



Cornerstone
HOME LENDING, INC.
Correspondent Lending Division

TO: Correspondent Lenders
FROM: Angela Breidenbach, Operations Manager
DATE: May 27, 2014
RE: Mandatory Lock Requirements - REMINDER
Gift Funds on FNMA Loans

Mandatory Lock Requirements – REMINDER

We have had a good response to our new Mandatory Lock Option, and would like to remind our Correspondent Partners that a good rule of thumb is to pick the mandatory option only if you have a loan that is fully processed, underwritten and ready to close.

This is because, under the Mandatory Lock Option, the following requirements apply:

- No substitutions
- Conforming conventional fixed products only
- 15 day locks only
- Loan MUST be delivered on or before the 15 day lock expiration date
- Late delivery will result in a pair off fee
- Lock cancellation will result in a pair off fee
- **Once locked, no changes are allowed to lock (this includes product, values, FICO's, etc...)**
- If lock expires prior to delivery, a pair off fee will be charged. However, loan may be re-locked at current market under Best Efforts only. If changes need to be made to loan, they may be made once loan has been re-locked.
- If lock expires on a weekend or holiday, lock will roll to next business day.
- No overnight locks.
- If a loan is delivered to Cornerstone on-time, but has deficiencies (conditions). Correspondent lender will have the LESSER of three business days or lock expiration to upload conditions to the secure portal.
- In the event that deficiencies (conditions) are not cleared within the time frame indicated above, there will be a .125 deficient on-time fee assessed. This fee will be in **addition** to any extension fees. See Section 215.02 of the Cornerstone Lending Division Correspondent Loan Policy Manual for extension fee details.
- In the event that correspondent lender is unable to clear conditions, loan will be considered non-delivered and a pair off fee will be assessed.

Gift Funds on FNMA Loans

As you are aware, FNMA has implemented a significant policy change in regards to the source of down payment and is **now allowing gift funds on 5% down payment loans.** Cornerstone does not have additional overlays on this policy, and **will purchase** loans originated and processed under these guidelines.

As always, your business is greatly appreciated. If you have questions regarding this, or any other issue, we can be reached as follows: Angela Breidenbach - abreidenbach@houseloan.com, Kim Sharp – cornerstonecl@houseloan.com, Joanne Posen - jposen@houseloan.com or (505)814-7788