AD Mortgage

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LOCK AND PRICING POLICY

Wholesale Channel

EFFECTIVE 10.15.2026

Changes to policy are indicated in red font.

Lock and Pricing Policy is subject to change without notice at the discretion of the Secondary Marketing Department.

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Lock Desk Contact Information

- lock@admortgage.com
- Support Line (855) 510-5100 option 5
- Phone (305) 824-2421

Initial Lock Hours

- All Products:
    - Locks are available overnight and through the weekends. From 10:00am EST – 7:00am EST next business day.
    - Initial locks in a Suspended status are not acceptable.

Hours of Availability

Our Lock Desk Agents are available over the phone from 9:00AM to 8:00PM Eastern time. Our email inbox is monitored 24 hours a day during business days. We do not monitor the inbox on observed holidays and weekends. We aim to respond to your email in 4 business hours between 9:00 AM to 8:00PM. The Lock Change Request form is responded to within 1 business day.

AD Mortgage asks that our Partner's execute the initial lock on their end through the AIM portal.

Lock Periods

All locks are considered Best Effort locks. Lock period options include: 15, 30, 45 and 60-days lock periods. TBD properties are not eligible for a 15-day lock period. Loans must be in a submitted status or further to be eligible for 15-day lock period.

Locks are binding. Once a loan has been locked, the lock remains in place for the duration of the lock period.

All loans must close AND disburse by the lock expiration date.

Compensation Paid by Type

The following rules apply to submitted loans:

- LPC to BPC – Allowed
- BPC to LPC – Not allowed
- Reduce BPC- Allowed
- Increase BPC – Not allowed

If the Partner wishes to change from LPC to BPC the Compensation Affidavit must be completed and signed by LO. Once received, the affidavit will be reviewed by Compliance for accuracy, then returned to the Lock Desk to apply to the loan. Compensation Affidavit is located in AD Mortgage Learning Center.

Max Pricing by product includes Lender Compensation.

Example: LPC Max Price prior to LLPAs			
	Max Price per Rate Sheet	LPC	New Max Price
Super Prime	102.250	1.75	100.500

The following lock action requests can be made via email to lock@admortgage.com or through the Lock Change Request Form available on AD Mortgage website (https://admortgage.com/) through Resources tab within Documents & Forms section.

Lock Extensions

The following fee-based extension options are available prior to lock expiration and must include weekends and holidays.

- First extension is 2.5 bps per day.
- Second extension is 3.5 bps per day.
- Third extension is 5 bps per day.

One Loan Example					
Extension Request	# of Days	Cost per Day	Current Locked Price	Total Ext Cost	Final Price
First	7	0.025	101.000	0.175	100.825
Second	7	0.035	100.825	0.245	100.58
Third	7	0.050	100.580	0.35	100.23

Loans may be extended to a maximum of three times, but no more than 30 days beyond the original lock expiration date at pricing described above.

Extensions cannot be removed or revoked if already applied.

Loyalty extensions can only be applied as the first extension. Extensions following a loyalty extension would be priced as the second extension.

Relock

Relocking a loan is subject to Worst-Case Pricing (WCP) + the relock fee. Worst-case pricing is the lesser of the final price reviewing the difference between current lock and current market.

Relock fee (in addition to worst-case pricing) is as follows:

- 15- or 30-days cost of 12.5bps
- 45 days cost of 20 bps

The maximum number of days for a relock is capped at the lesser of original lock period or 45 days. (i.e. original lock period is 30 days, the max relock period would be 30 days.)

Relocks are the only option if:

- The current lock has expired and or,
- The lock has already been extended three times and or 30 days and needs additional time.

Relock Example 15 days (Current Market is better)						
	Rate	Lock Period	Pricing	Relock Fee	Final Price	Expiration Date
Locked Pricing	6.250%	30	101.000			9/5/2025
Current Market	6.250%	30	101.250			9/10/2025
WCP Final Pricing	6.250%	30	101.000	0.125	100.875	9/25/2025

Relock Example 15 days (Current Market is worse)						
	Rate	Lock Period	Pricing	Relock Fee	Final Price	Expiration Date
Locked Pricing	6.250%	30	101.000			9/5/2025
Current Market	6.250%	30	100.625			9/10/2025
WCP Final Pricing	6.250%	30	100.625	0.125	100.500	9/25/2025

Loan Parameter Changes

If at any time it is discovered that a loan has changes in its parameters (such as LTV/CLTV, FICO, DTI ratio, Purpose, or Occupancy changes), the Lock Desk must be notified about such changes. If necessary, the loan will be repriced based on the cost of those features at the time of the request. The Lock Desk will make the necessary changes, and the system will reflect the revised price. Regarding NQM Programs that allow supplemental income (i.e. Asset Utilization), the worst adjustment will be factored into pricing.

Lock Transfers

A lock may only be transferred if the primary borrower and subject property remain the same. Pricing will be based on the original day lock but subject to any changes in program and or loan level parameters.

To transfer a lock please submit a request via email to the Lock Desk with the current and new loan number as well as a detailed valid reason for the transfer for record keeping.

