

DSCR Pricing Policy

Hometown Equity Mortgage, LLC

Internal Use Only

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I. PRICING OVERVIEW

This document describes the pricing policy for the Hometown Equity Mortgage, LLC dba theLender (“theLender”) DSCR Lending Program.

II. PRICING DESK

Pricing Desk Hours of Operation

The Pricing Desk is open from 8:00 AM to 3:00 PM Pacific Time (PST) for all DSCR programs, Monday through Friday. theLender does not provide rate protection for requests that are submitted outside of the Pricing Desk hours of operation. Requests made outside of the normal hours of operation will be addressed at the onset of the next business day. Any/all pricing requests, repricing or extensions received after Pricing Desk close will be processed the following business day using the next business day pricing and appropriate Pricing Extension or Repricing Policy. *Pricing Requests will open once rate sheets are published each day (usually between 8:30 AM and 9 AM PT).*

III. RATE SHEETS AND PRICING

TheSpot

TheLender’s secure online portal, theSpot, is used for pricing, registration, and pipeline management for all loans.

Rate Sheets

Each business day, rates are uploaded to the pricing engine within TheSpot, followed by distribution of updated rate sheets via e-mail between 8:30 and 9:00 AM PST. The rate sheets will have key pricing elements (loan amount, credit score, and LTV) identified for each product set and will represent pricing for the scenario identified.

*****Both theSpot and Rate Sheets will be for indicative purposes only and are subject to change*****

Adjustments to Posted Prices/Intra-Day Rate Change Period

theLender reserves the right to adjust prices at any time. During a rate or price change, ability to price loans will be suspended.

IV. PRICING POLICIES

Pricing Requests

Brokers submit pricing requests electronically through TheSpot. Once applicable information is submitted, TheSpot generates a message that is sent to the Pricing Desk to finalize the pricing parameters.

If the Broker is unable to price the loan in TheSpot due to technical reasons, please contact the Pricing Desk for assistance at Pricingdesk@thelender.com

General Policies

General Policies Applicable to DSCR Loans: NONI, NONI+, NONI58, NONI58+, theBlanket (Cross Collateralized) and G-PA Bridge.

- Loans must be in approved status with appraisal to price.
- G-PA Bridge loans do not have pricing issued. Once loan docs are sent, the rate is committed, but subject to change with any delays and or modifications to the loan after loan docs are sent.
- Acceptance of a pricing request by theLender does not guarantee loan approval or funding.
- The selected rate and pricing must not exceed any applicable state or federal high cost, higher priced or similarly restricted loan threshold.
- It is the Broker's responsibility to manage and maintain their loan pipeline, including but not limited to extensions, repricing and cancellations.

General Policies Applicable to All Rate Pricing

- Any Credit Risk Exceptions may be subject to a price or rate adjustment at worse case pricing.
 - Dry States Closing
 - All loans must be priced prior to closing with a minimum 5 days for Purchases or 7 days for Refinances left on pricing period prior to closing documents.
 - West State Closing
 - All loans must be priced through closing date on both purchase and refinances.
 - If loan does not close within scheduled date, the loan will need to be extended for additional days needed.
- All pricing requests must be received electronically prior to Pricing Desk close. No exceptions will be permitted.

Pricing Confirmation

- Rate Sheet and theSpot Pricing are subject to change and must be validated and confirmed by the Pricing Desk.
- A pricing confirmation for DSCR is a notification to broker and does NOT constitute a contract or commitment to lend and is subject to change.

- Rate quotes are available for download from TheSpot as soon as the Pricing Desk verifies the pricing. Typically, the rate quote is confirmed by close of business on the day of the pricing request.
- Once priced or registered, loan details cannot be changed by the Broker in TheSpot.

Pricing Expiration

- The pricing expiration date will roll forward to the next business day if it initially falls on a Saturday, Sunday or theLender holiday.
- Pricing expires at 4:00 PM PST on the expiration date of the rate quote.
- Pricing extensions may be permitted if requested prior to the expiration date of the rate quote. Refer to the [Pricing Extension Policy](#) for details and pricing impacts.

Pricing Periods

- 15-day rate quote periods are permitted and must be “Approved” stage or later, no exceptions.
- 30 or 45 pricing periods are available, please see daily rate sheets.
- Loan-level pricing periods and expiration dates are posted on the pricing confirmation.
- The expiration date posted on the pricing confirmation is the last day to fund the loan.
- Loans must fund within the following time frame.

Loan Program and Parameter Changes (i.e. LTV, credit score, property address, and debt ratio, etc.) Repricing for loan changes on existing priced loans are investor specific. If investor changes, pricing will be based off worse case pricing.

