



first community mortgage

CORRESPONDENT ANNOUNCEMENT 2022-21

June 27, 2022

Lock and Shop (Non-Delegated Only)

Effective Date

Non-Delegated Correspondent TBD Prospects pre-approved on or after June 27, 2022

Summary:

FCM is pleased to offer a Lock and Shop interest rate with a float-down option.

Guidelines/Restrictions

- Property Address must be a TBD
- Standard Conventional and Government Fixed Rate Products only, no Jumbo loans.
 - Should the loan amount increase over standard conforming and government loan limits, the loan will be repriced at the high balance/jumbo loan current market price.
- Credit, income, and asset underwriting pre-approval is required to qualify for the lock and shop pricing option.
- The lock and shop option may only be exercised one-time and is not valid until the agreement is signed by all parties.
- The borrower may choose to exercise their float-down option once a purchase contract/agreement has been signed and loan application has been received. If the lock expires or is not closed within 30 days from the time of the float-down, it will be subject to worse case pricing upon relock.
- Only one 30-day extension will be offered at a cost of 2 basis points per day, to a maximum of 30 days. Upon expiration of the extension period, if the loan has not yet closed, the lock will be invalid and will require a new lock, subject to worse case pricing.
- The float-down option may not be transferred to another rate lock, borrower, property, or loan program.
- The renegotiated float-down rate will be based off current 60-day pricing less .500% in pricing. To be eligible for the float-down option, current market rates must have improved in price (*current 60-day lock price compared to the 60-day price on the original lock date*).
- Increasing my loan size by more than 10% of the original locked-in loan value, may result in market adjustment charges.
- Failure to follow any of the steps above may result in lock issues.

Resources Available in our Correspondent Knowledge Center

- [Lock and Shop Rate Lock Agreement](#)
- [Lock and Shop Float Down Terms and Agreement](#)

**Should you have any questions, please reach out to your
Account Executive or Client Manager**