



## First Colony Mortgage | Wholesale Lock Policy

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## Overview

First Colony Mortgage's ("FCM") Third Party Origination ("TPO") Lock Policy outlines the procedures and requirements for locking interest rates, ensuring compliance with applicable guidelines and available lock terms.

An interest rate "lock" secures the rate offered to the consumer at the time of the request for a defined period. Locking a rate does not guarantee loan approval or consumer eligibility, and it is not tied to the loan's underwriting decision.

## Lock Desk Information

FCM FUEL (<https://fuel.fcmtpo.com>) is FCM's platform for managing rate locks and other TPO functions. While some lock functions can be completed directly within FCM FUEL, Lock Desk assistance may be required for certain scenarios. These include, but are not limited to:

- Loan characteristic or program/product change requests
- Lock extensions
- Pricing discrepancies
- Lock policy questions
- Lock cancellations

## Lock Desk Staffed Hours

The Lock Desk is available to assist with rate lock-related inquiries during the following business hours:

- Monday - Friday: 8:00 a.m. – 9:00 p.m. ET

## Contact Information

For rate lock-related questions or assistance, the Lock Desk can be reached at:

- Email: [LockDesk@FCMTPO.com](mailto:LockDesk@FCMTPO.com)
- Phone: 801-854-1122

## Daily Pricing and Distribution Times

FCM distributes pricing Monday through Friday via email. The current rate sheet is also accessible on the FCM FUEL website.



All pricing shown in FCM FUEL includes applicable loan-level price adjustments (LLPAs).

## Lock Window Hour

- **Agency Pricing:** Available Monday–Thursday from 9:30 a.m. ET to midnight ET, and from 9:30 a.m. ET Friday through midnight ET Sunday. Weekend locks are accepted.
- **Non-QM Sharp Advantage Pricing:** Available Monday–Thursday from 11:30 a.m. ET to midnight ET, and from 11:30 a.m. ET Friday through midnight ET Sunday. Weekend locks are accepted.
- **Non-QM Legacy Sharp Products (C, I, N, S, W) and Jumbo:** Available Monday–Friday from 11:30 a.m. ET to 8:00 p.m. ET. Weekend locks are not accepted after 8:00 p.m. ET on Friday.

## Price Changes

Fluctuating market conditions, averaging approximately +/-0.125%, may result in intraday price changes (“Price Changes”). All Price Changes are communicated via email from the Pricing Desk using the same channels as initial pricing distribution.

Any rate lock requests submitted after a Price Change are subject to the updated pricing, regardless of whether the Broker has received the email notification.

Lock availability during a Price Change depends on market movement at the time of the update. Notifications are emailed with subject lines as described below.

### **Worsening Market Conditions:**

Locking is temporarily disabled in FCM FUEL while rates and pricing are being updated due to market deterioration. The following subject lines will be used during this time:

- **Price Change In Progress – Agency**
- **Price Change In Progress - Non Agency**

Once the reprice is complete and new rates are live in the FUEL, locking is restored. The following subject lines will be used to indicate completion of the update:

- **Intra-day Price Change Completed - Pricing Now Available – Agency Degraded**
- **Intra-day Price Change Completed - Pricing Now Available - Non Agency - Degraded**

### **Improving Market Conditions:**



When pricing improves, locking remains available throughout the update process. The following subject lines will be used to indicate that improved pricing is now active:

- **Intra-day Price Change Completed - Pricing Now Available - Agency Improvement**
- **Intra-day Price Change Completed - Pricing Now Available - Non Agency Improvement**

## Confirmation Policy

All rate lock requests must be submitted through FCM FUEL. Access to the portal requires a valid username and password. Clients are solely responsible for ensuring the accuracy of all data entered or uploaded into the system. FCM TPO is not responsible for errors resulting from incorrect or incomplete information.

