



Guild Mortgage Lock Policy Index

(effective for loans locked on or after 2/16/2010)

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- Address Changes
- Loan Amount Changes
- Loan Program Changes
- Extensions
- Relocks

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As of 2/16/2010

GMC Secondary Marketing and Lock Policy

(Revised 2/16/2010)

GENERAL SECONDARY MARKETING POLICIES

PRICING TIMING

Pricing is set daily between 8:00 a.m. and 9:00 a.m. PST. Occasionally, market conditions may cause Secondary Marketing to re-price, once or more times throughout the day. Notification of price changes will be distributed to the Branches via email **and are effective based on the time stamp in the body of the email regardless of the receipt or delivery time.** The ability to lock, extend or re-lock loans will be suspended until updated pricing has been reposted. Any loan program, interest rate, or pricing posted on the rate sheet is available to all Guild borrowers. Guild Mortgage does not offer overnight protection or after hours locking. Programs and pricing are subject to change without notice.

LOCKING

Loans may be locked through MyKey, in accordance with the time frames and lock periods noted on the rate sheet once the daily rates are posted. Loans may be locked once the Originator has a complete loan application (1003), current credit report and an estimate of value (for refinance transactions), and in the case of a purchase transaction, a purchase and sale contract that has been signed by both Buyer and Seller. **It is the Originator's responsibility to insure the length of the lock provides enough time so that loans can reasonably be expected to close within the original lock period. All loans which are locked with a borrower, either verbally or in writing must be locked in with Guild's Secondary Marketing Department. Loans which have verbal request from the borrower to lock must have a signed Statement of Lock Policy form within 72 hours of the time of the verbal agreement.**

If a desired program or interest rate is not posted, the Originator may make such a request directly to Secondary Marketing via Markcomm.

MEETING THE LOCK

A loan must close before the funding cutoff on the day in which the lock expires. If a lock expires on a bank holiday or weekend, the loan may close by the funding cutoff of the next business day.

LOCK PULL THROUGH

Lock pull through is measured by the number of loans funded compared to the number of loans locked. The pull through percentage is measured for branches and individual Originators. Currently acceptable lock pull through is defined as having a pull through percentage of 80% or higher. Branches or individuals who consistently fall below this threshold may be subject to suspension of the ability to lock prior to full underwriting approval. The Lock Pull Through Report may be viewed by Branch Managers and Loan Originators by going to the Corporate Production section of MyKey.

ALTERNATE TYPES OF LOCKS

Advance Locks: An Advance Lock occurs when an Originator requests a lock prior to the borrower's application being input into MyKey (complete application, current credit report, current estimate of value and purchase and sale are still required). **The Advance Lock screen should only be used if and when you are unable to lock using "My Loans" or "Loan Application" screens. Contact the Training Department for details.**

MARKCOMM

The MARKCOMM system is designed to transmit lock requests and other communication to Secondary Marketing that cannot be sent over the standard Loan Commitment Lock-In screen. The MARKCOMM system is available for use during normal business hours (8:30 am to 5:00 pm PST M-F) except during mid-day pricing changes.

There are four different types of communication that can be sent via MARKCOMM. The choices available are:

1. N = New App: This communication type is to be used for locking Bond loans or loans that have received a guideline exception that may not be locked using the standard lock-in screen on MyKey. **If this method of locking is used a Guild Mortgage application number must be generated via MyKey and that number needs to be communicated to Secondary within 3 days of lock.**
2. E = Extension: Use this communication type for an extension request (application number required).
3. R = Relock: Use this code for a relock request (application number required).
4. C = Commentary: Use this communication type when sending any communication to Secondary Marketing excluding those listed above.

After choosing the appropriate communication type the MARKCOMM system will prompt the user for any additional information needed to complete the request.

PROGRAM/ PRODUCT CHANGES

See individual policies listed under the Guild Mortgage Hedged Products (*page 3*) or Guild Mortgage Investor Specific lock sections (*pages 5-7*) listed below.

