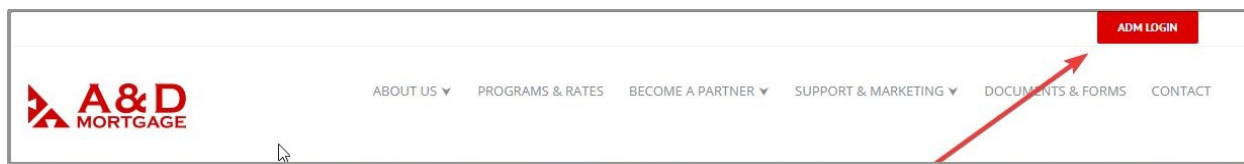


## ***Retail: How to Float/Lock Your Loan in ADM***

### **A&D Mortgage User Guide**

- 1. To access the Login screen of ADM,** first click on the red “ADM Login” button, located at the top right-hand side of [www.wholesale.admortgage.com](http://www.wholesale.admortgage.com).



- 2. To Log In,** enter your email address or login provided and your password, then click Login.



login

john.doe

password

•••••

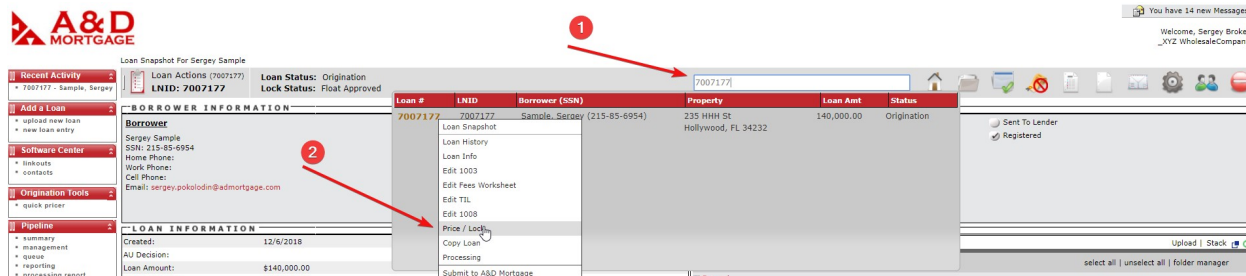
\* Password is case-sensitive

Login

[forgot password?](#)

### 3. Open your loan by entering in the loan information

- Enter any of the loan information you have available (borrower's name, loan number, property, etc.) into the search bar. Once your loan is brought up, click on the loan number in the results, and the pop-up menu will display.
- From the pop-up menu click **Price/Lock**.



The screenshot shows the A&D MORTGAGE web application interface. On the left is a sidebar with navigation links like 'Recent Activity', 'Add a Loan', 'Software Center', 'Origination Tools', and 'Pipeline'. The main area displays a search results table with columns: Loan #, LNUID, Borrower (SSN), Property, Loan Amt, and Status. A loan with ID 7007177 is selected, and a pop-up menu is visible with options: Loan Snapshot, Loan History, Loan Info, Edit 1003, Edit Fees Worksheet, Edit TIL, Edit 1008, Price / Lock (highlighted by arrow 2), Copy Loan, Processing, and Submit to A&D Mortgage. A search bar at the top right contains the text '7007177' (indicated by arrow 1). The top right corner shows a user greeting: 'Welcome, Sergey Broker, XYZ Wholesale Company'.

## 4. Fields for Non-QM loans

The highlighted blocks below are critically important to be completed for the pricing engine to provide accurate results.

Changes to certain fields in this form will update the 1003.  
LTV / CLTV / HCLTV will be calculated when loan amount, purchase price, appraised value, subordinate financing or HELOC fields are changed.