A rate lock is not considered confirmed until the lock request has been processed and acknowledged in FCM FUEL. Until confirmation, the rate remains in a floating status and is subject to market fluctuations. Once confirmed, the rate is secured for the duration of the lock period.

After a lock is confirmed, a confirmation PDF will be posted in FCM FUEL, and the designated client contact will receive an email notification with a link to the confirmation. Clients are expected to review the lock confirmation and notify the Lock Desk within 24 hours of any discrepancies. Corrections requested after 24 hours will be subject to FCM's reprice, extension, and/or re-lock policy.

## Lock Transfers

A lock may only be transferred to a new loan number when there is a valid compliance-related reason. In such cases, the original lock pricing will be carried over to the new loan.

## Loan Changes

All loan data changes such as updates to credit score, loan amount, or Loan-to-Value ("LTV") must be submitted as a Change in Circumstance through the FCM FUEL Portal. These changes will be priced based on the original lock date.

Program changes must also be submitted through FCM FUEL and may be subject to worst-case pricing, as outlined in the table below. This includes changes made in the reverse direction of those shown. For example, if the table shows a change from Conventional to FHA, the same worst-case pricing logic applies when changing from FHA to Conventional.



Original Program	New Program	Pricing
Conventional 30-year Fixed	Government 30-year Fixed	Worst Case
Any Conventional Fixed Rate	Any Conventional ARM	Worst Case
Any Government Fixed Rate	Any Government ARM	Worst Case
Conventional 30-year Fixed	Conventional 15-year Fixed	Worst Case
Conventional 30-year Fixed	Conventional 20-year Fixed	Lock Date
Government 20-year Fixed	Government 10-year Fixed	Worst Case
Government 20-year Fixed	Government 25-year Fixed	Lock Date
Any Conventional High Balance	Any LUX JUMBO Product, including AUS	Worst Case
Any Conventional Product	Any Sharp Product	Worst Case
Any LUX JUMBO Product, including AUS	Any LUX JUMBO Product, including AUS	Worst Case
Any LUX JUMBO Product, including AUS	Any Sharp Product	Worst Case
Any Sharp Advantage Fixed Rate	Any Sharp Advantage ARM	Worst Case
Any Legacy Sharp (C, I, N, S, W) Product	Any Legacy Sharp (C, I, N, S, W) Product	Worst Case
Sharp Advantage DSCR	Sharp Advantage Full/Alt Doc	Lock Date

**Note:**

- Changing the loan term within the 16-30 year range (e.g., from 20 years to 30 years) or within the 10-15 year range (e.g., from 10 years to 15 years) will **not** result in worst-case pricing.
- **Worst-case pricing** will apply when changing from a 16-30 year range to a 10-15 year range, or vice versa.



- **Worst-case pricing** applies to **any changes** within the **LUX JUMBO**, including **AUS** or **SHARP** product suites.

## Duplicate Locks

Duplicate lock requests will not be accepted. FCM allows only one active lock per borrower(s) and property address combination.

## Canceled Loans/Locks

Brokers are responsible for managing their loan pipeline and must promptly notify their Account Manager if a loan is canceled.

The Account Manager is responsible for ensuring the loan’s status is accurately updated in the Loan Origination System (LOS). If the status is one of the following, the system will automatically trigger a lock cancellation request to the Lock Desk:

- Application approved but not accepted
- Application denied
- Application withdrawn
- File closed for incompleteness
- Preapproval request denied by financial institution
- Preapproval request approved but not accepted

**Note:** Same-day reinstatement of a canceled lock is permitted for Agency products only. For Non-Agency products, canceled locks cannot be reinstated and will require a relock, subject to worst-case pricing.

## Loan File Setup and Underwriting Submission Requirement

To maintain rate protection and support efficient pipeline management, loans must reach Loan Setup Complete status in Fuel and be submitted to Underwriting within the required timeframes. All timeframes are measured in calendar days from the initial lock date. The table below outlines the applicable requirements.