EARLY PAYOFF

Refinances of Guild Mortgage loans that have funded in the preceding 6 months may be subject to premium recapture. Contact your Branch Manager for details.

BROKERED LOANS

A branch may only broker a loan that was previously locked with Guild Mortgage Company if a full credit package was declined by a Guild Underwriter. If this occurs, the Originator should inform Secondary Marketing as soon as possible. **Loans not meeting this criteria will be subject to a full market pair off fee. Contact Secondary for details. Example: if the current market price (based on the date that the loan is switched to a brokered transaction in MyKey) on the same program, same rate and same lock term is 50 bps better than the original lock date, the full market pair off fee would be 50 bps of the locked loan amount. This fee would be charged in addition to any other Broker fees assessed at the branch level, contact Branch Manager for details.** Loans may only be brokered to wholesale lenders that are listed on the current approved Broker list posted on MyKey.

LOCK POLICIES

GUILD MORTGAGE HEDGED PRODUCT LOCK POLICY

(Non hedged program lock policies are on pages 5-7)

Guild Mortgage Hedged Loan Products Table
FHA, VA, FNMA, FHLMC, Government Preferred Fixed, Agency Preferred, DU Refi Plus

ADDRESS CHANGES

It is the Originator's responsibility to insure that the address has been entered correctly in to MyKey prior to locking any loan, and that the final lock confirmation has the correct property address and loan parameters listed. Please review all lock confirmations immediately upon receipt and communicate any errors the same business day via Markcomm.

If an address change is due to the property falling out as a result of the cancellation of the current purchase and sale agreement, the existing lock is void and a new lock may be requested using **current** market pricing. In this circumstance the existing lock must be cancelled via Markcomm **within 24 hours of purchase and sale agreement cancellation**. If the lock is not cancelled within 24 hours of purchase and sale cancellation, the loan may be subject to a .125 relock fee.

Address Errors:

- A **non-material** change to the locked address (i.e. avenue to street, SW to NW, zip code, etc.) does not void the existing lock. In this case, the correction needs to be communicated to Secondary via Markcomm as soon as possible.
- A **material** change to the locked address (i.e. street name, city, unit number, etc.), lock will be subject to the address change policy listed above.

If an address error (or any other error) is found on the lock confirmation, Secondary must be notified via Markcomm within 2 hours of lock confirmation issuance to correct the error or the loan maybe subject to the address change policies described above. Lock confirmations are emailed to the Originator and Processor once they are accepted by Secondary Marketing and may also be viewed in MyKey under the "My Loans" section.

LOAN AMOUNT CHANGES

Unless otherwise specified, when fulfilling a loan commitment there is a delivery variance (loan amount change) threshold.

The delivery variance/threshold is the greater of \$40,000 or 10% of the loan amt (plus /minus). The fee for loans that are out of delivery variance (loan amount) tolerance is .125 pts. and will be deducted from the current lock price.

*Example- If the loan amount on a \$100,000 locked loan is increased or decreased by \$40k or more, there would be a .125 pts out of tolerance delivery fee assessed to the current lock price.
Any loan amount changes to this example of less than \$40k would not incur a fee.*

LOAN PROGRAM/ PRODUCT CHANGES

Program/ product change **within** Guild Mortgage hedged product table are subject to **original lock date price**, program/ product changes **outside** of the Guild Mortgage hedged product table will result in **worse case pricing***. See table at top of page for loans that are considered Guild Mortgage Hedged loan products.

