



# Pricing and Lock Policy

Conforming and High Balance – Agency and Government

Conventional Investment Property

FNMA/FHLMC Second Home & Investment Property

April 22, 2024

# TABLE OF CONTENTS

- Flow Registration .....3
- Lock Desk Business Hours .....3
- Rate Sheet Distribution .....3
- Requesting a Commitment .....3
- Loan Estimate (LE) Requests .....3
- File Delivery Requirements .....4
- Register / Float .....4
- Locked Loan Changes .....4
- Out of Tolerance for Loan Amount .....4
- Intra-Day Pricing Changes.....4
- Expirations .....5
- Duplicate Locks .....5
- Relock Policy .....5
- Rate Renegotiation Policy .....5
- Lock Transfers .....6
- Exceptions to Policies and Procedures.....6
- Conflict Resolution .....6

## FLOW REGISTRATION

The Wholesale Arc Home Lock Desk works with our Wholesale partners to present clearly efficient and effective registrations of individual loan commitments. This document will refer to the policies and procedures of the lock desk for Agency and Government products, which include both Conforming and High Balance loan amounts, as well as the Conventional Investment Property and FNMA/FHLMC Second Home & Investment Property programs.

## LOCK DESK BUSINESS HOURS

The Wholesale Arc Home Lock Desk will accept locks via SPARC beginning with the morning rate sheet release (approximately 10:00 AM Eastern) through 8:30 PM Eastern time. Lock Desk staff is available between the hours of 8:30 AM to 9:00 PM Eastern. If you have any questions, you can contact your Account Executive, or the Lock Desk may be reached via email at [wholesalelockdesk@archome.com](mailto:wholesalelockdesk@archome.com) or by phone at 215-360-3737.

## RATE SHEET DISTRIBUTION

Daily prices are established at approximately 10:00 AM ET and are distributed daily. Notification of live pricing will be sent from [info@archometpo.com](mailto:info@archometpo.com).

## REQUESTING A COMMITMENT

Loans can be registered and locked with Arc Home through the SPARC portal. Although the website and portal may be available 24 hours a day, live pricing and any pricing-dependent transactions/modifications will only be available during active market hours, or at the discretion of Arc Home. Account Executives should be contacted to begin set up and approval to lock loans.

Locks  $\leq$  15 days – Loan must be submitted for Clear to Close Status

Locks  $\geq$  30 days – Loan can lock at Registration

## LOAN ESTIMATE (LE) REQUESTS

Any locks that require a Loan Estimate need to be requested within 48 hours. If not received within the 48-hour timeframe, the lock will be subject to worst case pricing and cancellation of the file.

## FILE DELIVERY REQUIREMENTS

Once a loan is locked, the loan file must be submitted within the timeline requirements detailed below, or the lock will be cancelled.

- 15 Day Lock: File must be submitted within 5 calendar days of the lock date.
- 30 Day Lock: File must be submitted within 10 calendar days of the lock date.
- 45 Day Lock: File must be submitted within 15 calendar days of the lock date.
- 60 Day Lock: File must be submitted within 20 calendar days of the lock date.
- 90 Day Lock: File must be submitted within 25 calendar days of the lock date.

**Important Note:** Cancelled locks due to non-submission are subject to the [Relock Policy](#).

## REGISTER / FLOAT

Loans will need to be registered into float/not locked status in order to obtain a loan number prior to submission for Underwriting. If requested, pricing will be quoted from the current day's rate sheet for the loan attributes and delivery timeframe requested.

## LOCKED LOAN CHANGES

Changes to a locked loan may cause a change in pricing (LTV, FICO, Loan Amount, etc.). These changes can be made by submitting a Change of Circumstance (COC), or by emailing the Lock Desk ([wholesalelockdesk@archome.com](mailto:wholesalelockdesk@archome.com)). An updated lock confirmation will be sent to all parties assigned to the loan.

The Lock Desk may also require additional information to facilitate the change. Arc Home routinely runs audits against the changed fields to guard against fraud and to comply with certain banking and regulatory requirements.

Other circumstances that require a change to the property address will result in worst-case pricing and may require additional documentation for review. Worst case pricing will also apply to loan program changes.

