

APPLICANT NAME(S): _____

SUBJECT PROPERTY ADDRESS: _____

You have placed an application for a mortgage loan with the above lender, to be secured with the property above. Hudson Valley Federal Credit Union (HVFCU) agrees to accept your loan application under the terms and conditions listed below. This is not a loan commitment.

This Rate Lock Agreement (Agreement) shall become binding when signed by you and the lender.

I understand that interest rates and points are subject to change without notice and it is my responsibility to monitor HVFCU's interest rates and loan terms during the period in which I choose to float. I may lock my interest rate, points, and term of loan at any time as described below up to 3 business days prior to my closing. Changes to my interest rate, points and term (including loan amount and mortgage type) will be considered on a case by case basis and the new rate and points will be based upon the higher of the current rate and points or the rate and points at the time of the original lock. HVFCU will consider on a case by case basis adjustments in loan amount that are +/- 2.50% of the original loan amount applied for. If I do not notify HVFCU to lock my interest rate and term, I will receive the prevailing rate three business days prior to my closing pursuant to the conditions below.

INTEREST RATE LOCK INSTRUCTIONS

The following are the procedures to lock the interest rate, points, and term (including loan amount and mortgage type):

1. I will telephone the Real Estate Rate Lock Hotline at (800) 468-3011, extension 2232 during the business day* to lock my interest rate and points.
2. Rate Lock Staff will complete the Agreement and send the Agreement via facsimile. By signing the Agreement, I acknowledge the stated terms and will fax the Agreement to (845) 432-3390.
3. **MY RATE WILL NOT BE LOCKED UNTIL THE SIGNED AGREEMENT IS RECEIVED BY THE REAL ESTATE RATE LOCK DEPARTMENT.** I will receive the rate at the time the Agreement is signed and received by HVFCU. If rates change before I return the signed Agreement, the original lock in request will be null and void and a new Agreement must be negotiated. In the event rates change, HVFCU Staff will contact the borrower to re-execute a new Agreement.
4. The rate lock fee will be mailed or dropped off at a branch location, or I will indicate below to authorize transfer from my HVFCU account or credit card. The mailing address is Hudson Valley Federal Credit Union, 159 Barnegat Road, Poughkeepsie NY 12601, Attention: Real Estate Rate Locks.
5. If the rate lock fee is not received within three business days after HVFCU has mailed my initial disclosure documentation, the Agreement may be cancelled at the discretion of HVFCU and you will receive either the original locked in rate or the current market rate, **whichever is higher.**

**BUSINESS DAY: A Business Day is defined in this Agreement as Monday through Friday between the hours of 10:30 a.m. and 4:00 p.m. EST excluding HVFCU observed holidays. Also, excluded are holiday hours that the FHLMC Cash Desk observes (i.e. The Securities Industry and Financial Markets Calendar) but the HVFCU is opened (e.g. Good Friday). Nor will we be able to Rate Lock your loan if we are unable for any reason to Rate Lock with the FHLMC Cash Desk.*

INTEREST RATE LOCK OPTIONS

FLOAT OPTION: I DO NOT CHOOSE to lock my interest rate, discount points, and term at this time. I will receive the prevailing rate three (3) business days prior to my scheduled closing. If I cancel my closing and reschedule for a later date, I will receive either the prevailing rate three (3) business days prior to my rescheduled closing date or the original prevailing rate, **whichever is higher.** Choosing not to lock your rate prior to the final approval of your loan may result in a delay in your preferred loan closing time and may affect your ability to qualify for the loan which you have applied for. The prevailing rate cannot be set unless there is the three (3) business day period between the date the interest rate is set and the scheduled closing date.

STANDARD RATE LOCK OPTION: I CHOOSE to lock my interest rate, discount points, and term **(including loan amount and mortgage type)** listed below at this time. I may lock my interest rate for a period not to exceed 60 days, for a fee of \$600.00. The fee of \$600.00 will be refunded if I fulfill the terms of this Agreement and my Commitment Letter.