See examples below:

Examples of Guild Mortgage Hedged Product/Pricing Changes

(see list of applicable products shown in "Guild Mortgage Hedged Products" table on page 3)

From	To	Pricing
FNMA	FHA	Original Lock Day
FHA	VA	Original Lock Day
FHA	Agency Preferred	Original Lock Day
Agency Preferred	Gold Preferred	Worse Case
FNMA	Gold Preferred	Worse Case
Gov't Pref'd Fixed	Government Preferred Arm	Worse Case

Examples of Investor Specific Program/ Product Changes *(always worse case)*

(see list of applicable products shown in "Investor specific Products" table on page 5)

From	To	Pricing
Gold Preferred	FNMA	Worse Case
Gold Preferred	FHA/ VA Fixed	Worse Case
WinWorld Arm	FNMA	Worse Case
High Balance (FNMA, VA, FHA)	Agency Preferred	Worse Case
Gold Preferred	FNMA	Worse Case
Government Preferred Arm	FHA/ VA Fixed	Worse Case

**Worse case pricing is the lower (worse) pricing between the original lock date price and the current market price.*

Example- current market is 101.00 after all price adjustments and original lock day pricing is 102.00, worse case price would be 101.00.

EXTENSIONS

Loans may be extended **one time** and for no greater than 30 days beyond the original lock expiration date. The loan must be at the “submitted to underwriting” stage or beyond, in order to be eligible for an extension. Loans that require extensions beyond 30 days are handled on a case by case basis, contact Secondary Marketing for details. Lock extension requests must be submitted through Markcomm no later than **3:00 pm PST** on or before the current lock expiration date as shown on the MyKey lock confirmation.

<u>Lock Extension Fee Table</u>	
5 days =	.125 pts
10 days =	.250 pts
15 days =	.375 pts
20 days =	.500 pts
30 days =	.625 pts

EXTENSIONS FOR LOANS THAT ARE LOCKED FOR LESS THAN 30 DAYS

Loans that are locked with lock terms of less than 30 days may be eligible for extension and will be priced using the **higher of** the worse case pricing **or** the applicable lock extension fee (see lock extension fee table above). Loans must be at the “submitted to underwriting” stage or beyond to be eligible for extension. Extension requests must be submitted through Markcomm no later than **3:00 pm PST**.

- If the worse case price is **less than or equal** to the extension fee (see lock extension fee table), the extension is subject to the applicable extension fee.
- If the worse case price is **greater** than the extension fee (see lock extension fee table), the extension will be subject to the worse case price and no additional extension fees.

Example #1

The current market is **BETTER** by .125 in price compared to the original lock date. A 15 day extension would be subject to the extension fee of .375 pts (see lock extension fee table)

Example #2

The current market is **WORSE** by .125 in price compared to the original lock date. A 15 day extension would be subject to the extension fee of .375 pts (see lock extension fee table).

Example #3

The current market is **WORSE** by .625 in price compared to the original lock date. A 15 day extension would be subject to the worse case price of .625 pts and no additional extension fees.

RELOCKS

Locks that have expired may be eligible for relock and will be priced using the **higher of** the worse case pricing **or** the applicable lock extension fee (see lock extension fee table above). Loans must be at the “submitted to underwriting” stage or beyond to be eligible for relock. **The relock period will be charged from the lock expiration date or cancellation date.** After 60 days from lock expiration or cancellation, the loan will be subject to current market pricing. Relock requests must be submitted through Markcomm no later than **3:00 pm PST**.

- If the worse case price is **less than or equal** to the extension fee (see lock extension fee table), the relock is subject to the extension fee.
- If the worse case price is **greater** than the extension fee (see lock extension fee table), the relock will be subject to the worse case price and no additional extension fees.

Note: Relocks are subject to not only worse case base pricing, but additionally may be subject to new/increased price or rate adjustments and/or new loan program guidelines.

Example #1

The current market is **BETTER** by .125 in price compared to the original lock date. A 15 day relock would be subject to the relock fee of .375 (see lock extension fee table above)

Example #2

The current market is **WORSE** by .125 in price compared to the original lock date. A 15 day relock would be subject to the relock fee of .375 (see lock extension fee table above)

Example #3

The current market is **WORSE** by .625 in price compared to the original lock date. A 15 day relock would be subject to the worse case price of .625 and no additional extension fees.

