

PMC BanCorp

Wholesale Rate Lock Policy

******The information contained in this document is subject to change without notice.**

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WHOLESALE RATE LOCK POLICY - 2010

REGISTRATION

Overview

The Secondary Marketing Department issues rates and pricing for various product types and investors every business morning. These rates are uploaded into our on-line pricing system and can be accessed via that system by our wholesale clients.

As financial markets can sometimes dramatically adjust throughout the day, pricing may be delayed in the morning, and/or the Secondary Marketing Department reserves the right to adjust pricing as necessary to reflect market movement. A loan has only been locked once the requested pricing has been accepted and acknowledged through our rate lock system.

A rate lock request is generally completed and accepted through the on-line rate lock request system. Faxed and emailed rate lock requests will be accepted; however they will not be subject to the posted fee reduction reserved for on-line rate lock requests. The acknowledgement of the rate lock request will be emailed/faxed to the requestor, and can also be checked by accessing your pipeline through the system.

Rate Locks

Wholesale rate locks may be requested through PMC BanCorp's (PMC) on-line lock request system on our website. Rate locks will be priced based on the rates in effect at the time the rate lock is received by the on-line pricing system, time stamped email, time stamped Secondary Marketing fax number.

- **Lock Requests will only be accepted from 9:00am - 3:00pm PST.**
 - The On-line Lock Request option will be disabled outside of regular lock hours.
 - Faxed and emailed rate locks will not be reviewed or accepted outside of regular lock hours; however Secondary Marketing will generally make an attempt to contact the broker to notify them that the lock was received after hours.
 - Status of lock requests can be checked on-line.
 - Locks should be confirmed within 30 minutes of time received but may be delayed because of high lock volume.

- **Acceptable submission options for rate lock requests:**
 - Rate locks may be requested through PMC's on-line rate lock request system.
 - Rate locks may be faxed to the Secondary Marketing fax number.
 - Rate locks may be emailed to the Lock Desk email address.

Rate locks are not considered received by the PMC Lock Desk if they are sent directly to a PMC employees' individual email address, personal email address, verbally communicated, or anywhere other than the specific options listed above.

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Price Quotations

Price quotations for rates or products not available in the on-line pricing engine (off rate sheet pricing) may be requested at any time by contacting the Secondary Marketing department.

However, if the request is made during a time when lock requests are not accepted, you will receive the most recent pricing that was available the last time that locks were accepted. However, the pricing that you receive during times when the lock requests are not accepted are indications only and may not be available once lock requests are once again accepted due to changes in the market. Thus, pricing received before 8:30 am and after 3:00 pm PST are indication prices only.

Delivery Options

Loans may be generally locked for 14, 25, 35, 45 and 60 days. This may vary by product and can be checked via our on-line pricing engine. Pre-locks, which are loans that have been submitted, but have not yet been approved by an Underwriter, must be locked for a minimum of 25 days. Costs for increases in lock days may vary by product. Please check our on-line pricing engine for specific price differences. If pricing for a longer rate lock period than is provided is required, please contact the Secondary Marketing Department.

Pre-lock

If a loan package has been submitted but has not yet received an approval by an Underwriter, it **may be** pre-locked. Pre-locks may be locked for 25-60 days; a lock period shorter than 25 days is not available for pre-locks. Only loans that have been submitted to PMC may be locked. **All prices for pre-locks are subject to change once the file has been underwritten if details and/or characteristics of the loan change, or are different from when the lock request was submitted.** Clients will be subject to a performance review (i.e. pull-through to funding ratio) and the pre-locking privilege may be revoked if the percentage of loans that were pre-locked versus those that fund is significant based upon Management's review. Pre-locking is restricted to select products.

Maximum Rate

Lock requests are subject to maximum rates determined by the Underwriter. If the requested interest rate exceeds the maximum rate allowed by the Underwriter, lock-in is not guaranteed. Requests to increase maximum rates should be made to Underwriters prior to rate lock request in order to avoid delays as rates that are in excess of the maximum rate set by the Underwriter will not be able to be locked in the system. If a pre-locked file is approved, but the rate at which it was locked exceeds the Underwriter's maximum rate at time of approval, new pricing for that loan will be based upon pricing from the original date and time that the pre-lock was requested.

Lock Confirmation

Confirmations will be faxed/emailed to the broker within the same day of request. For faster confirmation, access your pipeline at PMC's website to verify that the lock request has been received and accepted. It is the client's responsibility to follow-up on lock confirmations. If you do not receive a confirmation, and your confirmation does not appear in your on-line pipeline, it is your responsibility to contact the Secondary Marketing Department prior to that day's lock cut-off time, or within 2 hours of your lock being requested.

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Lock Extensions – Prior to Original Lock Expiration

A rate lock extension may be requested by the broker via the Lock Desk email address or by calling the Secondary Marketing Department on or before the original rate lock expiration date and after final underwriting approval and prior to submitting a document request. **All rate lock extensions must be requested by 4:00 pm PST.** A loan may be extended ONLY ONE TIME unless it has been Re-Locked per the re-lock policy below. (Maximum 15 days).

For an Extension, PMC currently adjusts the price and expiration date based on the schedule below.