\*First Name: Retail  
Middle Name:  
Last Name: Sample  
SSN: 555-55-5555

\*Residence Status: US Citizen  
Qualifying Credit Score: 660 (Middle Score Required)  
\*Doc Type: Non-QM  
\*Property Type: Detached  
\*Occupancy: Investment  
\*Purpose: Purchase  
\*Units: 1 Unit  
\*Zip: 33137 Property TBD: ☐  
\*State: FL  
\*County: Miami-Dade  
\*Lien Position: Primary Loan

\*Interest Only: ☐ Yes ☒ No  
\*Underwriting Type: Manual Underwrite  
\*Recommendation: Accept  
\*Loan Type: Conventional  
Credit Grade: No Credit Grade  
Income Verification Type: 2Y Full Doc  
\*Program Type: ARM  
ARM Type: 5/1

\*Origination Channel: Retail  
Compensation Type: Lender Paid Compensation  
Compensation Date: 2/20/2019 8:35:26AM  
Application Date:  
Origination Fee: 0.00

Closing Cost Scenario: Retail Non-QM Owner Occup  
\*Loan Amount: 180,000.00  
Loan Amount w/MIPFF: 180,000.00  
\*Subordinate Financing: 0.00  
Existing Loan Amt: 0.00  
HELOC Amount Drawn: 0.00  
Max HELOC Amount: 0.00  
\*Purchase Price: 315,000.00  
\*Appraised Value: 315,000.00  
\*Down Payment: 135,000.00  
\*LTV %: 57.143  
\*CLTV %: 57.143  
\*HCLTV %: 57.143  
\*Housing Ratio %: 0.000  
\*Debt Ratio %: 0.000  
\*Cash Out: 0.00  
\*Amortization Term: 360  
Mortgage Insurance: No  
\*Escrow Waiver: No Escrows Waived  
\*Pre-Pay Penalty: ☒ Yes ☐ No  
Pre-Pay Type: Hard  
Pre-Pay Term: 3 Year  
Temporary Buydown: ☐ Yes ☒ No  
Seasonal Property: ☐ Yes ☒ No  
First Time Homebuyer: No  
Servicing Type: Servicing Released  
Specialty Products:  
Property Inspection Waiver: ☐  
Desired Rate: 2.75 to 11  
Desired Price: 95 to 96.500  
Desired Lock Period: 30  
Result: Best Price

\*Always select **Best price** filter on this screen as the results should be clearer and more logical for you.

Some fields are straightforward, and those that are not are bolded below:

Block 1:

- Residence Status: Select the desired option
- FICO: enter the borrower's FICO. If Foreign National has a FICO, enter the values from 560 to 660. Anything above 660 will be considered as 660.**
- Doc Type: select Non-QM for Non-QM loans only.**
- Property Type: PUD, Detached, Condo.
- Occupancy: Primary, Second Home, Investment
- Purpose: Purchase, Refi
- Units: from 1 to 4
- Interest Only: Yes or No

- b. **Underwriting Type: Manual Underwrite – for Non-QM loans only select this type**
- c. **Recommendation: Accept - for Non-QM loans only select this type**
- d. **Loan Type: Conventional - for Non-QM loans only select this type**
- e. Credit Grade: Disregard this selection
- f. **Income Verification Type: always select income. Pricing engine will not return any results unless income type is selected.**
- g. Program Type: Fixed (30 YF only) or ARM (5/1 or 7/1 only)
- h. **ARM Type: 5/1, 7/1 – for Non-QM loans select between these two ARM types only.**

Block 3:

- a. Compensation type: Lender Paid Compensation only (Retail Channel)
- b. ADM will show pricing with already included branch compensation within the pricing.

Block 4:

- a. DTI: may not exceed program maximum
- b. Cash-out: If CO Refi in Block 1 is selected, make sure to enter CO amount over \$2,000.  
If RT Refi in Block 1 is selected, make sure CO is less than \$2,000.

Block 5:

- a. Pre-Pay Penalty ("PPP"): applies only on Investment property. Standard PPP Term is 3 Years.  
a. You can select 3, 2, or 1 Year(s) PPP. PPP Type should always reflect Hard. Block

6:

- a. **Desired Price and Result:** The best and most accurate result is displayed next to the product name. Select the price of 96.5.
- b. Retail Channel for Non-QM will always have compensation set at 3.5 for all branches. It is required for the 3.5 points to be charged to borrower through discount points when the expected rate is from the Non-QM rate sheet.