RENEGOTIATIONS

A rate lock renegotiation may be allowed under certain market conditions at the discretion of Secondary Marketing and is subject to acceptable lock pull through by the Originator and/or branch. The request must be initiated by the borrower and must directly benefit the borrower through a lower interest rate and/or reduced fees. Renegotiation requests must be submitted through Markcomm no later than **3:00 pm PST**. Please make a note of the new expected rate and price in your Markcomm request so that Secondary Marketing can confirm that the pricing is valid.

The following restrictions are applicable for all renegotiated loans:

- Current market must be at least **125 bps** improved (*improvement based on the same rate and lock term as the original lock*)
- File must have full underwriting approval
- Loan must be close within the **lesser** of 10 days of the renegotiation date or the current expiration date
- Only 1 renegotiation per file
- New pricing will be calculated on current market, plus an .125 to the rate **and** 50 bps to price, and will be based on the same lock period as the original lock period
- Maximum commissionable fees cannot exceed 100 bps (Origination and rebate pricing combined. Bonafied discount is not counted in this calculation)
- Any loan that is locked in-house and then ultimately brokered out will be subject to a full market pair off fee
- No extensions allowed on renegotiated locks
- No renegotiations allowed on loans locked in the preceding five (5) days
- No renegotiations allowed on loans that have already received a branch or secondary pricing exception/concession

GUILD MORTGAGE INVESTOR SPECIFIC PRODUCT LOCK POLICIES

(Guild Mortgage hedged program lock policies are on pages 3-4)

Investor Specific Loan Products Table
FHA High Balance, VA High Balance, FNMA High Balance, FHA 203k Streamline, ACE, CALSTRS, CALPERS, Elite Jumbo, Gold Preferred, Government Preferred ARMs, Rural Housing, State Bond Loans, WinWorld, GEM

BOND LOANS

See State/Regional Housing Commission website for reservation changes and extension requirements.

CALPERS

Please refer to the CalPERs website for details:

<http://correspondent.citimortgage.com/calpers/CalpersServlet?PageID=Home>

ELITE JUMBO

Contact Secondary Marketing via Markcomm for extension, relock, address change, rate change, program change and loan amount change guidelines.

ACE

Extensions

- May be granted on or before lock expiration date
- Extension term will be added to the lock's expiration date
- Each loan may be extended **a total of 2 times** for a total of 60 days each extension

Cost of extensions:	7 Days	0.125 pts
	15 Days	0.375 pts
	30 Days	0.500 pts
	45 Days	0.625 pts
	60 Days	1.000 pts

Relocks

- Only available on loans that have expired
- Any loan expired for less than or equal to 45 days may be relocked using worse case pricing **plus** above extension/relock fees
- New expiration date is calculated from the date of relock
- Loans expired for more than 45 days will be brought to current market

Loan program changes – *Within the same investor (ACE products)*

- If the loan program on the commitment changes, the commitment will be priced on the new program with the pricing that was in effect on original lock
- Expiration date stays the same as original
- Loan program changes outside of this investor will be subject to the worse case pricing

Loan amount changes

No threshold

Address changes

Considered a new lock and must be locked at current market

FHA HIGH BALANCE/ FHA 203(K) STREAMLINE/ FNMA HIGH BALANCE/ GOVERNMENT PREFERRED ARMS

Extensions

- Must be done on or before expiration date
- Maximum number of extensions: Never to exceed 2
- Maximum number of days a loan can be extended: 30 days

Cost of extensions:	7 Days	0.250 pts
	15 Days	0.375 pts
	30 Days	0.625 pts

Relocks

- If requested w/in 75 days after original commitment period priced at "lower of" original price vs. current market plus a relock fee (7 days=.250, 15 days=.375 and 30 days=.625)
- If requested after 75 days after original commitment period loan will be priced at current market

Interest rate changes

If the note rate is changed by more than 0.50%, the commitment will be priced for the new note rate with the pricing that was in effect on original lock, less a recommitment fee of 0.125 pts.

