



Extended Rate Lock Program with Float-Down Option

Eligible Products and Terms

- The Program only applies to New Construction Only
- Highlands Residential Mortgage Conforming 30yr Fixed Loans
- 120-day lock- use 50 day lock rate add .25% to rate
- 180-day lock- use 50 day lock rate and add .375% to rate
- 270 day lock- use 50 day lock rate and add 1.00% to rate
- 360 day lock- use 50 day lock rate and add 1.00% to rate
- Rates can be bought down with additional discount points

Up-Front Deposit

- If a borrower wishes to secure a Long-Term Lock, a 1.00% Up-Front deposit is required.
- This deposit cannot be waived and must be collected from the borrower prior to initial lock-in.
- The deposit will be a credit back to the borrower at the closing table
- The Extended Rate Lock Agreement must be completed and signed by the borrower(s) along with a check from the borrower for the 1.00% deposit. (1% of the Loan Amount) and additional buydown points are available upon request.
- The check must be made payable to Highlands Residential Mortgage and must be received by our accounting department with 72 hours of the lock date.

Refund of Up-Front Deposit

The Up-Front Deposit will be credited to the borrower at the Closing table. The Deposit is non-refundable unless the customer's loan is denied.

One Time Float-Down Option

- The Float-Down can only be exercised once during the lock-in period and must be exercised within 30-days prior to closing.
- The Float-Down rate is based on the current 50-day rate lock plus 0.50% point cost.
- The Float-Down Option is applicable for the lesser of 30 days or through the remainder of the lock-in period, whichever expires first.
- The newer lower interest rate from the Float-Down does not extend the lock-in period.
- The rate lock can be extended if needed before the lock expires at a cost to the borrower.

Example of float down Calculation

Float down calculation is current market plus an additional .50 points in price. The resulting price cannot exceed the original locked price. For Example:

- Original Locked Pricing = 4.5% @ 0 points
- Current Market Pricing = 4.25% @ 0 points
- Float down pricing options = 4.25% @ 0.50 point or 4.375% @ 0 points

In the above scenario, 4.5% @ .25 points is not an available option if the market improves and it does not provide a 0.25 reduction of the locked rate price, and the final price would exceed the original locked price.

Extending an Initial Lock

If the loan does not fund within the initial term of the Extended Lock, the loan may be extended at a .25 point fee for each 10 day extension. The maximum extension term of the lock may not exceed 75 days from the expiration of initial extended lock.

Change of Loan Amount

If the loan amount changes but stays within the same product, you can make up to a 10% change in the loan amount, with no penalties, prior to exercising the Float-Down option. If the loan amount changes by more than 10%, the borrower is subject to worst-case pricing compared to current market. If the loan amount changes after exercising the Float-Down option, even within the 10% tolerance, the borrower is subject to worst-case pricing compared to market at the time of the change.

Change of Address

The borrower can change property addresses and keep the same lock as long as (1.) the loan amount does not change by more than 10%, and (2.) they do not change loan programs.

For More Information Call

HIGHLANDS
RESIDENTIAL MORTGAGE

THE PARHAM
TEAM

INVESTMENT PROPERTY SPECIALISTS

Graham W. Parham
Senior Loan Officer
RMLO/NMLS #195724
O: (855) 326-6802

Aaron Stelly
Production Partner
NMLS #1398895
O: (972) 581-1223

TheParhamTeam@highlandsmortgage.com

Illinois Residential Mortgage Licensee | Georgia Residential Mortgage Licensee | Regulated by the Division of Real Estate
NMLS # 134871 | 950 W. Bethany Drive, Suite 800 Allen, TX 75013 | Equal Housing Lender