LOAN PRODUCT				RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COM	
✓ Premier 5/1 ARM 2Y Full Doc (AD Mortgage)				Rate Date: 2/20/2019 3:02:00 AM ET	5.625 \$1,036.18	96.500000 \$6,300.00	30	5.000	2.000 / 3,600
<input type="checkbox"/> Product Guidelines No Guidelines apply to this product.									
<input type="checkbox"/> Adjustments Adjustments already factored into rate / price / margin. 3 Year Prepayment ( 74727826 ) Adjustment 0.0000000 to price FICO/LTV: FICO 660 - 679, LTV 55.01 - 60% ( 74728434 ) Adjustment 0.0000000 to price Originator Compensation Price Adj Adjustment 2 to price									
<input type="checkbox"/> Premier 5/1 ARM 2Y Full Doc									
5.375	\$1,007.95	5.000	96.000000	\$7,200.00	95.750000	\$7,650.00			
5.490	\$1,020.89	5.000	96.250000	\$6,750.00	96.000000	\$7,200.00			
5.625	\$1,036.18	5.000	96.500000	\$6,300.00	96.250000	\$6,750.00			
5.750	\$1,050.43	5.000	96.750000	\$5,850.00	96.500000	\$6,300.00			
5.875	\$1,064.77	5.000	97.000000	\$5,400.00	96.750000	\$5,850.00			
5.990	\$1,078.03	5.000	97.250000	\$4,950.00	97.000000	\$5,400.00			

However, A&D Mortgage allows up to 2 points to be paid through YSP, which means the rate must be increased by 1%, or any combination using the 1:2 ratio (for each 0.125 in rate increase, there will be 0.25 of compensation paid from YSP). For example, if you want to get 2% on the back, select less discount points for the borrower by 2%, which is 98.50 in pricing.

LOAN PRODUCT		RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COMP
Premier 5/1 ARM 2Y Full Doc (D Mortgage)		Rate Date: 2/20/2019 3:02:00 AM ET	5.625 \$1,036.18	96.500000 \$6,300.00	30	5.000 2.000 / 3,600
<b>Product Guidelines</b> No Guidelines apply to this product.						
<b>Adjustments</b> Adjustments already factored into rate / price / margin. 3 Year Prepayment ( 74727826 ) Adjustment 0.0000000 to price FICO/LTV: FICO 660 - 679, LTV 55.01 - 60% ( 74728434 ) Adjustment 0.0000000 to price Originator Compensation Price Adj Adjustment 2 to price						
Premier 5/1 ARM 2Y Full Doc						
5.375	\$1,007.95	5.000	96.000000	\$7,200.00	95.750000	\$7,650.00
5.490	\$1,020.89	5.000	96.250000	\$6,750.00	96.000000	\$7,200.00
5.625	\$1,036.18	5.000	96.500000	\$6,300.00	96.250000	\$6,750.00
5.750	\$1,050.43	5.000	96.750000	\$5,850.00	96.500000	\$6,300.00
5.875	\$1,064.77	5.000	97.000000	\$5,400.00	96.750000	\$5,850.00
5.990	\$1,078.03	5.000	97.250000	\$4,950.00	97.000000	\$5,400.00
6.125	\$1,093.70	5.000	97.500000	\$4,500.00	97.250000	\$4,950.00
6.250	\$1,108.29	5.000	97.750000	\$4,050.00	97.500000	\$4,500.00
6.375	\$1,122.97	5.000	98.000000	\$3,600.00	97.750000	\$4,050.00
6.490	\$1,136.54	5.000	98.250000	\$3,150.00	98.000000	\$3,600.00
6.625	\$1,152.56	5.000	98.500000	\$2,700.00	98.250000	\$3,150.00
6.750	\$1,167.48	5.000	98.750000	\$2,250.00	98.500000	\$2,700.00
6.875	\$1,182.47	5.000	99.000000	\$1,800.00	98.750000	\$2,250.00
6.990	\$1,196.34	5.000	99.250000	\$1,350.00	99.000000	\$1,800.00

See below for more detailed instructions.

## 5. Fields for Lite-Doc loans

There are considerably less input and fewer options for the Lite-Doc loan program. It is drastically different from Non-QM, however. a. Doc Type: Lite

b. Occupancy: Investment (always)

c. Interest Only: Yes (always)

d. Underwriting Type: Manual Underwrite (always)

a. Recommendation: Accept (always)

b. Loan Type: Conventional (always)

e. Income Verification Type: N/A (always)

a. Program Type: Fixed (always)

f. Compensation Type: Lender Paid Compensation (always in retail channel)

g. Amortization Term: 60 (always)

h. Pre-Pay Penalty: Yes

a. Standard pricing includes 2 years Hard PPP, so select 2 Years in the following field, PrePay Term.

b. PPP can be bought down to 0 years for a price of 2 discount points, or down to 1 year for a price of 1 discount point.