Loan program changes: *Within the same investor (FHA High Balance/ FHA 203(k) Streamline Rehab/ FNMA High Balance/ Government Preferred ARMS)*

If the loan program on the commitment changes, the commitment will be priced on the new program with the pricing that was in effect on original lock, less a recommitment fee of 0.125 pts. Loan program changes outside of this investor will be subject to worse case pricing.

Loan amount changes

- The delivery variance is GREATER of \$50k or 10% of the loan amount. If the loan amount increases above the variance, and the current market is worse, the amount above the variance will be priced at current market.
- Loan amount decreases are not subject to re-price

Address changes

If property changes, it is subject to a relock at lower of original price vs. current market, plus a 0.125 pts relock fee.

Policies subject to change without notice

GEM

Extensions

- Extensions can be done on or before date of expiration
- A loan can be extended up to 2 times for a total of 30 days

Costs of extensions:	1 Day	0.031 pts
	2 Days	0.063 pts
	5 Days	0.156 pts
	15 Days	0.344 pts
	30 Days	0.688 pts

Relocks

Relock requests can be made to expired rate lock commitments subject to the following restrictions:

- All relocked loans are subject to any and all past extension fees for up to **135 days from expiration**
- All relocks are subject to current guidelines, and current add-ons

Relocks done on loans expired <=45 days

Relocked using worse case pricing:

1. If worse case is the original lock date:

In this case you would get a new lock based upon your original lock price and original lock period.

Note- If the file was extended in the past and then expired, all past extension fees will also apply to the final price for up to 135 days

2. If worse case is current market:

In this case you go to current market pricing and lock term. If a shorter lock term is chosen (15 vs. 45) and it makes the final price better than the original lock date final price, **you must use the original lock dates worse case pricing.**

Note – If the file was extended in the past and then expired, all past extension fees will also apply to the final price.

Relocks done on loans expired >45 days

Locks expired greater than 45 days go current market and are treated as a new lock

Note – If the file was extended in the past and then expired >45 days, all past extension fees will also apply to the final price.

Loan program changes

Product changes will require **worse case** pricing

Lock changes

Regardless of loan status, the following fields cannot be changed:

Borrower name, SS#'s, state, zip code, address (see address exception below). Any incorrect borrower information will require additional documentation and can result in worse case pricing

Address changes

The only time the property address may change is on a purchase transaction in which the initial agreement of sale is cancelled and a new property is located. Under that scenario, **the original loan will be cancelled and a new loan with the updated information will be registered subject to current market pricing conditions.** A cancelled purchase contract and a new purchase contract will need to be presented to the lock desk prior to relocking. All other scenarios require worse case pricing.

Loan amount changes

Unless otherwise specified, when fulfilling a commitment, there is a tolerance of plus or minus 5%. The fee for out of tolerance is 0.125 pts.

GOLD PREFERRED

Extensions

- May be granted on or before lock expiration date
- Extension term will be added to the lock's expiration date
- Loans can **be extended up to 2 times**, for the length of their original lock, to a maximum of 30 days
 1. *Example- a 15 day lock can only be extended a maximum of 15 days*
 2. *Example- a 45 day lock can only be extended a maximum of 30 days*

Cost of Extensions:	5 Days	0.125 pts
	10 days	0.250 pts
	15 Days	0.375 pts
	30 Days	0.625 pts

- After 30 days of extension **or** on 3rd extension loan is subject to worse case pricing plus all applicable extension fees.
- Extensions on files that have been expired less than 90 days:
 1. Only available on loans that have expired
 2. The new price will be the worse of market at the time of re-lock or the original lock
 3. The new expiration date will be 15 or 30 days from the date of re-lock

Relocks

After 90 days expired: Loans expired for more than 90 days will be priced at current market

Loan program / commitment changes

If the Originator wishes to modify or change a lock commitment, the new commitment will adjust according to the worse of, market at the time of the request **or** the original lock date price. This applies to any change in program, term, price and loan amount change outside of tolerance.

