

Non-QM Rate Lock Policy (Wholesale)

Rate Locks

Policy 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.

This Policy replaces any and all prior policies for loans locked on the 01/20/2022 matrix and later.

Lock Period 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.

Prevailing Matrix: 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.

Extensions To a maximum of 30 days, a file's lock may be extended for the following durations:

Five (5) Calendar Days	0.125% LLA	OR	0.375% Discount
Ten (10) Calendar Days	0.250% LLA	OR	0.750% Discount
Fifteen (15) Calendar Days	0.375% LLA	OR	1.125% Discount

Subject to keeping the rate as an even eighth, Broker may construct any combination of rate add or Discount Point add to accommodate the above referenced pricing adjustments. Extension(s) must be articulated prior to moving file to Acra Closing Department.

Extensions beyond the maximum two (2) extensions will be recalculated at the higher of (i) the current market rate / price and (ii) the initial rate lock plus extensions.

If the loan does not fund on or prior to the Lock Expiration date, the lock is no longer valid.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.

Written Instruction Extension(s) must be in writing from Broker or their authorized representative. Acra Wholesale and Correspondent employees are not to accept verbal instruction about lock extensions given they directly address a Broker's compensation and terms that need to be communicated, by the Broker, to the Applicant(s).

Ideally, Broker or Processor will utilize Acra's Non-Prim Rate Lock Extension Request Form, but we may also accept emails or other written instruction.

Extension Timing Extension(s) may be placed at any point prior to moving to Acra's Closing Department; to honor an extension, an extension does not need to be selected prior to the expiration of the initial Lock nor first lock, if applicable.

Market Improvement

Policy 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.

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.

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.