Extension Before Lock Period Expiration (one time extension)

Calendar Day Requested	Extension Fee
5	.125
10	.25
15	.375

***If additional time is needed for the lock, the file will be re-locked based upon worse case pricing after the final extended expiration date ends (see Lock Extensions – After Original Lock Expiration below). The lock will still incur the previous extension fees along with the worse case pricing.

Lock Extensions – After Original Lock Expiration (Re-locks)

A lock is considered a re-lock if it occurs within 60 days of the expiration of the original lock request. All re-locks will be priced based upon the worst case of the original commitment price or current market. Re-locks are only available if the rate lock has expired and must be requested via the Lock Desk email address or by calling the Secondary Marketing department before **4:00 pm PST**. All loans can be re-locked only one time. Additional re-locks are on a case-by-case basis as determined by the Secondary Marketing Department.

Extension After Expiration (Re-locks)

CURRENT MKT BETTER	
Calendar Day Requested	Extension Fee
7	.25
> 7 days: refer to “Extension Before Lock Period Expiration” schedule above. .25 will be charged for the first 7 days, any additional time will be charged per that schedule based upon days requested and fee.	

CURRENT MKT WORSE	
Calendar Day Requested	Extension Fee
Use current rate sheet for pricing and lock periods requested	

Renegotiation Policy

When the market has improved dramatically, PMC will consider requests on a case-by-case basis to adjust pricing on loans locked prior to the market movement. When PMC does consider these requests, all of the following conditions must be met and PMC will generally allow loans to be re-priced at the CURRENT market MINUS .50 bps. However, some programs may not be available for renegotiated rates regardless of price movement due to Investor restrictions.

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The following requirement must be met for a locked-in rate to be renegotiated:

- Loan must fund within 10 days from the date that the lock was renegotiated. If it does not, the loan will revert back to the original lock price and be subject to the lock extension policy.
- Loans CANNOT be in DOCS OUT status or higher.
- Locks that were previously extended, whether before or after they were originally to expire, are NOT eligible for renegotiation.
- The renegotiated pricing **must benefit the borrower** by lowering the rate.
- This Policy is subject to change.
- Locks can only be renegotiated once.
- No additional overage or other benefit to the broker will be allowed over and above the original lock. The renegotiated rate **must benefit the borrower only.**

For example: Borrower has a rate lock of 6.50 at 1 point rebate. A week later, rates have improved so borrower requests a lower rate to reflect current market. Current market for 1 point rebate is now 6.0. So new rate offered is 6.0 @ .50 rebate or a rate (that is equal to or less than the original rate) can be chosen with a rebate at 1.50 points and then deduct the .50 point to get back to 1 point rebate.

Changes to Rate Locks

If required, the Underwriter must make any adjustments required to a loan prior to requesting any changes to a previously locked loan. Once the changes have been made by the Underwriter, the Underwriter will request the appropriate change through the Lock Desk email address. Once the Lock Desk approves the change, the Lock Desk will notify the Account Manager and/or the Account Executive who will then notify the broker of the pricing change.

If a change in rate only is requested by the broker, and the change already falls within the original range set by the Underwriters' approval, pricing will be based on the original lock-in date, and the broker should email the Lock Desk directly for such a request.

The following policies apply when changes are made to a loan previously locked:

Loan Amount: Changes that result in the loan amount adjusting may affect the cost of add-ons. Any new loan amount adjustment required based upon the new loan amount requested will be based upon the then current loan amount price adjustment. Base pricing will be consistent with the date and time of the original lock.

Loan Program: Changes in loan program will be priced at the worst case of the original lock date pricing or current market of the day the change is being requested. In addition, loans cannot be locked under the new program until underwriter approval has been granted. Any type of program change will be subject to worse case pricing including those loans whose programs are changing back to one it was previously approved under.

Loan Term: Changes in loan term will be treated the same as changes to the loan program.

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Note Rate: Changes in interest rate will reflect pricing from the original lock date pricing.

Loan-to-value: Changes that result in the loan LTV shifting into a different price adjustment range will affect cost of add-ons. Any new LTV adjustment required based upon the new LTV requested will be based upon the then current LTV price adjustment. Base pricing will be consistent with the date and time of the original lock.

Lock Period: See section on Extensions for lock period extensions. Lock period reductions are not allowed after a rate lock has been accepted.

(Note: Changes required to the rate lock due to changes made to the loan will go into affect only after the underwriter's approval of such change if necessary.)

Rate-lock Cancellations

Rate-lock cancellations will only be accepted if made within 2 hours of the requested lock. Cancellation of a rate-lock must be requested by emailing the Lock Desk and must be submitted before **4:00 pm** (PST). Verbal cancellation requests will not be accepted. Any requests to cancel a rate lock that occurs after a new rate sheet has been issued will not be granted under any circumstance and will be subject to price changes as described above if any characteristics of the loan changes. Loans that have been cancelled must wait a 24-hour period to be eligible for re-lock.

Lock Confirmations

Whenever a lock is received and accepted, or a lock is changed for any reason, including product changes, extensions and re-locks, the Lock Desk will sent a new/updated lock confirmation via fax or email to the requesting broker.

Contact Information:

Lock Desk Secondary Marketing email: lock@pmcmtg.com
Secondary Marketing phone: 626-363-8088
Secondary Marketing fax: 626-529-1522