

Table of Updates

**** CHANGES ARE IN RED THROUGHOUT THE GUIDE ****

Change Date: 06-06-2005	
Section of Guide	Change Description
State Licensing	<ul style="list-style-type: none"> State-specific licensing information has been removed. Please see Section 200 of Chapter 500 for complete licensing details.

**** PREVIOUS CHANGES RECENTLY MADE ****

Change Date: 02-04-2005	
Section of Guide	Change Description
206 – Escrow Waiver	<ul style="list-style-type: none"> Updated to cite the rate sheets for applicable price adjustors.

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Information contained herein is provided to assist real estate professionals and is not an advertisement to extend consumer credit as defined by Section 226.2 of Regulation Z.

100 – Loan Registration/Lock-in Procedures

101 – Loan Registration/Lock-in Procedures

Sellers may register and/or lock loans from the opening price code (approximately 10:00 AM CST) through 5:00 PM CST. Lock-in requests received by Summit after 5:00 PM CST each day will be priced according to the opening price code issued for the next day.

Daily prices are posted at our Bank Partner website www.summitbankportal.com.

For new registrations (including Pre-Approvals), complete the online lock request form at the Summit Bank Portal website ([Summits Preferred Locking Method](#)) or complete the Summit Bank Partner Registration/Lock Request Form, (**Exhibit - 001**) and fax it to Summit Secondary Marketing at 763-390-7369. In emergency situations, you may call the Summit Secondary Market Department at 763-390-7269 to register or lock a loan.

A loan number will be provided to Partner on the Lock Confirmation Form that will be faxed or emailed back to the Seller within 24 hours of receipt. Seller is expected to verify any discrepancies. Pricing must be notified of any missing confirmations within 48 hours of the lock registration time. Acceptable proof of submission is a copy of the online lock submission or a fax confirmation showing the actual lock with date and time stamp. **See Exhibit - 031.**

Rates are subject to change at any time without notice. The effective rate sheet will have a price code of a higher number, e.g. price code 206 supercedes price code 205.

The lock-in period corresponds to the rates effective at the time of lock-in. The lock-in period is based on calendar days, and begins according to the effective date for the price chosen at the time of lock-in. If the expiration date falls on a weekend or a holiday, the loan will expire on the business day following the weekend or holiday. Extension requests are based on actual expiration date.

The Best Effort rate lock period can be for 20, 35, 50, and 65 days. Extended lock periods are available on some products. Additional upfront fees will be assessed on all lock periods of 80 days or longer and will be posted on the daily rate sheet.

Best Effort locks are considered best effort until the loan is closed. Once a Best Effort loan closes, the loan becomes mandatory and delivery is expected. Failure to deliver a closed, locked loan will result in a penalty. See **Exhibit - 030**.

To extend a locked loan prior to expiration, call the Summit Mortgage Corporation Secondary Market Department to verify specific requirements for each investor.

200 – Pricing Policy

201 – Publishing Rates

Price codes will be posted on the Summit Bank Portal website. All price codes are subject to change at any time by Purchaser at its sole discretion without notification.

202 – Registering a Loan

202.01 – Float (No Price Commitment):

A loan is registered when pertinent information is provided regarding to Summit regarding a specific loan and a loan number is assigned by Summit without locking in rate, price, or program. All loans must be registered prior to submission for underwriting. Registration does not lock in a price commitment or guarantee availability of funds.

202.02 – Lock (Commitments):

A rate lock commitment guarantees the rate, price, and program with Summit for a specified period of time. It also guarantees availability of funds for that product as long as loan delivery is made in accordance with program guidelines.

203 – Service Release Premium

All products include net-pricing with no service release premiums paid by Summit.

204 – Early Payoff

In the event that a mortgage loan sold by the Seller to Purchaser is prepaid in full, the following criteria will be applied to determine early pay-off charges:

Borrower must have made at least 6 scheduled payments on his/her loan prior to pay-off.

