

## Non-QM Rate Lock Policy (Wholesale & Consumer Direct Lending Departments)

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### Rate Locks

Policy	<p>At time of initial Approval by Acra Lending (“Acra”), the Underwriting Department will automatically lock a loan file. The lock will utilize the matrix dated same to the date of submission (“Prevailing Matrix”) for the benefit of the Application.</p> <p>This Policy replaces any and all prior policies.</p>
Lock Period	<p>The initial lock will be for 45 calendar days. In the event the lock expires on a holiday or weekend, the lock will automatically extend onto the immediately following business day.</p>
Prevailing Matrix:	<p>This dated rate matrix from the initial lock will be the foundation / starting point for any modifications to the qualifications for the file looking forward. As example, should a file’s LTV be updated (for any reason), the initial matrix will be utilized for recalculating the updated rate.</p>
Extension	<p>A file’s lock may – but is not required to – be extended for the following duration:</p> <p style="padding-left: 40px;">Fourteen (14) Calendar Days    0.750% Discount</p> <p>There is a maximum of one (1) extension available.</p> <p>Extension must be articulated / received prior to the initial Rate Lock’s expiration date AND prior to moving file to Acra Closing Department. For the purpose of defining the prior sentence, “prior to the initial Rate Lock’s expiration date” will be interpreted as the close of business, which is 5p Pacific on the last business day of the initial lock.</p> <p>If the loan does not fund on or prior to the Lock Expiration date, the lock is no longer valid. It is the responsibility of the Broker to monitor the lock expiration and manage that the loan is subject to rate or costs in event an Extension is necessary.</p> <p>Should a file’s lock or, if applicable, lock extension expire, the file will be recalculated at the higher of (i) the current market rate / price and (ii) the last rate lock, which would include extension cost exclusively if the file was extended.</p>
Written Instruction	<p>Extension must be in writing from Broker or their authorized representative. Acra Wholesale and Consumer Direct Lending (i.e.: Retail) employees are not to accept verbal instruction about lock extension given they directly address a Broker’s compensation and terms that need to be communicated, by the Broker, to the Applicant(s).</p> <p>Ideally, Broker or Processor will utilize Acra’s Non-Prime Rate Lock Extension Request Form, but we may also accept emails or other written instruction.</p>
Extension Timing	<p>Extension may be placed at any point prior to the initial lock’s expiration.</p>

### Market Improvement

Policy	<p>Acra does not offer a float-down provision. Starting rates will be based on the higher of the current Acra market interest rate and expired rate lock.</p> <p>Loans resubmitted to Acra earlier than 90 days from the issuance of the Statement of Credit Denial, Termination, or Change notice being sent to the borrower will be subject to the higher of the current Acra market interest rate and the previously locked rate.</p>
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Disclaimer: If new information materially impacts the underwriting decision, Acra reserves the right to halt, terminate or modify the rates, terms or programs without notice, revoke rate lock confirmations, or may cancel your application at any time, for any reason including but not limited to, interruptions to financial markets, loss or malfunctions of utilities, communications, computer (software and hardware) or labor, disasters, disease, epidemics, pandemics, government action or regulations, strike, riot, acts of terrorism, acts of war, acts of civil or military authority, acts of god, etcetera.