Please Note:

- Locks can only be transferred to a valid program. If an exception is needed, please submit a request prior to requesting lock transfer.
- No Channel changes.
- No lien type changes.
- Compensation type remains the same. BPC can be lowered but not increased.
- All previous extensions or relock fees will transfer with the lock as well.

Program Changes

Programs listed below are subject to worst case pricing and may require a new loan number if disclosures have already been issued.

- Conventional vs. Government vs. Non-QM vs. AD Power Jumbo
- Fixed vs. ARM - pertaining to Conventional or Government
- Term Periods - pertaining to Conventional or Government (i.e. 30Y/25Y/20Y vs. 15Y)

Program changes listed below are *not* subject to worst case pricing

- Conventional and FHA 30Y vs. 25Y vs. 20Y
- Between all NQM Programs
- FHA vs. VA
- Between ARM programs (i.e. Conv 5/6 ARM vs. Conv 7/6 ARM)
- Conventional vs. High Balance
- Conventional vs. Affordable

Program changes that are subject to worst case pricing will be repriced at the time of program change request.

Current Market Pricing

Agency and NQM/AD Power Jumbo loans that have expired for greater than 30 days will be permitted to relock at the current market price.

If expired loans had an exception and will be locked again after cancellation, the exception decision will need to be re-reviewed for approval.

Float Down Renegotiation

A float down renegotiation allows borrowers to secure a lower interest rate if the current market environment allows. Pricing is reviewed on a case-by-case basis and subject to live market conditions.

To qualify for a float down, the following criteria must be met:

- Loan must be conditionally approved/CTC.
- The current rate must be **reduced** by at least 0.50% in rate for NQM /AD Power Jumbo loans and 0.25% better in rate for Agency and Government loans than the original lock.
- A float down may only be exercised once per loan and will be priced at the current market with a 0.50 deduction on pricing.
- Interest Rate and Price cannot increase on the loan after a float down.
    - A float down requested less than 1 week after a rate has been increased will not be considered.
- Lock expiration date will remain the same. If additional time is needed, the loan can be extended

Example: Conventional loan program in CTC.

Example: Float Down						
	Rate	Lock Period	Pricing	Fee		Final Price
Locked Pricing	7.500%	30	101.025			101.025
Current Market	7.250%	30	101.450			
Float Down Price	7.250%	30	101.450	50bps		100.950

Example: Float Down with Price Cap						
	Rate	Lock Period	Pricing	Fee		Final Price
Locked Pricing	7.625%	30	100.450			100.450
Current Market	7.375%	30	101.015			
Float Down Price	7.375%	30	101.015	50bps		100.515 capped at 100.450

Additional Lock Changes

Any request for other changes is as follows:

- Rate changes are allowed if the original rate and new requested rate are from the same rate sheet.
- Adding points financed is only allowed on locked files for applicable programs.
- **Loan Cancellations:** In the event a loan needs to be withdrawn, please contact the Underwriter and/or Underwriting Support to status the loan accordingly. The lock status will remain in place.
- **Lock Period Changes:** AD Mortgage will only allow a lock to be removed, or lock period changed (i.e. 30-days to 45-days) if requested within 2 business hours of initial lock and no improvement in market has occurred.

Pricing Exceptions Policy

Exceptions are submitted by Account Executive or Underwriting. Exceptions are reviewed on a case-by-case basis and require a minimum of 3 compensating factors to be reviewed by our Credit Committee Team. Review of exception(s) is processed within 1-5 business days based on the complexity of the request and availability of management.

Any exception approval may be subject to additional conditions, including LTV reductions, loan amount caps, pricing adjustments, and/or interest rate increases, at A&D Mortgage's discretion based on market conditions, the company's risk appetite, and the loan's overall risk profile. These conditions may apply individually or in combination, including both an LTV reduction and an interest rate increase.

Once an exception has been approved, the Partner and/or AE must acknowledge the decision. If the decision is withdrawn, no further action is needed by the Lock Desk.

If the decision is acknowledged, the exception approval should be sent to the Lock Desk. The Lock Desk Team will apply the exception and additional pricing adjustment, if applicable, within 24 hours and a new lock form will be issued.

Floating loans will receive an email confirmation from the Lock Desk that the exception has been applied.

Exception Pricing
In addition to the approved exception adjustment, if the exception is outside of the current LLPA matrix the last available adjustment will be used.

Example: Loan amount of $3,250,000 has LTV of 73%. LLPA Matrix shows NA but -1.00 would be applied to the lock.

Example - LLPA Matrix					
Loan Parameters	**0-55**	**55.01-60**	**60.01-65**	**65.01-70**	**70.01-75**
Loan $3,000,001-3,500,000	-0.75	-0.75	-0.75	-1.00	NA

Conditions of Exceptions

- Floating loans must be locked within 30 calendar days from the date the exception is applied.
- An exception remains valid as long as the lock remains active.
- Expired loans with exception(s) will have to be resubmitted for Credit Committee approval.
- ~~Rate and Price cannot increase to offset an exception adjustment.~~