Lock Period	Agency	Non-Agency
30 Days	10 Calendar Days	10 Calendar Days
45 Days	15 Calendar Days	15 Calendar Days
60 Days	15 Calendar Days	15 Calendar Days



90 Days	25 Calendar Days	25 Calendar Days
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**Note:** If the loan has not reached *Loan Setup Complete* and been *submitted to Underwriting* within the required timeframe shown above, the lock will be automatically canceled and will be subject to worst-case pricing policies at the time of re-lock.

## Property Address

Lock requests will not be accepted if the property address is listed as “TBD” in FCM FUEL. A valid subject property address is required to complete the lock process.

## Geographic Lending Area

Please refer to [First Colony Mortgage's Licensing Map](#) for the most up-to-date list of approved lending states.

## Loan Amount Minimum

Minimum loan amount requirements may vary by product. For the most current information, refer to the Resource Center in FCM FUEL.

## Lock Expiration

Locks remain valid through their expiration date and will expire at midnight ET on that day unless extended. If the expiration date falls on a weekend or company holiday, the lock will automatically roll to the following business day.

An expired rate lock cannot be extended. Locks must remain valid through the loan’s funding date and may require an extension or relock if they are set to expire beforehand. For purchase transactions, the lock expiration date must be equal to or greater than the closing date reflected on the purchase contract.

**Note:** For Non-Delegated Correspondent loans, lock expirations must be valid through loan delivery. Refer to the Non-Delegated Correspondent Loan Delivery section below for additional information.

## Non-Delegated Correspondent Loan Delivery

NDCs must deliver the closed loan file by the earlier of the lock expiration date or three (3) calendar days after the Closing Date.

Loans delivered for purchase after the lock expiration date are subject to the following:



- If the current market is better at the time of delivery, a late delivery fee of 0.125% will apply.
- If the current market is worse, the loan will be subject to worst-case pricing based on the file delivery date.

Loans must be cleared for purchase within 10 calendar days of the lock expiration date. If additional time is required to cure deficiencies, a daily charge of 2 bps (0.02%) will apply until the loan is cleared for purchase.

## Non-Delegated Correspondent Pair-Off Fees

NDCs may be assessed a pair-off fee if a loan closes but is not delivered to FCM for purchase (e.g., if the Seller withdraws or cancels the loan). This fee does not apply if the loan is canceled by the borrower or denied by FCM. The fee is based on the difference between the original lock price and the market price at the time of cancellation or lock expiration, whichever occurs first.

A minimum pair-off fee of 0.25% (25 bps) will apply regardless of market movement if the closed loan is not delivered.

The table below illustrates how the pair-off fee is calculated under different market scenarios:

	Current Market Worse	Current Market Better	Current Market Unchanged
Benchmark price day of lock	103.500	103.500	103.500
Current benchmark price	102.750	104.000	103.500
Price Spread	(0.750)	0.500	0.00
Minimum Pair-off fee	0.750	0.500	.250

## Product Offerings

FCM offers a broad range of loan programs, categorized as follows:

- **Agency products** –Conventional loans backed by Government-Sponsored Enterprises (“GSEs”) such as Fannie Mae and Freddie Mac, and Government-insured loans through FHA, VA, and USDA.



- **Non-Agency products** –Jumbo, Non-QM, DSCR, and other proprietary programs.

Lock policies and eligibility requirements may vary by product category. The following sections outline specific lock policy guidelines for Agency and Non-Agency loan types, respectively.

For a complete list of approved offerings and detailed product guidelines, please refer to the FCM FUEL Resource Center.

## Agency Product Information

### Agency Product Lock Window

Agency product lock requests are accepted from the time rates are first posted (“Initial Price Posting”) in FCM FUEL until the applicable lock window closes. For additional information, refer to the section titled Lock Window Hours.