Middle Name:   
 \*Last Name:   
 \*SSN:   
 \*Residence Status:   
 Qualifying Credit Score:  (Middle Score Required)  
 1 \*Doc Type:   
 2 \*Property Type:   
 \*Occupancy:   
 \*Purpose:   
 \*Units:   
 \*Zip:  Property TBD: ☐  
 \*State:   
 \*County:   
 \*Lien Position:   
 \*Interest Only: ☒ Yes ☐ No  
 3 \*Deriviting Type:   
 \*Recommendation:   
 \*Loan Type:   
 Credit Grade:   
 4 \*Verification Type:   
 \*Program Type:   
 \*Origination Channel:   
 5 \*Compensation Type:   
 Compensation Date:   
 Application Date:   
 Origination Fee:

\*Loan Amount \$:   
 Loan Amount w/MIPFF \$:   
 \*Subordinate Financing \$:   
 Existing Loan Amt \$:   
 HELOC Amount Drawn:   
 Max HELOC Amount:   
 \*Purchase Price \$:   
 \*Appraised Value \$:   
 \*Down Payment \$:   
 \*LTV %:   
 \*CLTV %:   
 \*HCLTV %:   
 \*Housing Ratio %:   
 \*Debt Ratio %:   
 \*Cash Out \$:   
 6 \*Amortization Term:   
 Mortgage Insurance:   
 \*Escrow Waiver:   
 7 \*Pre-Pay Penalty: ☒ Yes ☐ No  
 Pre-Pay Type:   
 Pre-Pay Term:   
 Temporary Buydown: ☐ Yes ☒ No  
 Seasonal Property: ☐ Yes ☒ No  
 First Time Homebuyer:   
 Servicing Type:   
 Specialty Products:   
 Property Inspection Waiver: ☐  
 Desired Rate:  to   
 Desired Price:  to   
 Desired Lock Period:   
 Result:

Below are the results from the pricing engine. It will always default only to one selection. As shown in this screenshot, it is offering a rate of 9.49% at price of 96.5 for the selected parameters above.

Eligible Products

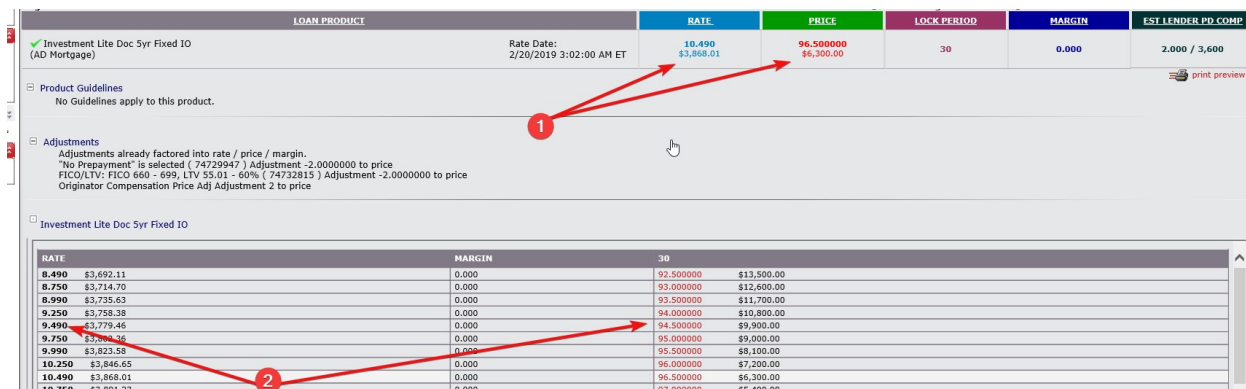
[ View Ineligible Products ]

LOAN PRODUCT	RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COMP
<input checked="" type="checkbox"/> Investment Lite Doc 5yr Fixed IO (AD Mortgage)	Rate Date: 2/20/2019 3:02:00 AM ET	9.490 \$3,779.46	96.500000 \$6,300.00	30	0.000 2.000 / 3.600
<div><input type="checkbox"/> Product Guidelines No Guidelines apply to this product.</div>					
<div><input type="checkbox"/> Adjustments Adjustments already factored into rate / price / margin. 2 year Prepayment Penalty ( 74729949 ) Adjustment 0.0000000 to price FICO/LTV: FICO 660 - 699, LTV 55.01 - 60% ( 74732815 ) Adjustment -2.0000000 to price Originator Compensation Price Adj Adjustment 2 to price</div>					
<div><input type="checkbox"/> Investment Lite Doc 5yr Fixed IO</div>					

If you decide to have no PPP, select the option PPP as NO on the prior screen.

