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Rate Lock Policies

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Rate Lock Policies

New Rate Lock Request

Any loan may be locked online using the EZ Submit system for a period of 15, 30 or 45 days. Standard rate sheet pricing reflects a lock period of 30 days. All submissions are categorized as either Agency or Non-Agency transactions. Agency transactions do not require an approval prior to locking, where as Non-Agency transactions do. If the loan has been underwritten and approved, the rate must be at or below where the underwriter approved the loan. If a rate is selected at a higher rate than what has been approved, there may be a delay in your rate confirmation, if the market changes your loan may be subject to the worse market price.

Please keep in mind that your lock must cover your loan through funding. We suggest the following minimum lock times:

15 Days = Loan Clear to Close; at least final conditions submitted

30 Days = Loan has been approved with standard conditions (no subordination agreements, engineer's reports or other lengthy conditions)

45 Days = Newly submitted loan, more time consuming conditions, etc...

Locks for greater than 45 days may be accommodated on a case by case basis. Loan originator's / brokers/Account Executives must send a request sent to secondary@oaktreewholesale.com. This will not guarantee pricing. Fees based on product type and duration of the lock being request will vary.

Lock Extension Cost and timeframes

7 Day Extension = .125% of the loan amount charged to the rate lock price

15 Day Extension = .25% of the loan amount charged to the rate lock price

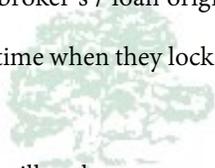
30 Day Extension = .50% of the loan amount charged to the rate lock price

Any exceptions to the above rate lock extension pricing must be requested through the rate exception tracking link (<https://www.cognitofirms.com/OFC1/OFCRateExceptionForm>) by the Account Executive or Loan Originator assigned to the file. These will be documented on a loan level basis. All requests for free exceptions will be documented as rate exceptions.

Broken Lock Considerations

If you lock your loan in and fail to extend your rate lock, the new price of your loan will be subject to the lessor of the current market price or the initial rate lock price minus .25% of the total loan amount for agency submissions. Non Agency submissions will be extended at the lessor of the current rate sheet price or the initial rate lock price. If you allow your loan to expire without notifying secondary marketing, you will not be allowed to renegotiate your rate lock price. Final pricing will be at the sole discretion of the secondary marketing department.

It is the broker's / loan originator's responsibility to know when their loans are set to expire, and to ensure that there is enough time when they lock their loan to get through the funding process.



Oaktree will make every reasonable effort to let the broker know that they have a lock setting to expire, however, it is not the responsibility of Oaktree Funding to ensure that the loan has not expired, or will not expire before funding, that responsibility remains solely with the submitting broker or loan originator's.

Rate Renegotiation Policy

If a broker or loan originator wants to float down their customer's interest rate, the market (current price for the same loan based on the same rate selected) must have improved by at least 1 Point (100 basis points) in price from the time the loan was locked in until the time in which the loan is cleared to close. Oaktree will allow the customer to float down to 50% of the improved market price.

All rate renegotiation will be subject to the following rules:

1. Loan **MUST** be Clear to Close
2. All underwriting conditions must be signed off (exceptions may apply)

3. Rate re-locks will void any previous rate lock commitments, and be subject to a maximum of 15 days to close & fund. No courtesy or free extensions will be allowed.

Rate / Program Change

Rate and program changes in the same locked day (meaning the day the loan was locked) will be allowed without any additional charge with the exception of loan level price adjustments that may now apply. This is provided that the newly selected interest rate is still available in the market (not too high or too low). Any increase in interest rate must be approved in advance by underwriting.

Lock Desk Hours / Rate Sheet Expectations

Locking loans is available through the EZ Submit system 8AM to 8PM Pacific time. Loans locked outside of “market hours” (M-F 9:30 a.m. ET — 4:00 p.m. ET) may be subject to an overnight price protection charge of .125% of the loan amount. If that charge is being applied, it will be notated on the rate lock request and you will have the opportunity to submit and continue or cancel before proceeding with that charge. (Overnight price protection is applicable to agency and government loans only).

Confirmation for after-hours locks will be sent within 24 hours of the requested lock through the system.

Rate sheets are published at approximately 9AM Pacific time, if there is a significant delay, we will notify our approved customers.

Maximum Price / Charges

The maximum allowed commission / lender paid broker fee is 3% of the total loan amount. The maximum allowable compensation and credit total is 5% of the total loan amount. This does not include Non-Conforming Jumbo loans, those must be borrower paid transactions.

Rate Exception and Rate/Price Match Policies

It is the policy of Oaktree Funding to match competitor rate and pricing for like products offered provided the below criteria is met and procedures followed when requesting a competitor rate or price match:

1. Oaktree Funding will only match price for competitor products which meet the criteria for the Non-Agency Advantage, Standard Investor, or Professional Investor Products.
2. In order for Oaktree to Price Match on any Investment products, a minimum of a 1 year prepayment penalty will be required, regardless of competitor requirements. It is Oaktree policy to match rate and/or price within our exception limits, and not program or origination practices. This is subject to secondary market or management review on a case by case basis.
3. Max Price Match is 50 basis point to rate improvement (0.5% interest rate improvement, 1 point in price, or a combination thereof).
4. When the loan is registered, the price match request must be submitted. Price Match REQUIRES a valid LQB loan number. Requests for price match without a valid loan number will be rejected.
5. Files where a price match was not disclosed at the time of submission/registration are subject to comp plan reductions and are not guaranteed to be approved.
6. Broker/Client must provide the matching lenders rate sheet as well as product matrix/guidelines to validate the price and requirements for said price to ensure the loan is qualifying under the same terms offered by the competitor. (EXAMPLE: If the competitor requires DSCR of at least 1.00 on their transaction for either pricing or guideline purposes, we will only honor a price match if the loan reflects a DSCR of at least 1.00. If the DSCR is less than 1.00, we will not be able to match. This rule applies to all aspects of competitor guidelines including but not limited to DTI, DSCR, FICO, LTV, and Property type).

7. At the time of rate lock request, the initial rate lock approval the requestor received from secondary must be sent back to secondary with a copy of the most current rate sheet offered by the competitor to validate no market movement has occurred. We will only match pricing from the competitor rate sheet from the day of lock request.



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