiplying that figure by the loan amount.
- The minimum pair-off fee is 0.125% of the loan amount



Automatic Extensions on Delivered Loans

General

The following applies to delivered loans and extensions:

- For TVLB Loans please refer to Gateway's TVLB Product Description on our website.
- Imaged files must be received by 3:00 p.m. CT on the lock expiration date to be counted as received that day. If the file is delivered for purchase on or prior to the Lock Expiration Date, Clients have up to ten (10) calendar days after the Lock Expiration Date for the loan to be reviewed and purchased. Gateway strives (intends/goal) to purchase all loans within 10 days of the earlier of the lock expiration date or the loan submission date. Loans are expected to be purchased no later than 30 calendar days from the submitted for purchase date.
- If the loan is not purchased within ten (10) calendar days from the Lock Expiration Date, the loan first lien will automatically be extended seven (7) calendar days and assessed a .0875% extension fee. This automatic extension and fee assessment will repeat every seven (7) calendar days up to a maximum of 30 days from the original Lock Expiration Date.
- If all suspense conditions are not cured and the loan is not purchased within thirty (30) calendar days from the Loan Delivery date, Gateway has the option of continuing to extend the loan as indicated above or deciding that the loan is no longer eligible for purchase and returning the loan file to the Client.
- Loans submitted earlier than the lock expiration date are expected to be purchased within thirty (30) calendar days

Return of Mortgage Loans

The decision to continue to extend the loan or return the file to the Client will be discussed by the Correspondent Operations Manager and the Regional Sales Manager.