1. The result will show as a higher rate by 1%; 10.490% in this example, with the price of 96.5.
2. Then you will need to buydown to the 9.49%, at the price of 94.5. This will give you standard rate 9.49%, 3.5 points for the branch and 2 discount points that are needed to satisfy the PPP.

PPP cannot be bought down using rate increases. You must always continue with the next step and select the price with discount points.



Loan Product: Investment Lite Doc 5yr Fixed IO (AD Mortgage)

Rate Date: 2/20/2019 3:02:00 AM ET

Rate: 10.490  
\$3,868.01

Price: 96.500000  
\$6,300.00

Lock Period: 30

Margin: 0.000

Est Lender PD Comp: 2.000 / 3,600

Product Guidelines: No Guidelines apply to this product.

Adjustments: Adjustments already factored into rate / price / margin.  
"No Prepayment" is selected ( 74729947 ) Adjustment -2.00000000 to price  
FICO/LTV: FICO 660 - 699, LTV 55.01 - 60% ( 74732815 ) Adjustment -2.00000000 to price  
Originator Compensation Price Adj Adjustment 2 to price

RATE	MARGIN	30
8.490 \$3,692.11	0.000	92.000000 \$13,500.00
8.750 \$3,714.70	0.000	93.000000 \$12,600.00
8.990 \$3,735.63	0.000	93.500000 \$11,700.00
9.250 \$3,758.38	0.000	94.000000 \$10,800.00
9.490 \$3,779.46	0.000	94.500000 \$9,900.00
9.750 \$3,804.46	0.000	95.000000 \$9,000.00
9.990 \$3,823.59	0.000	95.500000 \$8,100.00
10.250 \$3,846.65	0.000	96.000000 \$7,200.00
10.490 \$3,868.01	0.000	96.500000 \$6,300.00
10.750 \$3,891.23	0.000	97.000000 \$5,400.00

## 6. Fields for QM loans

We offer Conv, FHA, VA, Jumbo Loans under QM loan type

- Doc Type: Full/Alt – always for QM loans
- Underwriting Type: Fannie Mae AUS or Freddie Mac LP
- Recommendation: FNMA Approve/Eligible or FHLMC Accept
- Loan Type: Conventional, FHA, VA
- Income Verification Type: N/A – always
- Program Type: Fixed always. We do not offer ARMs in QM
- Compensation Type: Lender Paid (retail only)
- Amortization term: Varies



Enter your loan information, then click search programs.  
Changes to certain fields in this form will update the 1003.  
LTV / CLTV / HCLTV will be calculated when loan amount, purchase price, appraised value, subordinate financing or HELOC fields are changed.

\*First Name:   
Middle Name:   
\*Last Name:   
\*SSN:   
\*Residence Status:   
Qualifying Credit Score:  (Middle Score Required)  
1 \*Doc Type:   
\*Property Type:   
\*Occupancy:   
\*Purpose:   
\*Purpose of Refi:   
\*Units:   
\*Zip:   
\*State:   
\*County:   
\*Lien Position:   
\*Interest Only: ☐ Yes ☒ No  
2 \*Underwriting Type:   
\*Recommendation:   
\*Loan Type:   
Credit Grade:   
3 Income Verification Type:   
\*Program Type:   
4 Compensation Type:   
Compensation Date:   
Application Date:   
Origination Fee:   
Mortgage Broker Fee:   
Closing Cost Scenario:   
\*Loan Amount \$:   
Loan Amount w/MIPFF \$:   
\*Subordinate Financing \$:   
Existing Loan Amt \$:   
HELOC Amount Drawn:   
Max HELOC Amount:   
\*Purchase Price \$:   
\*Appraised Value \$:   
\*Down Payment \$:   
\*LTV %:   
\*CLTV %:   
\*HCLTV %:   
\*Housing Ratio %:   
\*Debt Ratio %:   
\*Cash Out \$:   
5 \*Amortization Term:   
Mortgage Insurance:   
\*Escrow Waiver:   
\*Pre-Pay Penalty: ☐ Yes ☒ No  
Temporary Buydown: ☐ Yes ☒ No  
Seasonal Property: ☐ Yes ☒ No  
First Time Homebuyer:   
Servicing Type:   
Specialty Products:   
Property Inspection Waiver: ☐  
Desired Rate:  to   
Desired Price:  to   
Desired Lock Period:   
Result:

