



Massachusetts Housing Finance Agency
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Price Guaranty Policy

As of 04/11/2016

PURPOSE

The broad latitude of options which are described in this section is designed to provide a consistent, flexible, and competitively favorable pricing policy for MassHousing's correspondent lenders. These policies apply to all loans purchased by MassHousing from their correspondent lenders.

REQUIREMENTS

1. In all instances, correspondent lenders are required to utilize this Price Guaranty Policy in an ethical and honest manner and under no circumstances can lenders utilize these procedures in any way to achieve underserved gain for themselves or customers or cause MassHousing to suffer unnecessary losses.
2. A price guarantee is made on the basis of a loan registration and a specific property. In the event a loan application falls through because of the buyer or property, the commitment becomes null and void. If a change of applicants or property occurs, the subsequent registration would be treated as a new loan registration for price guaranty purposes, and would have the same options available as any new registration. In addition, a new loan number would be assigned to the new registration.
3. Correspondent lenders shall register/lock any mortgage loans it intends to sell to MassHousing after the correspondent lender has satisfactorily completed the credit underwriting of the mortgage loan through Fannie Mae's Desktop Originator (DO), in accordance with the underwriting guidelines of each product.
4. Having executed a best effort rate lock, the correspondent lender commits to using "best efforts" to deliver the loan regardless of the market conditions. Once the loan closes, the delivery of the loan file is mandatory.
5. All published rates and prices are subject to change without notice. Once correspondent lenders are notified that the rate sheet prices are being changed, no loans can be locked in at the previous rate and price.
6. The loan must be closed and delivered to Titan by the expiration date of the lock.
7. If a lock expires on a Saturday, Sunday, or legal holiday, the lock commitment will not roll to the next business day.
8. MassHousing expects correspondent lenders to ensure that the DU findings and the data input to emasshousing are consistent (i.e. property address, note rate, borrower names, etc.) at the time of registration. At time of funding, MassHousing expects the correspondent lender to

verify the information in DU is consistent with the information which is in emasshousing. A check will be completed by MassHousing and the loan will not be funded until all information is consistent.

9. Escrow waivers are not allowed on loans regardless of loan to value.
10. MassHousing limits combined origination charges and discount points on its products to 2% of the loan principal.

PRICE GUARANTY COMMITMENTS

The lock commitment will be valid for the term of the lock-in (chosen from the options listed on the daily price sheet) counted in consecutive calendar days, including weekends and holidays. The commitment is effective on the date the loan is locked until 11:59 p.m. on the expiration date. The commitment may be issued on the day of the application or at any subsequent date prior to loan closing. Any changes to the loan parameters including loan amount must be updated in emasshousing.

PRICE GUARANTY OPTIONS

1. New rates will be posted at approximately 10:00 AM daily. Rates are subject to change without notice. Market conditions may dictate that rates and prices change more than once a day without notice.
2. Lock registrations can only be accepted through MassHousing's lender extranet at: www.emasshousing.com.
3. Locks will be accepted between the hours of 10:00 AM and 10:00 PM Monday through Friday except holidays. MassHousing will notify correspondent lenders through emasshousing of their holiday schedule.
4. MassHousing will notify lenders of rate and price changes in advance when possible, however, there are circumstances in the market when the secondary marketing department must close the ability to make lock registrations immediately.
5. Confirmation Process: MassHousing provides electronically through www.emasshousing.com a lock confirmation at the time of lock.

LOCK OPTIONS

1. Lock-in terms may vary by product, however, generally MassHousing will offer lock-in terms of 30, 45, 60, and 75 days.
2. The price is established by the actual term of the lock.
3. A lock-in will establish the buy price and the terms of the loan, subject to the terms and conditions of the Master Purchase Agreement and Selling Guide.
4. Best effort delivery is expected on all locked loans. The correspondent lender must make every effort to close the loan according to the terms of the lock.
5. Loan delivery to MassHousing is mandatory on closed loans which are locked with MassHousing.

PROCEDURES FOR EXERCISING PRICE GUARANTY OPTIONS

Once a loan is locked, changes to a confirmed lock may be made through MassHousing's lender extranet at www.emasshousing.com. The user may make many types of changes through this portal. In the case the lender extranet will not accept your change, a modification may be requested to Secondary via the lender extranet. Changes to a confirmed lock registration may result in a different price or a fee charge at the time the loan is purchased. Fees are cumulative.

1. Interest Rate and Product Changes: Any loan in MassHousing's pipeline that is covered by a price guaranty commitment may be converted to another interest rate or product within the lock period. The buy price for a new rate will be based on the priced in effect for that interest rate on the day of the original lock whether better or worse than current market. Changes to the confirmed lock reservation may be made through MassHousing's lender extranet at www.emasshousing.com.
2. Extension Policy: Request to extend the lock period should be made prior to the expiration date of the lock. Expired locks are subject to worse case pricing. Extension fees are as follows:

Calendar Days	Charge
1 to 3 days	No charge
4 to 10 days	.250pts
11 to 20 days	.375pts
21 to 30 days	.500pts

Extensions days are cumulative. Extensions can be made by lenders through the MassHousing lender extranet at www.emasshousing.com.

3. For locks that have exhausted their maximum extension policy, the lock will be re-locked using worse case pricing inclusive of the original cost of extensions. A lock out period of 10 days from the lock withdrawal date or previous reservation expiration date may be exercised in lieu of a re-lock and the loan may be locked at the current market rate/pricing.

PIPELINE INTEGRITY

It is the correspondent lender's responsibility to maintain pipeline integrity. Any changes to the loans must be updated immediately in www.emasshousing.com. This includes cancellations, changes in estimated close date, loan status, or lock extensions.

MassHousing's ability to offer competitive pricing is directly affected by our correspondent lenders ability to manage their fallout ratio. Fallout occurs when a loan is not delivered according to the lock terms. A loan is considered a fallout loan when one of the following occurs:

- The lock expires prior to the loan funding
- The loan is denied

- The loan is withdrawn

Correspondent lenders are responsible to withdraw the lock within 1 business day if a loan falls out due to denial or withdrawal.

On a monthly basis, MassHousing will compute the pull-through rate of correspondents. The pull-through rate of the lender is measured by the number and by the dollar amount of mortgage loans purchased by MassHousing divided by the number and dollar amount of mortgage loans registered during a period of ninety days. Business Development is provided with the fallout report to share with lenders.