



Selling Guide

GMFS Jumbo Loan Programs

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INTRODUCTION

The GMFS Selling Guide (the “Guide”) sets forth certain rules, processes, and requirements associated selling Jumbo loans to GMFS (Jumbo and Jumbo Express loan Programs). The Guide regulates the qualification and approval process as well as the related procedural requirements such as locking loans, submitting loan files for review, and clearing the loans for sale. All guidelines in the GMFS Wholesale / Correspondent Selling Guide and/or the GMFS Wholesale/ Correspondent Purchase Agreement are still applicable. This guide will only outline differences specifically related to the Jumbo Program.

PROGRAM ACCESS

Access to the Program

In order to purchase or sell Jumbo Mortgage Loans through to GMFS, each client must (a) be approved by GMFS, and (b) meet and maintain certain eligibility requirements and standards, which eligibility requirements and standards are subject to change by GMFS without advance notice.

Amending the Guide

GMFS may update this Guide and the Program Rules and Regulations from time to time. GMFS will make each update by means of a written notice to the Participant, and such update will constitute an amendment to the Seller Guide

LOCK POLICY AND MORTGAGE LOAN FILE DELIVERY

Available Lock Periods

Rate Lock Periods can be requested from fifteen (15) to sixty (60) days with the Rate Lock Period defined as the number of days between the day the loan is locked and the Rate Lock Expiration Date. The expiration of the Rate Lock Period is the close of business for GMFS. The aggregate Rate Lock Period allowed (the initial Rate Lock Period plus the sum of all approved Rate Lock Extension periods) is equal to the initial lock term plus thirty (30) days.

Changes to Initial Lock

Change to your initial lock could impact pricing and eligibility. In certain cases it could cause the loan to go to worse case pricing even if the product is not changing. Please make sure to lock with the correct reserves, DTI, FICO and other key features to ensure you are not subject to worse case pricing should something material change. Particularly when using the Jumbo Express Program, refer to Appendix C of the Product Guide for more details.

Worst Case Pricing

A lock request may be subject to Worst Case Pricing under the following circumstances:

- (a) The rate lock has expired or been canceled/denied for sixty (60) days or less.
- (b) The status of the Mortgage Loan has changed (i.e., denied, withdrawn, etc.).
- (c) The loan product has changed (e.g., 15YR to 30 YR Fixed).

- (d) The loan program has changed (e.g., Jumbo A1 to Jumbo A2).
- (e) The note rate has changed by more than twenty-five (25) basis points.
- (f) The loan amount variance from the locked loan amount is greater than ten percent (10%).

Lock Extensions

Rate Lock Extensions may be requested via the TPO Portal / Encompass the following parameters are in place for Rate Lock Extension requests.

- (a) Rate Lock Extension requests must be received prior to the close of the Lock Window as defined in GMFS Selling Guide, i.e., prior to the close of business of the current Rate Lock Expiration Date.
- (b) Rate Lock Extension requests may not be submitted the same day a loan has been locked, extended or relocked. At least one (1) Business Day must pass before such requests will be considered.
- (c) In aggregate, a maximum of thirty (30) days of Rate Lock Extensions are allowed per loan. Rate Lock Extensions are available for five (5) days, fifteen (15) days, or thirty (30) days. There is no limit to the number of Rate Lock Extension requests per loan file as long as the total number of days requested does not exceed the 30-day maximum.
- (d) If a lock commitment is canceled, more than sixty (60) days must pass to lock another loan for the same property at the current market price. If less than or equal to sixty (60) days, then the lock is subject to Worst Case Pricing.
- (e) Mortgage Loan Rate Lock Periods must be extended until a complete (fundable) loan package has been delivered including the custodian file. All due diligence stipulations must be cleared.
- (f) Expired rate locks will be subject to the Relock Policy stated below.

Relock Option

A Seller may request a rate Relock via the TPO Connect / Encompass. Locks whose Rate Lock Expiration Date is less than or equal to sixty (60) days prior to Relock will be subject to Worst Case Pricing and a Relock Fee. Any existing extension fees on the lock will carry over to the relock or new lock confirmation.

Locks whose Rate Lock Expiration Date occurred more than sixty (60) days prior will be relocked at current market prices and will not be reduced by the Relock Fee or prior Rate Lock Extension fees.