

# Interest Rate Lock Agreement

You have applied for a real estate loan with Pacific Sunset Mortgage Inc. and may have the option to “lock” your interest rate or let the interest rate “float” until you are ready to close your loan. Before you make the decision to “lock” or “float”, please consider the following:

1. Pacific Sunset Mortgage Inc. can not anticipate whether interest rates will go up or down during the loan-processing period. Any decision to “lock” or “float” should be based upon your own evaluation of the market. Borrower understands that quoted rates reflect the current available lending rate only. Rates change without notice. **There is no guarantee for unlocked loans. A loan is not locked until an agreement has been reached between the mortgage broker and a specific lending institution, and the borrower has entered into a signed lock agreement with the mortgage broker.** A locked loan is assigned a specific expiration period within which time the borrower must not only sign the documents, but the loan must fund. The lender’s decision to make a loan is based on numerous factors, many of which are outside of the mortgage broker’s control. Your loan cannot be closed until it has been underwritten, approved, and properly documented. We will strive to obtain all of the required information so that a lending determination can be made, and the loan funded within the lock-in period. **However, neither the mortgage broker nor the lender is obligated to make a loan to you.**

2. Locking your interest rate does not constitute a loan approval and it does not guarantee that you will qualify for the loan program you have “locked”. If your loan request is denied for the program you have locked, your interest rate “lock” will no longer be valid or transferable to other loan programs / lenders. This rate lock agreement is not guaranteed by Pacific Sunset Mortgage Inc.. When you lock, Pacific Sunset Mortgage Inc. will take your lock with one of our lender relationships. Pacific Sunset Mortgage Inc. makes no warranties for the lender regarding the lender’s ability or willingness to deliver such lock. The lock is facilitated by an agreement between Pacific Sunset Mortgage Inc. and the lender. The cost, terms, duration and conditions of the lock-in agreement are detailed on this agreement.

3. Any interest rate “lock” is valid only until the expiration date shown. Your loan must close and fund (disbursement of funds by the lender) by the expiration date. In the event that your loan does not fund on or before the lock expiration date, the loan must be re-locked at the “higher of” the previous lock price or current scheduled pricing using the same lock option. A re-lock is not automatic upon expiration. In some cases the loan program under which you locked may be discontinued by the lender subsequent to expiration of the lock. Pacific Sunset Mortgage Inc. will make its best effort to assist you in closing the loan during the lock period. However, if for any reason the processing or approval time exceeds the lock period, Pacific Sunset Mortgage Inc. assumes no responsibility for costs incurred by rate increases. If any factors with your loan change the rate and/or Loan fee or Discount fee may change.

4. If a fee is charged for the interest rate “lock”, it will be refunded to you if your loan is denied. However, if your loan request is approved but you fail to close the loan transaction on time, the interest rate “lock” fee may be non-refundable.

5. If you are not locking and are “floating” your interest rate, you may still have the opportunity to “lock” prior to closing. Please notify your loan officer if you wish to “lock” at a later date. At that time you will be advised of the market rates available to you.

*Please Initial only one, Float or Lock*

\_\_\_/\_\_\_ **(Float)** I/We have chosen not to lock our loan to the terms listed below available this lock date & time and I/we understand that our rate is subject to change without notification. If we choose to lock-in our rate subsequent to this disclosure, we will be delivered an updated **Interest Rate Lock Agreement** within three (3) days including Saturdays, along with another copy of this disclosure.

**Or**

\_\_\_/\_\_\_ **(Lock)** I/We have chosen to lock our loan and have completed this interest rate lock agreement with Pacific Sunset Mortgage Inc. subject to the terms and conditions in this agreement

Interest Rate -	Loan Fee –
Loan Program -	Discount Fee –
Loan Amortization Term Months -	Loan Term Due In Months -
Loan Amount -	Lock Days (#) - _____
Lock Date - 4/17/2007 1:49 PM	Lock-in Fee – _____
Subject Property - , ,	

This Lock-in agreement will expire on: \_\_\_\_\_

Special lock-in options are as follows: \_\_\_\_\_

I/We understand and agree to the terms contained in this lock-in agreement.

Borrower Signature/Date \_\_\_\_\_

Co-Borrower Signature/Date \_\_\_\_\_

Loan Officer Signature/Date \_\_\_\_\_