## 7. Locking a loan:

- After completing all fields using one of the above-mentioned scenarios, click on the price in the grid.

LOAN PRODUCT	RATE	PRICE	LOCK PERIOD	MARGIN	EST. CLOSING COST
✓ Investment Lite Doc 5yr Fixed 10 (AD Mortgage)	Rate Date: 2/20/2019 3:02:00 AM ET	10.490 \$3,668.01	96.500000 \$6,300.00	30	0.000 2.000 / 3,600
Product Guidelines No Guidelines apply to this product.					
Adjustments Adjustments already factored into rate / price / margin. "No Prepayment" is selected ( 74729947 ) Adjustment -2.00000000 to price FICO/LTV: FICO 660 - 699, LTV 55.01 - 60% ( 74732815 ) Adjustment -2.00000000 to price Originator Compensation Price Adj Adjustment 2 to price					
Investment Lite Doc 5yr Fixed 10					
RATE	MARGIN	30			
8.490 \$3,692.11	0.000	92.500000	\$13,500.00		
8.750 \$3,714.70	0.000	93.000000	\$12,600.00		
8.990 \$3,735.63	0.000	93.500000	\$11,700.00		
9.250 \$3,756.38	0.000	94.000000	\$10,800.00		
9.490 \$3,779.46	0.000	94.500000	\$9,900.00		
9.750 \$3,802.36	0.000	95.000000	\$9,000.00		
9.990 \$3,823.58	0.000	95.500000	\$8,100.00		
10.250 \$3,846.65	0.000	96.000000	\$7,200.00		

- Next page is where you need to verify the entered values



Scroll down to select the desired option.

Originator Information | Primary Borrower | **Loan Details**

Occupancy: Primary Residence  
 Lien Position: Primary Loan  
 Purpose: Refinance

Base Loan Amount: \$140,000.00  
 Loan Amount w/MIPFF: \$140,000.00  
 Other Mortgages: \$0.00  
 Sales Price: \$  
 Appraised Value: \$260,000.00  
 Subordinate Financing: \$0.00  
 LTV: 53.846  
 CLTV: 53.846  
 HCLTV: 53.846

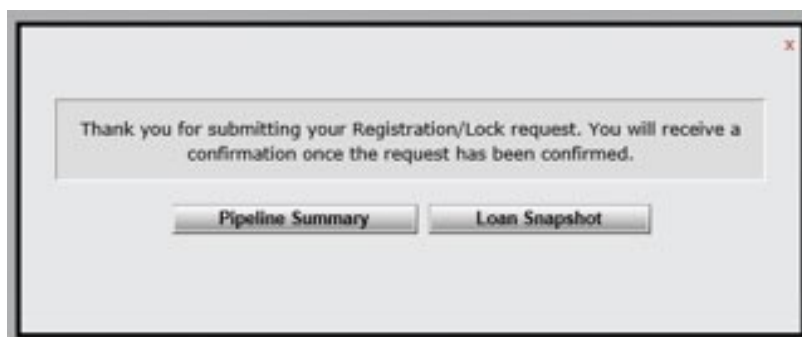
Purpose of Refinance: Rate Term  
 Cash Out Amount: \$3,000.00  
 Doc Type: Non-QM  
 Property Type: PUD  
 Escrow Waiver: No Escrows Waived  
 Pre-Pay Penalty: No  
 Pre-Pay Type:   
 Pre-Pay Term:   
 Mortgage Insurance: No  
 MI Coverage %:   
 MI Coverage Type:   
 Origination Channel: Wholesale  
 Pricing Group:   
 Compensation Type: Lender Paid Compensation  
 Compensation Date: 2/19/2019  
 LO Compensation: \$2,850.00