Loan Amount Changes

- Changes to the loan amount will impact loan re-pricing as follows:
 - Loan Amount Increase/Decrease by $\leq 10\%$ or \$20,000: Re-priced to loan’s current committed rate sheet.
 - Loan Amount Increase/Decrease by $> 10\%$ or \$20,000: Worse case pricing.
- If a Lender Fee Buyout is included in the pricing of the loan, any loan amount change will require an update to pricing.

Borrower or Property Changes

- The commitment on a loan is tied to the primary borrower and the property. If either of this change once the loan is priced, the loan will be re-priced using the worst-case pricing calculation. Typographical errors may be addressed on an exception basis.

Other Loan Parameter Changes

- Loan parameters may be changed at any time. Changing Loan parameters could subject the loan to be re-priced to Loan's current committed rate sheet. Some changes could Cause the loan to be re-priced at worse case pricing.

V. PRICING EXTENSION POLICY

Extensions may be requested after the loan is priced and prior to the expiration of the pricing. If additional time is needed, the extension request must be requested prior to the expiration date of the rate quote and the loan will be repriced accordingly.

All extension requests are processed by emailing Pricingdesk@thelender.com

- Requests must be sent by 4:00 PM PST
- All programs may be extended a maximum of two times. Refer to the rate sheets for extension costs.

VI. REPRICING POLICY

Repricing's are subject to worse case pricing and are conducted on all programs after the rate quote expires, the loan is canceled, or on program changes.

Loans will be Repriced for 15 days, and worse case pricing will apply with a repricing fee of 25 bps on cancelled and expired quotes and will include previous extension costs.

Loans that have been expired or canceled for > 45 days from pricing expiration date will be repriced using current market pricing.

A loan may be repriced only once.

VII. DUPLICATE PRICING

If duplicate loan submissions exist and have both been priced, only the first-rate quote and pricing expiration will be honored. The duplicate loan will be rejected.

VIII. CANCELLED LOANS

The Broker may cancel a priced loan by contacting the Account Executive, Account Manager or the Pricing Desk.

Pricing a Previously Canceled Loan/Quote

Once a loan has been canceled, it is not considered an active loan in the pipeline. See the [Repricing Policy](#) for loans that need to be reactivated.

Loans Cancelled in Error

Loans that are canceled in error may be reinstated at original rate sheet pricing if the Pricing Desk is notified by 3:30 PM PST on the day of cancelation. Loans that need to be reinstated the next day or after must adhere to the [Repricing Policy](#).

IX. DENIED LOANS

Loans that are Denied in the system that need to be reinstated must adhere to the [Repricing Policy](#).

X. TRANSFERRED PRICING

Not Allowed.

XI. PULL THROUGH

Pull through is calculated as the percentage of delivered loans compared to total expired rate quotes during any consecutive three-month period. Hometown Equity Mortgage, LLC dba theLender may, at its discretion, suspend or terminate the Broker's privileges if Hometown Equity Mortgage, LLC dba theLender determines that excessive fallout has occurred during any three-month period.

XII. BROKER COMPENSATION OVERVIEW

Broker compensation refers to the total amount of compensation that a mortgage broker, its employees or other loan originators receive from a loan transaction, regardless of the terminology used for the fees charged.

Under Regulation Z, a mortgage broker, its employees or other loan originators may only receive compensation on any transaction from a single source, specifically, either by Borrower Paid Compensation (BPC) or Lender Paid Compensation (LPC). The Broker Compensation Plan will apply across all of the Broker's branches.

Hometown Equity Mortgage, LLC dba theLender will provide its business partners with two compensation options, lender-paid and borrower-paid compensation. The compensation option must be selected before the loan application is submitted. However, the mortgage broker will be allowed to change from lender paid compensation model to borrower paid during the transaction (borrower paid-to lender-paid compensation is not allowed).

A change from lender-paid to borrower-paid is not a valid change under RESPA or TILA and no fees may be increased as a result of this request for change.

The broker negotiates its compensation on a borrower-paid but may not exceed their lender-paid compensation. Once the compensation is set it may not be renegotiated.

Please refer to Hometown Equity Mortgage, LLC dba theLender Broker Compensation Policy for complete details.

XIII. WORSE CASE PRICING

Worse case pricing is calculated by comparing the original rate/price to the current market rate/price including rate and price adjustments to the lower (worst) price of the two calculations.

XIV. CONCLUSION & ADOPTION

All employees must abide by this Policy.

This Policy was last reviewed by Alan Vidal, the Company's SVP, Chief Compliance Officer, on: March 5, 2025.

This DSCR Pricing Policy is adopted and made effective as of the date set forth below

Hometown Equity Mortgage, LLC dba theLender

Signature: Alan Vidal
Name: Alan Vidal
Date: 03/05/2025

VERSION CONTROL

Updates to this document are recorded below:

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