![Acra Lending logo]

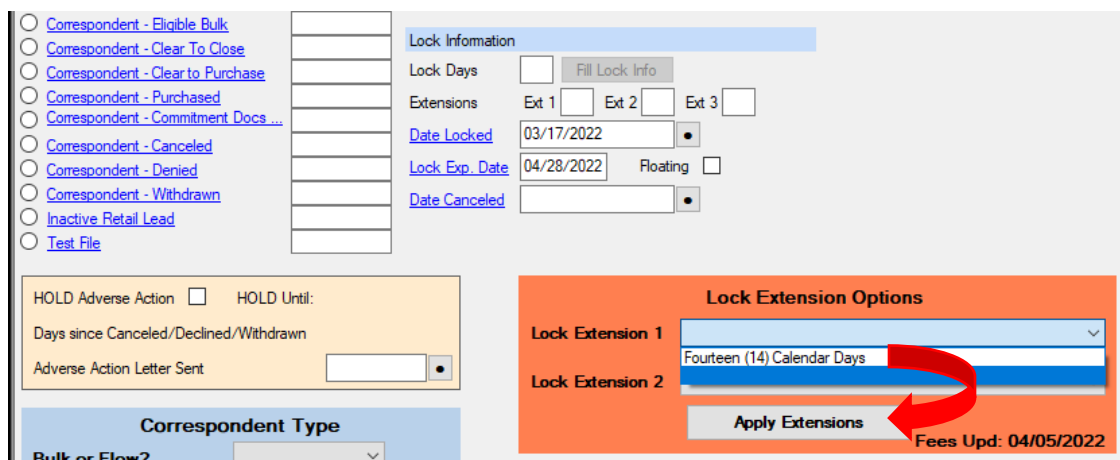# Non-Prime Lock Extension Process
Effective 04/25/22

The lock process below is based on our current **"Fee Based" extension requests.** Fee Based extensions can only be applied to loans that are eligible under the 02/03/22 45 Day Lock Policy roll out.

Pricing exceptions for reduced extension fees approved by Executive Management would not follow this workflow and would require a manual lock extension by the UW to be processed.

APPLYING A RATE LOCK 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 lock extension to be applied from Lock Extension dropdown.

5. **You MUST select the "Apply Extension" button located below the dropdown list to capture the automated processes tied to the extension.**

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**

04/25/2022 8:53 AM		Lock extension of Fourteen (14) Calendar Days and were selected. New Lock Expiration Date is Thu May 12 00:00:00 PDT 2022 Lock Extension Fee: 2 New Fee amount: 2

- **TRID LOANS:** 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

- Updates the Loan Discount points on LE/CD page

NOTE: The discount fee for the lock extension fee will be ADDED to any prior UW Discount Fees already applied to the loan. The Disclosure Clerk and/or funding/closing team must review all discount fees to ensure we are disclosing correctly.

Discount fees should NEVER be removed without validating any conflicting information with the UW/Ops Management.

Acra LENDING

LOAN COSTS							
Estimate	Non-Prime			Copy Estimates	Clear Costs	Reset Names	
A. Origination Charges						$2,690	
		PPFC	poc To	Borrower	Seller/Lender	Good Faith	Estimate
Edit Loan Discount Points	2.000 ☑ ☐ L			2,240.00 ⓘ	S	0.00	

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.

04/25/2022 8:53 AM	LOCK EXTENSION	Lock extension of Fourteen (14) Calendar Days and were selected. New Lock Expiration Date is Thu May 12 00:00:00 PDT 2022 Lock Extension Fee: 2 New Fee amount: 2

EXAMPLE TASK EMAIL:

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

Trudy Barton

↩ Reply   ↩ Reply All   → Forward   Ti   ...

To ✓ Ian Tillis; ✓ Jorge Martin

Cc ● Jeremy Abbott; ✓ Tom Esposito; ✓ Trudy Barton

Wed 3/23/2022 11:09 AM

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		2.000
Lender Paid	1.250	
Retail		0.000
Buydown		
Lock Extension		2.000
Buyup		0.000
Add Ons Sum	2.125	
Final	8.750	2.000

RATE BUYUP PROCESS

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 lock extension should be processed by the TM or Loan Processor PRIOR to sending the file to UW for the rate buyup.
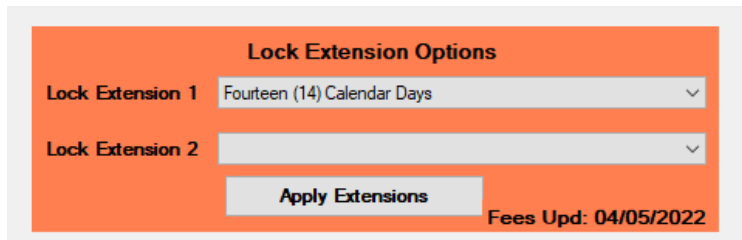
STEP 1.

