



Float-Down Renegotiation Policy

Flagstar offers a float-down renegotiation policy to assist customers in managing lock fallout during volatile interest rate environments.

ELIGIBILITY INFORMATION

All eligible loans in valid lock status can float-down under the following terms:

- Loans status must be either *Approved with Conditions* or *Final Approval* status.
 - *Approved with Conditions* - new interest rate must be lowered at least .250% compared to original rate lock.
 - *Final Approval* - new interest rate must be lowered at least .125% compared to original rate lock.
- New price is calculated as current 30-day price less 0.500, capped at lesser of original or current lock price (price may not be increased to float down from).
- New lock expiration date will be set to 30 days from float-down.
- Extending a lock after Float-Down is based on current published lock extension guidelines.
- Loans will be limited to one float-down, no subsequent float-downs permitted.
- Re-locks of loans with a previous float-down are subject to worse case pricing.

JUMBO LOAN SIZES

- New rate must be lowered by at least 0.125% compared to the original lock rate.

FLOAT-DOWN RENEGOTIATION EXAMPLES

Under this float-down renegotiation policy, the following examples apply:

	Date	Rate	Price	Price After Float-Down	Expiration Date
Original Lock	06/29/2020	3.500	102.500		07/14/2020
Current Lock	07/06/2020	3.250	102.250		
Float-Down	07/06/2020	3.250	101.750	102.250 - .500 = 101.750	8/5/2020

Original Premium Cap:

	Date	Rate	Price	Price After Float-Down	Expiration Date
Original Lock	06/29/2020	3.500	102.500		07/14/2019
Current Lock	07/06/2020	3.250	103.250		
Float-Down	07/06/2020	3.250	102.500	103.250 - .500 = 102.750 (Premium Capped at 102.500)	8/5/2020

Float-Downs are not available on our website, please contact the Lock Desk at (866) 945-9872 option 2.