Loan amount changes

Tolerance is +/- 5% or \$5,000. Anything outside of tolerance does not have price protection and is priced a worse case pricing

Address changes

Considered a new lock and must be locked at current market

Policies subject to change without notice

RURAL HOUSING (USDA)

Extensions

- May be granted on or before lock expiration date
- Extension term will be added to the lock's expiration date
- Each loan may be extended a maximum of 2 times for **a total** of 60 days each extension

Cost of extensions:	7 Days	0.125 pts
	15 Days	0.375 pts
	30 Days	0.500 pts
	45 Days	0.625 pts
	60 Days	1.000 pts

- Extensions on files that have expired:
 1. Are only available on loans that have expired
 2. Any loan expired for less than or equal to 45 days may be relocked using worse case pricing plus above extension fees
 3. New expiration date is calculated from the date of relock

Relocks

- Loans expired for **less than 45 days** will be priced worse case between original lock date and current market
- Loans expired for **more than 45 days** will be priced at current market

Loan program changes

Worse case pricing when changed from Rural Housing

Loan amount changes

No threshold

Address changes

Considered a new lock subject to current market pricing

WINWORLD

Extensions

- Must be done on or before expiration date
- Maximum number of extensions: never to exceed 2
- Maximum number of days a loan can be extended: 30 total days

Cost of extensions:	7 Days	0.250 pts
	15 Days	0.375 pts
	30 Days	0.625 pts

Relocks

- If requested **within 75 days** after original commitment period relock will be priced at "lower of" original price vs. current market plus a 0.250 pts re-lock fee
- If requested **after 75 days** after original commitment period, relock would be priced at current market

Interest rate changes

If the note rate is changed by more than 0.50% the commitment will be priced for the new note rate with the pricing that was in effect on original lock, less a recommitment fee of 0.125 pts

Loan program changes – Within the same investor (Winworld Products)

If the loan program on the commitment changes, the commitment will be priced on the new program with the pricing that was in effect on original lock, less a recommitment fee of +0.125 pts. Loan program changes outside of this investor will be subject to worse case pricing.

Loan amount changes

The delivery variance is GREATER of \$50k or 10% of the loan amount. If the loan amount increases above the variance, and the current market is worse, the amount above the variance will be priced at current market. Loan amount decreases are not subject to re-price.

Address changes

If property changes, it is subject to a relock at lower of original price vs. current market, plus a 0.122 pts relock fee



Guild Mortgage Lock Policy Change Log

(As of 2/16/2010)

- Added index page (*page 1*)
- Clarification on Originator responsibility for choosing lock duration (*page 2*)
- Clarification on brokered loans that have been locked through Guild Mortgage (*page 2*)
- Clarification on lock-in hours (*page 2*)
- **On Guild Mortgage Hedged products (FHA fixed, VA fixed, FNMA fixed, Agency Preferred fixed) the lock now follows the borrower and not the property address** (*page 3*)
- Clarification on Originator responsibility for verifying correct property address at time of lock and reviewing the final lock confirmation (*page 3*)
- Clarification on effects of address changes and errors (*page 3*)
- Added Advance Lock policy (*page 3*)
- Specified which products are Guild Mortgage Hedged products and which products are Investor specific products (*see tables on pages 3 and 5 for details*)
- Added loan amount delivery threshold for Guild Mortgage Hedged products (*page 3*)
- Outlined, with examples program/ product changes and their effects on pricing (*page 3*)
- Added detailed Investor Specific loan product lock policies (*pages 5 through 7*)