Non-Prime Lock Extension Process
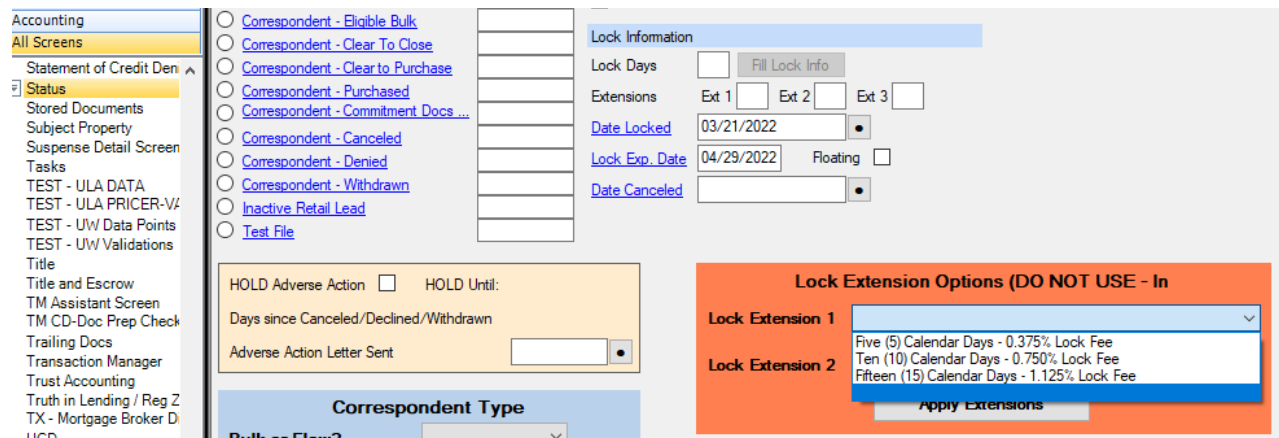
Effective 03/24/22

Acra Lending has updated its lock extension policy. **Extension requests will shift to "Fee Based" requests.** Fee Based extensions can only be applied to loans that are eligible under the 02/03/22 45 Day Lock Policy roll out.
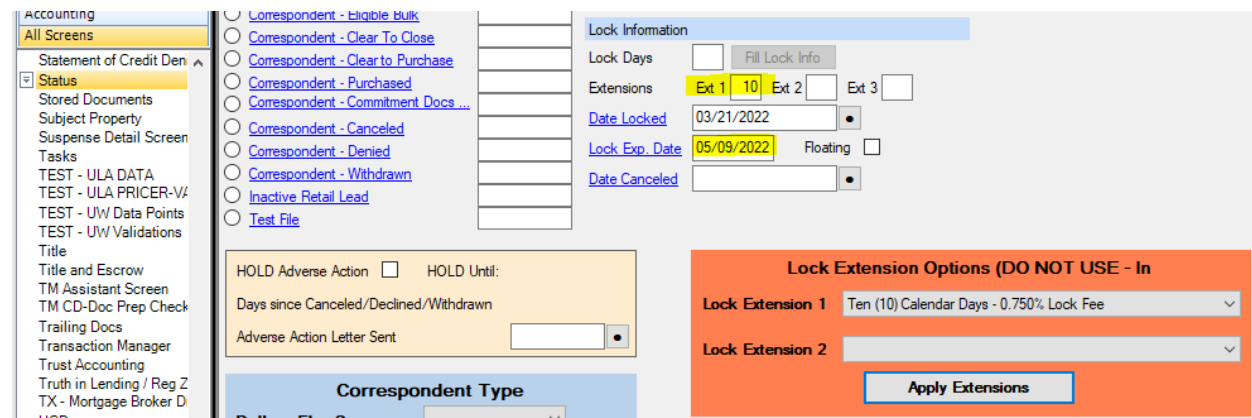
Applying an Extension:

1. Broker or Retail LO must submit a Non-Prime Lock Extension Request detailing the lock extension details.
2. TM or Processor should upload the Non-Prime Lock Extension Request to Doc Velocity as "Lock Extension Request"
3. TM or Processor: Navigate to the Status screen
4. Select the appropriate extension option from the relevant Lock Extension dropdown.