If a Broker submits an initial lock or relock request in error, they may request to have the lock marked as void in FCM FUEL (a “Void Request”). Void Requests must be submitted via email to the Lock Desk on the same business day the lock was submitted and during published Lock Desk Staffed Hours. Submissions made outside of staffed hours will not be accepted.

If an intraday price improvement has occurred, a valid compliance-related reason must be provided for the Void Request to be approved.

### Agency Lock Periods

- 15 days
- 30 days
- 45 days
- 60 days
- 75 days
- 90 days

### Agency Lock Extensions

Agency product lock extension requests must be submitted through the FCM FUEL Portal and will be accepted until midnight ET on the lock’s expiration date.



Extensions are automatically confirmed once submitted in FCM FUEL and cannot be voided once completed. Agency lock extensions are priced at 2 bps (0.02%) per day, calculated based on the loan amount. FCM permits lock extensions up to a maximum of 30 calendar days beyond the original lock expiration date. Extension requests exceeding this limit will be treated as a relock of an expired lock and subject to applicable relock policies.

### Agency Free Lock Extension Policy

A lock is eligible for a one-time, 3-day extension at no cost if all of the following criteria are met:

- The initial lock period was greater than 15 days (loans originally locked for 15 days are not eligible).
- The current market base price is equal to or better than the original base price, using the same lock term.
  - *Example: If the loan was originally locked on a 45-day term, the current 45-day market price is used for comparison.*
- The lock has not been previously extended or re-locked.
- The request is submitted within 7 calendar days of the current lock expiration date.

**Note:** If the 3-day extension ends on a weekend or holiday, it will roll to the next business day—as long as it stays within the 3-day limit. *(A business day excludes Saturdays, Sundays, and federal holidays.)*

### Agency Relock Policy

Brokers can submit a relock request for loans with an expired lock. Relocks are unavailable on discontinued products or rates no longer offered on FCM’s current market rate sheet. Any product guideline changes to active products will apply to relocks.

If the Broker submits a relock request on a loan where the original lock expired less than or equal to 30 days before the relock request, the lock is subject to worst-case pricing and a relock fee of 25 bps (0.25% of the loan amount). Worst-case pricing compares the original lock scenario at the current market pricing to the initial lock pricing, including extension costs. Any existing extension fees are removed if the current pricing is worse than the initial lock pricing plus extension fees. In the following example, the extension fees would be removed.

Initial Lock Scenario plus extension fees	vs.	Initial Lock Scenario at current market
100.500 + (-.375 extension fees) = 100.125		100.000



The relock period must be less than or equal to the original lock period. However, the relock price will correspond to the pricing for the original lock term. The net price cannot improve through a relock (notwithstanding the 25 bps relock fee) on a lock that has expired for 30 days or less. Locks that have expired for 31 days or more will be relocked at current market pricing with no relock fee or previous extension costs.

### Agency Escrow/Impound Waivers

First Colony Mortgage offers impound or escrow accounts for the payment of property taxes, hazard insurance, flood insurance, other required insurance, and mortgage insurance monthly premiums. A borrower may opt to waive escrow account establishment on a conventional loan if it meets the following provisions unless required by law. Pricing adjustments may apply on escrow waivers unless prohibited by state law.

- Impound or escrow accounts may be required based on Loan-to-Value (“LTV”), state regulations, or product guidelines.
- First Colony Mortgage offers partial escrow accounts for loans that do not require flood insurance (only property tax escrow or hazard insurance escrow).
- Escrow or impound waivers are not permitted on FHA, VA and USDA loan transactions.
  - **Note:** If a veteran is exempt from property taxes, an escrow account for taxes is not required.
- Escrow or impound waivers are not permitted on high-priced mortgage loans (“HPML”).
- Loans with a subject property in a flood zone cannot waive the requirement to establish a flood insurance escrow account. For transactions that require flood insurance, the premiums related to flood insurance must be escrowed. Escrows for these premiums may not be waived, regardless of LTV. No escrow is required if a condominium association pays flood insurance premiums, a homeowner’s association, or other groups.