## OUT OF TOLERANCE FOR LOAN AMOUNT

Arc Home will allow a tolerance of plus or minus 5% for Best Effort Loans on loan amount changes. Any loan amount changes outside of 5% for Best Efforts will be subject to an Out of Tolerance fee of .0625%, causing a pricing adjustment to the loan. This fee will only be assessed if current market is lower than when the loan was locked.

## INTRA-DAY PRICING CHANGES

Due to market volatility, Arc Home's pricing is subject to change at any time throughout the day, and without notice. Arc Home reserves the right to determine cut-off times for intra-day pricing changes. During these pricing change times, where Arc Home is in the process of preparing new rate sheets, all transactions on the website will be disabled until the new rate sheet has been published.

## EXPIRATIONS

All loans must be closed and funded by the Lock Expiration Date. Any extension requests must be made on or before the Expiration Date. Requests received after this date will be subject to the [Relock Policy](#).

If the initial lock expiration on a loan would fall on a weekend or a holiday observed by Arc Home, the Lock Expiration Date will roll to the next business day. Any further extensions or relocks made on a locked loan, however, will NOT roll to the next business day. Lock extensions are at a cost of 2 basis points per day. Lock extensions cannot exceed 30 days.

## DUPLICATE LOCKS

Each lien position of a property may have no more than one lock outstanding at any one time with Arc Home. In the event a duplicate lock is created, the loan will become subject to worst case pricing.

## RELOCK POLICY

Relocks are allowed on expired locks only. For loans that have been expired, withdrawn, or canceled for 30 days or less, the new pricing is based on the worst case between the original lock final price plus the relock fee below or the current 30-day final price. Original final pricing includes all prior extension and/or relock fees. The loan must be in an approved status or greater to be eligible for a relock.

RELOCK FEES	
15 Days	-.300
30 Days	-.600

Requests to relock a loan that has been expired, withdrawn, or canceled for more than 30 days will be eligible to be relocked at Current Market, without worse-case pricing comparison or a relock fee. Any previously purchased extension or relock fees will remain with the loan unless it has been expired/canceled for over 120 concurrent days.

## RATE RENEGOTIATION POLICY

One-time renegotiations are allowed when pricing improves significantly. Rate renegotiations are designed to manage lock fallout, mitigating the risk of a borrower finding improved financing elsewhere.

- The Market must have improved at least 100 bps in price since lock for eligibility.
- 100% of the renegotiation benefit must be passed to the borrower.
- Renegotiated price will be calculated at current market price less 0.625%, and will be capped at the original Discount to the borrower. Discount to the borrower will not improve.
- The loan must be in an Approved or greater status.
- Original expiration date is applied; the lock may be extended based on the lock extension policy.
- Only one renegotiation is allowed per loan.

## LOCK TRANSFERS

The Lock Desk will allow lock transfers if the below circumstances apply:

- Lock must not be expired
- Lock must be transferred prior to the previous lock being withdrawn, cancelled, or expired
- Lock Transfers must be performed through the Lock Desk

## EXCEPTIONS TO POLICIES AND PROCEDURES

Arc Home will consider making exceptions to policies and procedures on a case-by-case basis. If the exception is related to a guideline or overlay, the loan will have to be registered into pending status, which can be done with the Lock Desk by phone or email. The loan can only be locked upon approval of the exception request. If approved, the Wholesale partner will need to contact the Lock Desk to lock the loan. Due to these exceptions, certain pricing adjustments may apply. The Lock Desk may be contacted at 215-360-3737 or [wholesalelockdesk@archome.com](mailto:wholesalelockdesk@archome.com).

## CONFLICT RESOLUTION

Any problems, issues, concerns, or scenarios that are not covered within this document will be considered outside of Arc Home's policy, which will be subject to review by the Lock Desk. Wholesale partners are encouraged to call and/or email the Lock Desk with any questions or pricing problems that may arise on a loan. The Lock Desk may be contacted at 215-360-3737 or [wholesalelockdesk@archome.com](mailto:wholesalelockdesk@archome.com).