

Rate Lock Policy

Effective Date: 10/6/2026

FlexPoint

Rate Lock Policy

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I. OVERVIEW

A rate lock commitment guarantees an applicant's interest rate and price for the duration of the lock period. All retail and wholesale loan originators (collectively, "Loan Originators") must therefore stay current on market rates and understand every provision of this Rate Lock Policy. FlexPoint, Inc. (the "Company") publishes rates daily by 9:00 a.m. PST, Monday through Friday. Pricing may change without notice due to market conditions or technical issues, and intraday changes may occur. Direct any questions about lock commitments, change requests, pricing, or the pricing engine to the Company's Lock Desk at lockdesk@bffws.com.

This Policy establishes the rules governing rate lock commitments, pricing, extensions, relocks, renegotiations, and related activities. The Policy will be reviewed annually to ensure continued alignment with Company objectives, investor requirements, and market conditions.

Definitions

- Lock Commitment: The Company's commitment to honor a specific interest rate and price for a specified period, subject to all applicable terms and conditions.
- Lock Extension: An approved increase to the original lock period.
- Relock: A new lock issued after a previous lock has expired or otherwise become ineligible.
- Renegotiation: An approved adjustment to an existing lock due to favorable market movement that meets the requirements outlined in this Policy.
- Worst-Case Pricing: The less favorable pricing available between the applicable historical pricing date and current market pricing, including applicable extension fees, relock fees, and investor pricing adjustments.

II. RATE LOCK AVAILABILITY

Each business day, the pricing engine is refreshed with the current day's rates by 9:00 a.m. PST. In volatile markets, rates may be released later.

Rate locks are available from the time new pricing is released each morning until 5:00 p.m. PST the same business day. Locks are not accepted during the morning lockout period, before the investor(s) release the day's rates, which is generally prior to 9:00 a.m. PST.

III. PRICE CHANGES

Pricing may change at any time without notice, and the pricing engine provides fresh quotes throughout the day. Because the Company uses live pricing, it does not distribute price-change notices. The Company may—but is not obligated to—honor lock requests received before it suspends pricing by email or other effective communication. In periods of extreme volatility,

the Company reserves the right to reject all lock requests. Pricing is confirmed only when you receive a "lock confirmed" email from the Company's Lock Desk.

Manifest Errors

The Company reserves the right to correct, modify, or cancel any lock commitment resulting from a system malfunction, pricing engine error, data transmission failure, typographical error, or other manifest error. Any rate lock issued based upon a manifest error may be deemed invalid and repriced at the correct market terms at the Company's sole discretion.

Program Changes and Suspensions

The Company reserves the right to discontinue, suspend, or modify any loan product, pricing, underwriting guideline, lock availability, or investor offering at any time without prior notice. Investor requirements shall supersede this Policy whenever applicable.

IV. LOCKING A LOAN

Loan Originators must submit all lock requests through the Company's LOS. Only requests successfully sent through the pricing engine are valid. Requests made by any other means—email, attachments, phone, in person, etc.—are invalid, and pricing may not be honored.

- **Required Information**
  - Complete the following in the LOS before locking a loan:
  - Applicant(s) Name;
  - Property Address;
  - Loan Amount;
  - Loan Type;
  - Program Type;
  - Qualifying FICO Score;
  - DTI;
  - LTV/CLTV;
  - Occupancy;
  - Doc Type;
  - Loan Term;
  - Loan Purpose; and
  - Note Rate.

- **Rate Locks Available**

  Prime Programs: 15, 30, and 45-day (calendar) lock periods.

  NON-QM: 15 and 30-day (calendar) lock periods.

- **Lock Expirations**

  Loans must fund on or before the lock expiration date, and all loans must close and disburse by that date. For refinances, the lock period must allow for the right-of-rescission period. If a lock expires on a weekend or holiday, the expiration automatically rolls to the next business day, even though the lock confirmation will not state this.

- **Lock Extensions**

  If a loan cannot close within the original lock period, the lock may be extended to provide additional time for closing. Extension requests must be submitted to the Lock Desk via email or through the LOS prior to the lock expiration date; otherwise, the loan will be treated as a Relock (see below).

  - The Company offers the following extension options:
    - 1 to 4-Day Extension (requires management approval)
    - 5-Day Extension: 0.125%
    - 7-Day Extension: 0.250%
    - 10-Day Extension: 0.375%
    - 15-Day Extension: 0.500%

  All programs are eligible for up to two extensions, with a maximum cumulative extension period of 15 days.

  VP of Capital Markets approval is required when the Company, rather than the applicant, bears the cost of the extension.