State	LTV Requirements to Waive Escrow
All states excluding California and New Mexico	<ul style="list-style-type: none"> <li>● Less than or equal to 80% LTV</li> </ul>
California	<ul style="list-style-type: none"> <li>● <b>Primary Residence:</b> Less than or equal to 89.99% LTV</li> </ul>



	<ul style="list-style-type: none"> <li>Subordinate Financing Transactions: Maximum CLTV 80% of the appraised value</li> </ul>
New Mexico	<ul style="list-style-type: none"> <li><b>Primary Residence:</b> Maximum 79.99% of the sales price or appraised value.</li> <li><b>Secondary Residence and Investment Property:</b> Less than or equal to 80%</li> </ul>

**Note:** Escrow waivers are not allowed on Fannie Mae HomeReady and Freddie Mac Home Possible loans.

### Agency Rate Renegotiations

A rate renegotiation is a type of concession. This policy provides guidance in determining if the concession type qualifies as a rate renegotiation.

When a significant improvement in the interest rate environment puts a loan at risk of being canceled, the Lock Desk will evaluate the request per the guidelines set forth in the Rate Renegotiation Guidelines below.

Engaging in a rate renegotiation concession will result in a reduction of margin. Any decision to execute a rate renegotiation concession must follow the requesting Account Executive’s approval process for concessions.

### Rate Renegotiation Guidelines

Once the Lock Desk determines a loan meets the outlined parameters, the Account Executive must determine if a rate renegotiation concession is appropriate for the loan. Rate renegotiation concession requests should be submitted to the Senior Vice President (SVP) responsible for approving pricing concessions.

The following guidelines are used to determine if a renegotiation request qualifies:

- Market improvement of at least 75 bps (or 0.75%) in base price to base price.
- Each loan is limited to one rate renegotiation.
- Rate renegotiations are permitted on Agency products only.
- The loan must have an underwriting **Approved** status in FUEL.
- Rate renegotiations must result in a rate decrease of at least 0.125%.



- The cost to renegotiate the rate is a price adjustment of 50 bps (.50%). The renegotiated rate is determined by taking the rate associated with the current-market base price that is closest to, but not below, the initially locked base price and adding a cost of 50 basis points (bps).

**Important:** Referencing the current market's rate sheet is solely for rate calculation purposes. Engaging in rate renegotiation will not yield current market pricing.

## Non-Agency Product Information

For Non-Agency locks, it is the FUEL portal user's responsibility to review the full program guidelines for the product they are locking. Certain loan parameters, such as prepayment penalty requirements, declining markets, or other property-specific restrictions may not be accounted for in the pricing engine and could impact loan eligibility. It is critical that FUEL users verify program eligibility using resources such as the Eligibility Matrix and Underwriting Guidelines to avoid potential issues post-lock.

## Non-Agency Product Lock Window

- **Non-QM Sharp Advantage Pricing:** Available Monday–Thursday from 11:30 a.m. ET to midnight ET, and from 11:30 a.m. ET Friday through midnight ET Sunday. Weekend locks are accepted.
- **Non-QM Legacy Sharp Products (C, I, N, S, W) and Jumbo:** Available Monday–Friday from 11:30 a.m. ET to 8:00 p.m. ET. Weekend locks are not accepted after 8:00 p.m. ET on Friday.

## Non-Agency Lock Periods

- 15 days
- 30 days
- 45 days
- 60 days (*available depending on product; refer to the current rate sheet for availability*)

## Non-Agency Lock Extensions & Relocks

Relock and extension terms for Non-Agency products vary by product type.

Non-Agency lock extension requests must be submitted through the FCM FUEL Portal and are accepted until midnight ET on the lock's expiration date. Extensions are automatically confirmed and cannot be voided once completed. The cost for a Non-Agency lock extension is two basis points (0.02% of the loan amount) per day.