In the event of an early pay-off not meeting the above criteria, Seller shall refund to Purchaser the following amounts:

- The amount of the purchase price for the mortgage loan in excess of par.
- All early pay-off fees are due within 15 days of notification. Purchaser will deduct unpaid amounts due from future fundings.

205 – Early Payment Default

A loan is considered to be in Early Payment Default if any of the first four (4) payments on any mortgage becomes 60 days delinquent and is subsequently recommended for foreclosure within twelve (12) months following the due date of the first principal and interest payment. Seller shall not make any mortgage payments on behalf of any mortgagor. In the case of an Early Payment Default, Seller may be required to repurchase loan as outlined in section 206 “Repurchase Price” of Chapter 600 – Closing and Funding Requirements.

206 – Escrow Waiver

If eligible, an escrow waiver may be requested on conventional loans with LTV's of 80% or lower, subject to underwriting approval. See rate sheets for applicable price adjustor.

207 – Loan Registrations & Lock-In Periods

Floats and Locks can be requested by completing the Online Registration/Lock Request and submitting online to Summit Secondary Market. If our online lock-in system goes down you may fax your Registration/Lock Request Form (**Exhibit - 001**) to 763-390-7269. Purchaser will accept lock-ins applying the following guidelines:

- 20 to 65 Days: Best Efforts Lock
- 80+ Days*: Best Efforts Lock with upfront fee required when loan is locked

*Extended locks may not be available for all products

208 – Extended price protection

As previously noted, extended protection is available on specific programs as published on the daily rate sheet. All extended lock fees are non-refundable, non-applicable up front fees and are due in our office within five (5) business days at the following address:

Summit Mortgage Corporation
Attention: Secondary Marketing
13355 10th Avenue North, Suite 100
Plymouth, MN 55441

Purchaser reserves the right to limit each Seller’s daily volume of locks to 1.5 million.

The ratio of undelivered lock-ins, cancellations, and fall-out will be monitored on an on-going basis. An unacceptable fall-out ratio will jeopardize the Seller’s approval status.

300 – Changes to Existing Locks/Registrations

301 – Float to Lock

Seller may lock an existing float registration at any time that lock-ins are being accepted.

302 – Lock Modifications

If Seller wishes to modify or change a standard conforming conventional fixed or government fixed Lock Commitment (not including the A minus or any non-conforming program), the new commitment will adjust according to the original price code. This applies to any change in program, term, price and loan amounts inside of loan amount tolerance as defined in section 306 “Delivery Tolerance” in this Chapter. Any other product changes are subject to worst of original lock or current market pricing.

303 – Extensions/Relocks

Extension Requests prior to lock expiration date: Contact Summit Mortgage Secondary Market Department for information on your specific program and lock.

304 – Address Change

If an applicant decides to change property, any existing commitment with Purchaser must be canceled and re-locked at current pricing. The only exception to this policy is when a borrower is only switching lots within the same subdivision before construction begins. TBD is not an acceptable address for a lock.

305 – Adding or Deleting an Applicant

When adding or deleting a co-borrower, the lock terms will remain the same. When deleting original applicants and replacing with new borrowers, the original loan must be canceled and re-locked using current pricing.

306 – Delivery Tolerance

Seller may deliver a loan with a principal amount different from the original Lock Confirmation of +/- 20% of mortgage amount for conforming balances. The tolerance for Jumbo loan sizes is +/- 15%. Changes outside of this tolerance would be subject to blended pricing. SRP's may be affected by mortgage amount changes.

307 – Failure to Deliver

All committed Best-Effort loans closed by the Seller are considered mandatory. Summit will assess a non-delivery Pair Off Fee when a locked loan is closed, either prior to or up to and including 30 days after the expiration date, but not delivered to Summit, unless the Seller receives specific written release of the obligation. The fee is calculated by determining the difference (Positive Market Movement), if any, between the opening 15-day price on the day after the expiration date and the existing Market price on the commitment. Seller will be charged a minimum of .5% point for any loan committed to Summit and is closed, but not delivered to Summit.