Interest Rate: 6.375  
 Interest Only: Yes No  
 Amortization Type: Adjustable Rate  
 Amortization Term: 360  
 Number of Units: 1  
 Product: Super Prime 5/1 ARM 24M1  
 Price: 99.250000  
 Rate Date: 2/19/2019 8:00:49 PM  
 Lock Period: 30  
 Index Type:   
 Margin: 0  
 Temporary Buydown: Yes No  
 Buydown Terms:   
 Underwriting Type: Manual Underwrite  
 UW Recommendation: Accept  
 Housing Ratio %: 0.000  
 Debt Ratio %: 0.000  
 Request Debt Ratio %: 0.000  
 First Time Homebuyer: Yes  
 Servicing Type: Servicing Released  
 Admin Fee Waiver:   
 Specialty Products:   
 Property Inspection Waiver:   
 Credit Grade: No Credit Grade  
 Income Verification Type: 24 Month Bank Statements

- Click Register/Float or Register/Lock at the bottom of the page.



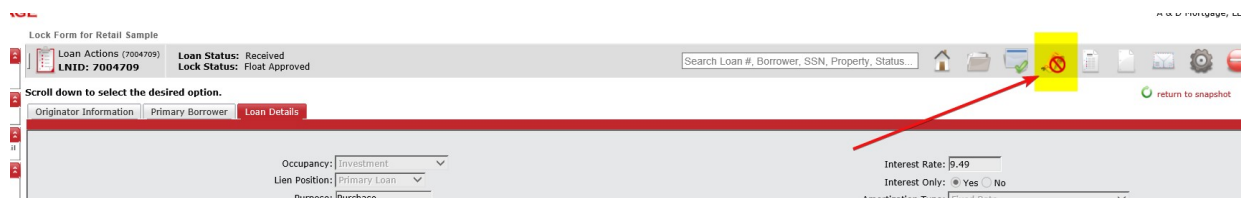
- Wait until the following message pops up:



- Loan is Locked/Floated now

## 8. Verify QM/ATR report for compliance issues.

Although this report has the word QM in its name, it must be used for Non-QM and Lite-Docs also to determine the points and fees test.



For QM loans (Conv, FHA, VA) the points and fees test should show everything properly and no extra manual calculations needed:

QM POINTS & FEES ANALYSIS				
Points & Fees Included				
GFE Ln #	PFC	Fee Name	Paid To	Amount
302	X	Discount	Lender	75.00
311	X	Underwriting Fee	Lender	1495.00
322	X	Condo Questionnaire	Other	320.00
364	X	Tax Related Service Fee	Lender	85.00
Points & Fees Excluded				
GFE Ln #	PFC	Fee Name	Paid To	Amount
302	X	Discount	Lender	0.00
303		Appraisal Fee	ServiceProvider	480.00
304		Credit Report	ServiceProvider	52.28
332	X	Title - Courier Fee	ServiceProvider	50.00
340		Real Estate Commission -	Other	3750.00
Result				
Note Loan Amt:				\$93750.00
QM Points & Fees Cap:				\$3,232.00
Total Loan Amt:				\$91445.00
QM Points Cap Amt:				\$3,232.00
QM Points & Fees On Loan:				\$1975.00
QM Points & Fees Cushion:				\$1257.00
Bona Fide Points				
Max Eligible Points				3.000%

This is how the system calculates (see screenshot above):

1. It will add all the fees in the "points and fees Included" section.
2. It will divide that sum by the total loan amount.
3. The result is the percentage of "QM Points and fees on Loan".
  - a. As a reminder:
    - i. the QM threshold is 3%
    - ii. the Non-QM threshold is 5%
    - iii. the Lite-Doc threshold is 7%
4. This report also displays how much of a cushion you have. However, a red Cushion value indicates the loan has not passed the QM test and will automatically become unsellable. That means you will need to reduce branch compensation.

When the loan is Non-QM, you would need to follow the same procedure but make some manual calculations as the pricing engine does not recognize 5% or 7% thresholds for non-QM and Lite-Doc loans, respectively.

- 
1. Add all the fees in the “points and fees Included” section. Exclude PPP if it’s an investment loan.
  2. Divide that sum by the total loan amount.
  3. The result is the percentage of “QM Points and fees on Loan”.
    - a. Non-QM threshold is 5%
    - b. Lite-Doc the threshold is 7%