The TM or Processor would apply the FEE EXTENSION request, then task the file to the UW to re-work the BuyUp.

The discount points for the extension would be disclosed as the FULL amount specified on the Acra Lock Extension form. The rate buyup would allow the disclosure processor to apply a "Lender Credit", which will reduce the discount fee.
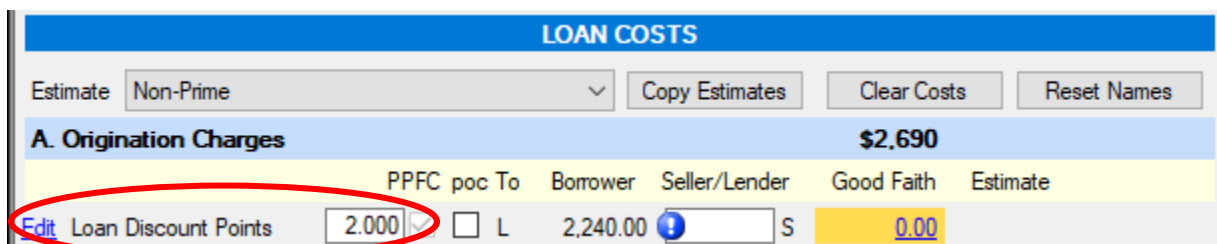
A modified extension discount fee should not be adjusted by the Underwriter or Disclosure Clerk.

Pricing exceptions for reduced extension fees approved by Executive Management would not be completed by the TM on the status screen and would require a manual lock extension by the UW to be processed.

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

*Discount Fee for the Lock Extension is automatically added to the fees screen after you select APPLY.

STEP 2.

TM should upload re-work form detailing the rate buy up requested and task the file to the UW for condition review/re-work request.

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

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 using the ULA Screen.

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

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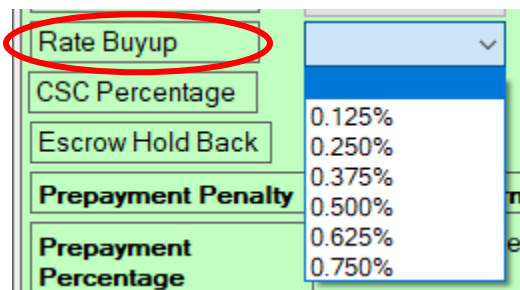
The ULA Screen (UW Worksheet) will list the BuyUp fee for reference.

Note: When a Rate Buyup option is selected, the Lender Credit % will display in on the ULA screen, however, will need to be manually updated in by the Disclosure Processor or CD Doc Drawer. There is a validation in place to ensure the Lender Credit from the Buyup doesn't exceed the Lock Extension Fee (see below).

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".

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

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."

DISCLOSING THE LENDER CREDIT: DISCLOSURE OR CD PROCESSOR

Review the Underwriting Worksheet to identify the lender credit that is to be applied to the Lock Extension Fee because of a rate buyup.

The Disclosure Clerk or CD Doc Drawer will need to "EDIT" the Loan Discount Point fee field on the fee screen to disclose the lender credit that was a result of the Rate BuyUp.

- Select EDIT.
- Input the dollar amount based on the % of the Lender Credit to be applied from BuyUp.
- Select PAID BY LENDER in the drop down.
- Select OK to save the changes.

LOAN COSTS							
Estimate	Non-Prime				Copy Estimates	Clear Costs	Reset Names
A. Origination Charges						$2,690	
		PPFC	poc To	Borrower	Seller/Lender	Good Faith	Estimate
Edit Loan Discount Points		2.000 ☑ ☐ L		2,240.00 ⓘ	L	0.00	

CSC Add-On Fee		2.000
Lender Paid	1.250	
Retail		0.000
Buydown		
Lock Extension		2.000
Buyup	0.500	-1.500
Add Ons Sum	1.874	
Final	8.499	2.000

LENDER CREDIT CALCULATION: Loan Amount $112,000 x 1.50% = **$1,680.00 Lender Credit**

The Loan Discount Point will now reflect the breakdown of the discount fee paid by the borrower and lender credit applied.

As you can see the 2.00% total discount fee is still reflected but they breakdown in how the fee is disclosed now includes the Lender Credit.

UW CONFIRMED WORST CASE PRICING IS CURRENT MARKET RATE SHEET:

In the event the rate lock has expired, and the lock extension previously applied has also expired, the UW can remove the "Lock Extension" from the status screen to remove the discount fee from the ULA screen and prevent errors from firing.

UW should select the BLANK item in the drop down and select APPLY EXTENSION in order to remove the extension fee that was previously applied.

The extension fee should automatically be removed from the fee screens as well as from the ULA pricing section once you select to PRICE LOAN. This should NOT be removed by the TM or Processor but only removed once the UW is repricing the loan to worst case pricing.

IMPORTANT: The UW needs to PRICE LOAN for the "Loan Extension Fee" previously applied to be removed from the ULA Screen and UW Worksheet.