Maximum allowable extension days and total lock periods (including extensions) vary by product, as shown in the table below.

Brokers may submit a relock request for loans with an expired lock. Relocks are not available for discontinued products or for rates no longer offered on FCM’s current market rate sheet. Any product guideline changes to active products will apply to relocks. Relock terms are product-specific and included in the table below.

Product Name	Lock Extensions	Worst Case Pricing Period	Relock Fee	Maximum Relock Period
<b>JUMBO LUX AUS (N)</b>	Maximum of 30 extension days; limit two extensions per loan.	60 Days	25 bps (.25%)	15 Days
<b>JUMBO LUX (I)</b>	Total lock period (including extensions) may not exceed 75 days.	30 Days	30 bps (.30%)	15 Days
<b>Sharp Advantage</b>	Maximum of 30 extension days	30 Days	25 bps (.25%)	Relock period cannot exceed original lock period.
<b>Sharp (C)</b>	Maximum of 30 extension days; limit two extensions per loan.	30 Days	60 bps (.60%)	15 Days
<b>Sharp (I)</b>	Total lock period (including extensions) may not exceed 75 days.	30 Days	25 bps (.25%)	Relock period cannot exceed original lock period.
<b>Sharp (N)</b>	For original lock periods ≤ 30 days: Extensions may be granted, up to a maximum total lock period of 45 days (including extensions).  For original lock periods ≥ 45 days: Extensions may be considered on a case-by-case basis	30 Days	25 bps (.25%)	Relock period cannot exceed original lock period.
<b>Sharp (S)</b>	Total lock period (including extensions) may not exceed 60 days.	45 Days	40 bps (.40%)	15 Days
<b>Sharp (W)</b>	Maximum of 30 extension days; limit two extensions per loan.	30 Days	25 bps (.25%)	15 Days



### Non-Agency Escrow/Impound Waivers

For the most up-to-date information on escrow waiver requirements, please visit the Resource Center in FCM FUEL and review the applicable product guidelines.

### Non-Agency Property Address Changes

For Non-QM Legacy Sharp Products (C, I, N, S, W) and Jumbo products, if the subject property address changes (except for minor numerical or spelling errors), the Broker must start a new loan in FCM FUEL with a new loan number, resulting in a new lock at the current market pricing.

### New York CEMA Refinance Locks

For New York CEMA (Consolidation, Extension, and Modification Agreement) refinance transactions, the following applies:

- **Notification** – Once Abrams Garfinkel Margolis Bergson, LLP (AGMB) confirms the CEMA, the Loan Originator must notify the Lock Desk at [LockDesk@FCMTPO.com](mailto:LockDesk@FCMTPO.com) so the loan can be flagged as a CEMA refinance in Encompass.
- **Lock Timing** – Due to extended timelines, Brokers are encouraged to wait until collateral has been cleared by AGMB before requesting a lock. The CEMA process may take 30–60 business days for the existing lender to release collateral documents, with total closing timelines of up to 75 days.

## Revision History

Date	Version	Description
2.27.26	V8	Added Rate Renegotiation Policy
12.18.25	V7	Added Sharp Advantage lock policy information.
12.03.25	V6	Updated Lock Desk Hours
11.5.25	V5	Updated the Loan File Setup Requirement from Setup Submitted to Setup Complete. The timeframe for 30-day locks was extended from 7 days to 10 days to reflect the new Setup Complete requirement.
10.10.25	V4	Removed language requiring Correspondents to email the Lock Desk for Change in Circumstance requests; Non-Delegated Correspondents may now submit CICs directly through the FCM FUEL portal. Updated Loan File Receipt Requirement section to align with current rate sheet.



9.12.25	V3	Added Retail New York CEMA Refinance Locks subsection
9.9.25	V2	Added automation: lock cancellations triggered by loan status updates
8.8.25	V1	Document Creation