5. Press the "Apply Extension" button located below the dropdowns

NOTE: Once you Apply Extension, you should NOT remove or alter the request. Escalate to Operations Management/QC if there was an error in selection. TMs should never extend lock expiration dates at their discretion. Any manual extensions or exceptions should be escalated to TM Lead/OPS Management for further direction.

Automated processes once a user has triggered the "Apply Extension" button:

- Applies the appropriate **Extension Days**
  (Calculation is 45 days from "Submitted Date" plus the extension request)
- Updates the **Lock Expiration Date**
- Auto Adds an entry to the **Conversation Log**

> Lock extension of Ten (10) Calendar Days - 0.750% Lock Fee and were selected. New Lock Expiration Date is Mon May 9 00:00:00 PDT 2022 New Fee amount is 0.75

- <u>**TRID LOANS:**</u> Creates the appropriate CIC task
    - If CD exists, create "UW – CD Sent – Change In Circumstance Request" task
    - If LE exists, create "RE-Disclosure Draw Task (Changed Circumstances)" task
- Updates the field CSC Percentage on the ULA Screen

CSC Percentage	0.750	0.75

- Updates the Loan Discount points on LE/CD pg

<u>**NOTE:**</u> The discount fee for the lock extension fee will be ADDED to any prior UW Discount Fees already applied to the loan.

| 802 | Loan Discount Points | 0.750 | to | Acra Lending | ☰ | ☐ | 5,805.00 | B | | S |
| 805 | Administration Fee | | to | Acra Lending | ☰ | ☐ | | B | | S |

TM should email the Disclosure Processor or CD Doc Drawer when the Re-Disclosure or CIC CD task are created. There will NOT be an updated Approval or Underwriting Worksheet uploaded to DV by the TM when processing extension fees. The CIC will be documented on the conversation log.

03/23/2022 11:01 AM	LOCK EXTENSION	Lock extension of Fifteen (15) Calendar Days - 1.125% Lock Fee and were selected. New Lock Expiration Date is Tue Apr 5 00:00:00 PDT 2022 New Fee amount is 1.125

<u>**EXAMPLE TASK EMAIL:**</u>

LOCK EXTENSION - 7039779 - Ramos; Task: Re- Disclosure Draw Task (Changed Circ...

Trudy Barton
↩ Reply   ↩ Reply All   → Forward   Wed 3/23/2022 11:09 AM
To ✓ Ian Tillis; ✓ Jorge Martin
Cc 🔴 Jeremy Abbott; ✓ Tom Esposito; ✓ Trudy Barton

File name: 7039779

Notes TM DEPARTMENT PROCESSED LOCK EXTENSION.

03/23/2022 11:01 AM	LOCK EXTENSION	Lock extension of Fifteen (15) Calendar Days - 1.125% Lock Fee and were selected. New Lock Expiration Date is Tue Apr 5 00:00:00 PDT 2022 New Fee amount is 1.125

IMPORTANT: Prior to an UW processing any FEE EXTENSION requests, please review the CONVERSATION LOG. If a TM or Processor has already processed the lock extension, the UW should not manually apply the Fee Extension. **As identified above, the CSC Percentage will auto add the Lock Extension Fee however, the UW needs to PRICE LOAN for the "Loan Extension Fee" to populate on the ULA Screen and UW Worksheet.**

Price Loan

CSC Add-On Fee		0.750
Lender Paid	0.000	
Retail		0.000
Buydown		
Lock Extension		0.375
Buyup		0.000
Add Ons Sum	0.250	
Final	5.000	0.750

