

Date: July 17, 2015

Subject: Temporary Change to Lock Extension Policy

Due to recent FHFA mandated Loan Level Price Adjustment (LLPA) increases, Impac is making a temporary change to its lock extension policy for Fannie Mae and Freddie Mac loans.

Rate Lock Extensions

1. For existing locked loans which fund within their current lock expiration date – no change.
2. For existing locked loans which are extended after July 15th **and** the new lock term expires on or before Monday, August 24th – no change.
3. For existing locked loans which are extended after July 15th **and** the new lock term expires after Monday, August 24th – the new LLPAs will be applied in the pricing of the extension.

Example:

Original Lock: Loan is locked for 45 days on July 1st (lock expiration is August 17 due to weekend)

Extension: Lock is extended for 15 days from August 17 (lock expires September 1)

Since the extended lock expires after August 24th, pricing will incorporate the new LLPA increases.

In addition to the normal 15 day extension cost (.300) the LLPAs in effect on the original lock date (July 1st) will be compared to those LLPAs in effect on the date of the extension request. Any increases in those LLPAs will be added to the lock extension cost.

Lock Extension Term (15 days) .300

Difference in LLPAs :

+ High Balance LLPA increase .25

Total Lock Extension Price .550

*the only difference in LLPAs in this example was due to a "High Balance" feature

Remember, there is no change for a loan which:

- Funds within its current lock expiration date, OR
- Is extended to a new lock expiration date that is on or before August 24th.

If you have questions, please contact the Lock Desk at 888-850-0259 Option 2.

Impac thanks you for your continued business!

###