EXTENDED RATE LOCK OPTION: I CHOOSE to lock my interest rate, discount points, and term **(including loan amount and mortgage type)** at this time for the period listed below for the **non-refundable** fee indicated below.

- 90 Day Rate Lock – ½ point (.500% of my loan amount)
- 120 Day Rate Lock – ¾ point (.75% of my loan amount)
- 180 Day Rate Lock – 1.50 points (1.50% of my loan amount)**

***CONSTRUCTION/PERMANENT MORTGAGE: I understand that if I have applied for a Construction/Permanent Mortgage or if the subject property is new construction, I can choose to lock my interest rate prior to the permanent loan closing, or prior to 100% completion of the construction for the subject property. I understand that the construction must be 100% complete as described in my Commitment Letter prior to the Rate Lock Expiration Date.*

ONE TIME ONLY RATE LOCK EXTENSION OPTION (See "Extension" Section on Page 2 for details)

15 DAY RATE LOCK EXTENSION: I CHOOSE to extend my interest rate, points, and term 15 calendar days for the **non-refundable** fee of ¼ point (.25% of my loan amount).

30 DAY RATE LOCK EXTENSION: I CHOOSE to extend my interest rate, points, and term 30 calendar days for the **non-refundable** fee of ½ point (.50% of my loan amount).

INTEREST RATE LOCK IN TERMS AND CONDITIONS

Refundability of the Rate Lock Fee:

- Your rate lock fee will be refunded for the following circumstances:

- If your commitment is subject to the approval of a third-party investor or mortgage insurance company and they reject the loan;
- If you provided complete and accurate credit information and your application is denied;
- If the property appraisal report is not favorable for the requested loan amount and term you applied for (unless you and the Lender agree on another loan for which the appraisal is favorable).

Forfeiture of the Rate Lock Fee:

- **THE RATE LOCK FEE WILL BE FORFEITED IF I SUPPLY INACCURATE OR INCOMPLETE CREDIT INFORMATION.**

Your rate lock fee will also be forfeited for any of the following other circumstances:

- If I do not close through no fault of HVFCU by the Rate Lock Expiration Date;
- If I withdraw my application or allow my rate lock to expire;
- If the Lender approves my application for the loan amount and term submitted, however, I decide not to proceed with the transaction.
- If I cancel my application and submit a new application within 30 days from the date of cancellation, I will receive the higher of the initial locked in rate or the current market rate and may be required to pay an additional ½ point fee (or .50%) based on the new loan amount if I lock-in a rate for the new application. **In no event will the new rate be less than the rate quoted in this agreement.**
- **If I change the type, term, property or amount of the loan after I have chosen my Interest Rate Lock Option, HVFCU may at its option have me forfeit the Rate Lock fee.**

Extension of this Agreement: If the Expiration Date falls on a day other than a business day, the Expiration Date will extend to the next business day. One Time Extension Option: If my loan does not close and fund by the Expiration Date, I will be allowed a one time extension of the Expiration Date of up to 30 calendar days for a non-refundable fee indicated above. HVFCU must be notified and the fee paid before my Expiration Date.

If such failure to close and fund is based on events that are linked to HVFCU's actions or omissions to act, then my interest rate, points, and fees (if applicable) as locked by this Agreement, will continue until my loan either closes and funds or is denied by HVFCU in accordance with its credit standards. Decisions in these matters will be determined by HVFCU. Any other extension of this Agreement is solely at the discretion of HVFCU and you may be required to forfeit fees paid, have to pay additional fees, and/or pay a higher interest rate.