RATE BUYUP

In the event a broker chooses to "Buy Up" the rate to offset the extension fee, **the broker must submit a Re-Work Request** form to be processed by Underwriting. The TM or Processor would apply the FEE EXTENSION request, then task the file to the UW to re-work the BuyUp.
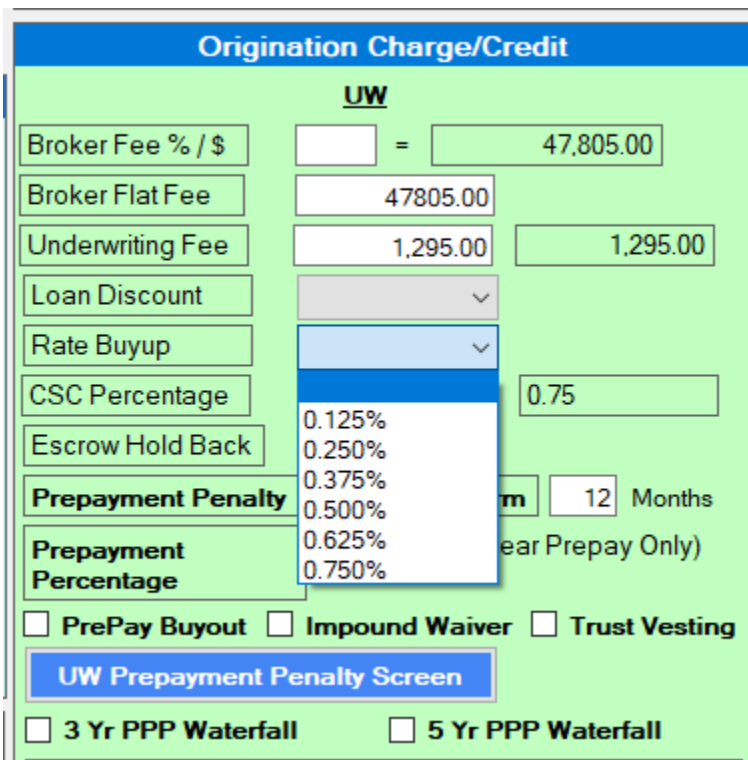
Rate Buyups are processed on a 3:1 basis. The "Lender Credit" applied from the rate buyup cannot exceed the lock extension fee.

ULA SCREEN

Offsetting Fees with a Rate Buyup:

1. Navigate to the ULA Screen
2. Locate the Rate Buyup dropdown in the **Origination Charge/Credit** section of the ULA
3. Select the appropriate rate buyup from the dropdown
4. Re-run pricing on the loan

NOTE: BuyUp is limited to cover cost of extension fees.

Note: When a Rate Buyup option is selected, the Lender Credit % will automatically be updated appropriately. Also, there is a validation in place to ensure the Lender Credit from the Buyup doesn't exceed the Lock Extension Fee (see below).

Validations:

Buyup Fee

If lender credit from Buyup Fee exceeds Lock Extension Fee the following Error (Hard-stop) will appear when attempting to print an Approval.

"Buyup Fee exceeds the Lock Extension Fee.

If you have any questions, please contact your manager."

HOW THE RATE BUYUP WORKS:

TM or Processor will apply the FEE Lock Extension request to capture the Discount Fee for the extension.

File needs to be tasked to UW as a "Re-Work" and the "Re-Work" form should detail the BuyUp request. UW will process the re-work request to add the Rate BuyUp.

The rate Buyup would allow for a Lender Credit to be applied to offset the Lock Extension Discount Fee.

The ULA Screen (UW Worksheet) will list the BuyUp fee for reference.

Please note that the actual Discount Fee charged to the borrower is the FINAL FEE that will be displayed on the Underwriting Worksheet. The BuyUp will be shown as a "Lender Credit" to the borrower to offset the "Discount Fee".

CSC Add-On Fee		1.125
Lender Paid	0.000	
Retail		0.000
Buydown		
Lock Extension		1.125
Buyup	0.375	-1.125
Add Ons Sum	0.375	
Final	4.875	1.125

Rate Buyups are processed on a 3:1 basis. The "Lender Credit" applied from the rate buyup cannot exceed the lock extension fee.

EXAMPLE:

RATE BUYUP	"LENDER CREDIT" TO OFFSET TOTAL EXTENSION FEES
.125	.375
.25	.75
.375	1.125
.50	1.50
.625	1.875
.75	2.25