

# Interest Rate Float/ Lock Agreement

Name of Borrower / Co-borrower: \_\_\_\_\_

Date: \_\_\_\_\_

## Float/Lock Agreement

The undersigned (Borrower / Co-borrower) has applied for a mortgage loan with \_\_\_\_\_ (Broker/ Lender). By signing the appropriate Paragraph, Borrower / Co-borrower has selected one of the two options that Lender offers for Borrower / Co-borrower's loan interest rate and commitment fee. Borrower / Co-borrower understands that this selection is irrevocable. Furthermore, Borrower / Co-borrower understands that nothing contained in the Agreement shall be construed by the Borrower / Co-borrower to be an approval of the loan application or a commitment by Lender. Borrower / Co-borrower furthermore agrees to pay the origination and commitment fees, when earned and due.

Borrower / Co-borrower understands that once the interest rate and commitment fees are locked-in they cannot be reduced for any reason whatsoever. Borrower / Co-borrower also understands that the origination fee charged by Lender is not a charge to procure a certain interest rate.

Borrower / Co-borrower understands that if closing, for any reason whatsoever, will occur in excess of 120 days from the date of Borrower / Co-borrower's initial application, additional loan data will be required. If the new loan data is substantially different from that given during the initial application process, in the sole opinion of the Underwriter, the loan approval may be void.

If the purpose of the mortgage loan described in the Agreement is the refinancing of an existing mortgage, Borrower / Co-borrower understands that Federal Law requires Lenders to grant Borrower / Co-borrower a rescission period that ends at midnight of the third business day following the day of closing for refinanced loans on a Borrower / Co-borrower's principal residence. During the rescission period Borrower / Co-borrower in Borrower / Co-borrower's sole discretion may rescind the mortgage transaction. Borrower / Co-borrower further understands that the loan proceeds cannot be disbursed until the rescission period expires. Therefore, it is possible that the Borrower / Co-borrower's lock-in will expire during the recession period and before the loan proceeds are disbursed. Borrower / Co-borrower agrees and understands that if this should occur the Borrower / Co-borrower in Borrower / Co-borrower's sole discretion will close the loan at Lender's then prevailing rate and fees which in any event shall not be lower than the rate and fee originally locked-in. Borrower / Co-borrower further understands that he/she may not qualify for a loan at a higher rate and fee and therefore, the commitment to make the loan shall be null and void.

## A. Floating Rate

Borrower / Co-borrower does not wish to lock-in an interest rate at this time. Borrower / Co-borrower understands Borrower / Co-borrower may at Borrower / Co-borrower's sole discretion lock-in an interest rate at Lender's then prevailing rate at any time prior to seven (7) days before closing, in writing, signed by Borrower / Co-borrower, by notifying Broker / Lender of Borrower / Co-borrower's selection lock-in and interest rate. Written notification shall be addressed to Broker / Lender. Borrower / Co-borrower understands that if Borrower / Co-borrower does not lock-in an interest rate at least seven (7) days before closing, then the interest rate and commitment fee shall be Lender's rate and fee in effect at Lender's discretion. Borrower / Co-borrower further understands that if Borrower / Co-borrower locks-in an interest rate prior to closing, Borrower / Co-borrower shall be bound by the applicable provisions for lock-ins provided in this agreement. Borrower / Co-borrower acknowledges that Borrower / Co-borrower has read all of the paragraphs of this agreement and that Borrower / Co-borrower's choice not to lock-in an interest rate (Float) is Borrower / Co-borrower's free act and deed.

\_\_\_\_\_  
Borrower Date

\_\_\_\_\_  
Co-Borrower Date

## B. Lock-in Rate

Interest Rate: \_\_\_\_\_ % Lock for: \_\_\_\_\_ days

Loan Amount: \_\_\_\_\_ Lock Date: \_\_\_\_\_

Term of Mortgage: \_\_\_\_\_ years Date Expired: \_\_\_\_\_

Borrower / Co-borrower understands that the above interest rate shall be in effect for the above designated number of calendar days from the date of this Agreement, or until the above designated expiration date. Borrower / Co-borrower understands that Lender shall grant the above interest rate to the Borrower / Co-borrower if the Borrower / Co-borrower's loan is approved, closed, and all funds are fully disbursed within the time period. Borrower / Co-borrower further understands that if Borrower / Co-borrower's loan is not closed and all funds are not fully disbursed for any reason whatsoever within this time period then Lender is under no obligation to make the loan at the above rate and fee. Borrower / Co-borrower further understand that if the loan is not closed within the determined time period Borrower / Co-borrower may relock for a further period at a new rate provided by the Lender. In any event, the new rate and fee will not be lower than the original lock-in and may be higher depending upon market conditions. Borrower / Co-borrower understands and agrees: the lock-in rate is a free service and accommodation for lock-in period of 45 days or less provided by Lender; Borrower / Co-borrower has not given any consideration to Lender for this service. Borrower / Co-borrower understands that Lender will use its best efforts to close the loan within the lock-in period, but Lender may not be able to close the loan within the applicable time period because of various reasons, including, but not limited to acts of third parties outside of Lender's control and the lack of the Borrower / Co-borrower's cooperation. Borrower / Co-borrower acknowledges that Borrower / Co-borrower has read all paragraphs of this agreement and that Borrower / Co-borrower's choice of lock-in programs is Borrower / Co-borrower's free act and deed.

\_\_\_\_\_  
Borrower Date

\_\_\_\_\_  
Co-Borrower Date

\_\_\_\_\_  
Broker/ Lender Date