SHOULD YOUR LOAN PROGRAM STILL BE AVAILABLE AND YOU CLOSE SUBSEQUENT TO THE EXPIRATION DATE (OR EXTENSION DATE), THE RATE ON YOUR LOAN WILL BE THE HIGHER OF: (A) THE INITIAL LOCKED RATE, OR (B) THE RATE IN EFFECT FOR THE APPLICABLE PRODUCT THREE BUSINESS DAYS PRIOR TO CLOSING. IN NO EVENT WILL YOUR INTEREST RATE EVER BE LESS THAN THE RATE QUOTED IN THIS AGREEMENT.

Escrow: Funds will be escrowed for all taxes, hazard insurance, private mortgage insurance (if applicable) and flood insurance (if required). In certain circumstances, escrow requirements may be waived by HVFCU Management.

Mortgage Insurance or Funding Fee: Private Mortgage Insurance will be required on a conventional loan if your loan amount is in excess of 80% of the sales price or appraised value, whichever is lower. Federal law provides for terminations of PMI on single family, primary residences if certain conditions are met. Additional information regarding the termination of PMI under Federal law will be provided to you at closing, if applicable.

If this loan is a Federal Housing Administration (FHA) loan, mortgage insurance will be required. The duration of this Mortgage Insurance premium will vary dependent upon the FHA program you choose. For Veterans Administration (VA) loans, a funding fee will be required in connection with the loan guaranty unless an exemption applies.

Documentation: The following is a list of information and conditions that HVFCU would typically require you to produce and/or satisfy prior to closing your loan:

Income: Proof of income from all sources, i.e. copies of most recent 2 years' W-2 forms; paystubs for most recent 30 days. If self employed, copies of signed federal tax returns (1040s), including all schedules for the most recent 2 years and year-to-date profit and loss statement. If you want child and/or alimony to be considered as income for qualification, copies of the divorce decree and separation agreement are necessary as well as evidence of receipt of income for the past 12 month period. Evidence may be copies of cancelled checks, court ledger if paid through the court, bank statements showing regular deposit of the agreed upon sum.

Assets: Account numbers and balances of all checking, savings and other assets, i.e. stocks, bonds to be used towards deposit, down payment, closing costs and reserves. Copies of 2 most recent months' bank statements (all pages). If any part of the funds needed to complete transaction is from a gift, a gift letter is required. Proof of receipt of a gift, i.e. copy of the canceled gift check or copy of gift check and copies of the withdrawal and deposit into the applicant's account must be provided. If proceeds from the sale of owner occupied and/or investor property are to be used towards the purchase, a copy of the fully executed contract of sale is required and HUD-1 showing the sale proceeds will be required.

Debts: Account numbers, monthly payments, balances, creditor's addresses for installment loans, revolving credit and student loans. If paying child support and/or alimony, copies of the divorce decree and separation agreement are necessary. Explanation of any credit problem, i.e. judgments, bankruptcies, liens, garnishments, and account places for collection.

Property: Sales contract; original signatures (not required for a refinance). Copy of current tax bills, well/septic approval (if required by the county in which the property is located). Radon test (if required by the county in which the property is located). Termite inspection (if required by the county in which the property is located). If the property is new construction, plans/specifications and satisfactory inspection. Condominiums also require a copy of the master Insurance Policy Certificate.

General Documents: Title insurance, Survey, Certificate of Occupancy, Hazard Insurance Policy, Flood Insurance (if applicable), W-9s.

LOAN TERMS AND PAYMENT METHOD

LOAN TERMS – TO BE COMPLETED BY HVFCU STAFF

MORTGAGE AMOUNT: \$ _____ MORTGAGE TYPE/PROGRAM _____

FIXED ADJUSTABLE BALLOON Monthly P & I PAYMENT: \$ _____

INITIAL INTEREST RATE: _____% TERM: _____

DISCOUNT POINTS: _____ ORIGINATION FEES *: _____

ADJUSTABLE RATE MORTGAGES ONLY:

MARGIN: 2.750 % INDEX VALUE: _____ INDEX DESCRIPTION: 1 YEAR CMT INDEX
 ADJUSTMENT PERIOD: ANNUAL (For all ARMS other than the one year – it is after the initial fixed rate period)