  Extension fees are charged based on the selected extension period unless otherwise approved as a documented Policy exception. Any extension request outside of the above schedule requires VP of Capital Markets approval.

- **Relocks**

  If the rate lock has expired, the Loan Originator may request a new lock at current market pricing. For loans relocked within thirty (30) calendar days of expiration, pricing will be based on the less favorable of current market pricing or the pricing available during the previous lock period, including applicable extension and relock fees. Loans relocked thirty-one (31) or more calendar days after expiration will receive current market pricing. For HELOCs, ARM loans, Balloon loans, or Cross-Collateral DSCR loans pricing is the worst case of the current market within 45 calendar days of expiration and the current market 46 calendar days forward. Worst-case pricing includes any exception fees, re lock fees, and extension fees. It does not include rate negotiations or pricing exceptions.

- **Renegotiations**

  When market rates improve enough that an applicant may leave for another lender, offering a concession can cost the Company less than losing the loan.

  A loan qualifies for renegotiation when current pricing is at least 75 basis points better than the original lock price for the same lock period and the interest rate is at least 1/8% lower. A renegotiated loan may have a maximum lock period of 15 calendar days and may be renegotiated only once.

  The Loan Originator may email renegotiation requests to the Lock Desk.

- **Transferred Rate Locks**

  Locks are not transferable between applicants or between multiple applications from the

same individuals. If a loan is cancelled or withdrawn, the lock is eligible for a transfer to a new loan if done on the same day. If any locked information changes—such as the loan program—the locked pricing is subject to change.

- **Duplicate Locks**

  Multiple active locks for the same borrower and property are prohibited. If duplicate locks are identified, the Company may cancel one or more locks and apply worst-case pricing to any replacement lock.

- **Off Sheet Pricing**

  If a rate is not available in the pricing engine, email the Company's Lock Desk for research and pricing.

- **Changes to the Property Address**

  Changing to a different property is a new application, priced from the current rate sheet. Correcting the address when the property itself has not changed does not affect the original lock. As long as the property does not change, the loan is not a new application, regardless of other changes to its characteristics.

- **Borrower Changes**

  The addition or removal of a borrower after lock may affect pricing, eligibility, underwriting approval, or investor acceptance. The Company reserves the right to apply worst-case pricing and require re-underwriting when borrower composition changes.

- **Program Changes**

  A program change is, for example, moving from a 30-year fixed-rate loan to a 15-year fixed-rate loan or an ARM. Any program changes may be at the discretion of Secondary for worst-case pricing. The lock expiration date stays the same.

- **Loan Type Change**

  Pricing for any loan-type change reverts to the day the loan was locked (including any extensions, relocks, or renegotiations). If the loan program also changes, apply the Program Changes rules as well. A loan-type change is, for example, moving from a conventional loan to an FHA loan.

- **Interest Rate Changes**

  Pricing for any interest rate change reverts to the day the loan was locked (including any extensions, relocks, or renegotiations).

- **Lock Cancellations**

  If a locked loan is later declined by the underwriter or withdrawn by the applicant, the Loan Originator or processor must immediately notify the Lock Desk by email. The Lock Desk will then cancel the lock in both the pricing engine and the investor's site.

  A cancelled lock is significant and affects the Company's pull-through ratios; a low pull-through ratio leads to worse pricing from the investor.

A cancellation cannot be reversed after 24 hours; the loan must be re-locked under the Relock procedures.

- **Policy Exceptions**

  The originating business unit generally bears the cost of any Policy exception. Every exception requires prior approval from the designated Senior Manager and must be requested by the Sales Manager. All approved exceptions must be documented in the loan file and retained in accordance with the Company's record retention policies.

- **Pricing Exceptions and Concessions**

  The Company reserves the right to revoke, modify, or reprice any pricing exception, concession, waiver, incentive, or off-sheet pricing approval if any material aspect of the loan changes. Such changes include, but are not limited to, interest rate changes, policy exceptions, loan-to-value (LTV) changes, documentation type changes, property type changes, loan term changes, occupancy changes, loan amount changes, credit profile changes, program changes, or any other modification that materially impacts the risk, pricing, or eligibility of the loan.

V. CONCLUSION & ADOPTION

This Policy will be reviewed annually. This Rate Lock Policy is adopted and made effective as of the date set forth below.

VERSION CONTROL

Version Control AND Approval

Date	Version Number	Reviewer/Approver	Changes
07/01/26	1.0	Nick Ghiran	Initial Creation
9/30/26	2.0	Nick Ghiran	Lock Extension, Pricing Exceptions and Concessions
10/6/26	3.0	Nick Ghiran	Lock Extensions