- 1/1 YEAR ARM – 2.000% INITIAL CAP; 2.000% PERIODIC CAP; 6.000% LIFETIME CAP
- 3/1 YEAR ARM – 2.000% INITIAL CAP; 2.000% PERIODIC CAP; 6.000% LIFETIME CAP
- 5/1 YEAR ARM – 2.000% INITIAL CAP; 2.000% PERIODIC CAP; 5.000% LIFETIME CAP
- 7/1 YEAR ARM – 5.000% INITIAL CAP; 2.000% PERIODIC CAP; 5.000% LIFETIME CAP
- 10/1 YEAR ARM – 5.000% INITIAL CAP; 2.000% PERIODIC CAP; 5.000% LIFETIME CAP

MARGIN: 2.750 % INDEX VALUE: _____ INDEX DESCRIPTION: 10 YEAR CMT INDEX

- 10/10/10 YEAR ARM – 6.000% INITIAL CAP; 6.000% PERIODIC CAP; 6.000% LIFETIME CAP
- 15/15 YEAR ARM – 6.000% INITIAL CAP; 6.000% LIFETIME CAP

* Origination Fees are determined based upon your individual loan characteristics. Fees are subject to change based upon changes in credit terms and loan purpose. If your Origination Fees change subsequent to the issuance of this rate, you will be notified and reissued new documentation showing your revised Origination Fee.

LOCK TERMS – TO BE COMPLETED BY HVFCU STAFF

EXPIRATION DATE: _____

LOCK PERIOD: STANDARD LOCK

REFUNDABLE LOCK FEE (REQUIRED FOR A STANDARD LOCK PERIOD) : \$600.00

NON REFUNDABLE EXTENDED RATE LOCK FEE

- 90 DAY LOCK 1/2 POINT (.50% OF LOAN AMOUNT) \$ _____
- 120 DAY LOCK 3/4 POINT (.75% OF LOAN AMOUNT) \$ _____
- 180 DAY LOCK 1.5 POINTS (1.50% OF LOAN AMOUNT) \$ _____

NON REFUNDABLE EXTENSION FEE

- 15 DAY EXTENSION 1/4 POINT (.25% OF LOAN AMOUNT) \$ _____
- 30 DAY EXTENSION 1/2 POINT (.50% OF LOAN AMOUNT) \$ _____

PAYMENT METHOD AND AUTHORIZATION – TO BE COMPLETED BY APPLICANT

PAYMENT METHOD:

- CHECK
- I AUTHORIZE HVFCU TO TRANSFER THE LOCK/EXTENSION FEES FROM MY ACCOUNT # _____
- CREDIT CARD** - *Call (800) 468-3011 Ext. 2232 during the Rate Lock Hotline business day. A Business Day is defined in this Agreement as Monday through Friday between the hours of 10:30 a.m. and 4:00 p.m. EST excluding HVFCU observed holidays. Also, excluded are holiday hours that the FHLMC Cash Desk observes (i.e. The Securities Industry and Financial Markets Calendar) but the HVFCU is opened (e.g. Good Friday). Nor will we be able to Rate Lock your loan if we are unable for any reason to Rate Lock with the FHLMC Cash Desk.*

** Using a non-credit union credit card to pay for this Rate Lock Fee may result in this transaction being charged to your credit card account as a cash advance. This means that interest charges may begin to accrue on the day your financial institution charges your credit card account. HVFCU cannot be liable for any additional interest charged to your credit card account if your institution charges this transaction as a cash advance.

This lock-in Agreement is not valid until signed by **both** you and a HVFCU Real Estate Department Representative

APPLICANT

HUDSON VALLEY FEDERAL CREDIT UNION

Applicant Date

By: Real Estate Department Date

This form shall be valid and binding if signed by any one of the borrowers based upon HVFCU’s reliance upon the representation of the above signed that the lock-in request is in accordance with the intent of all parties to the transaction.