



Oaktree Funding Corporation

Secondary Pricing & Lock Policies



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LOCK DESK HOURS

The Lock Desk is open Monday through Friday from 8 am to 4 pm PT. Federal holidays, trading holidays, and early market closures may reduce or eliminate these hours of operation. Secondary will email notification in advance of planned changes to these hours.

NEW LOCK REQUESTS

Loans may be locked through the Oaktree portal and Price Engine for a period of 30 or 45 days. 15 or 60 day locks may be available as an exception through Secondary. Originators will be offered the option to lock at the time of submission to ensure pricing protection. Loans should meet required compensation levels and be locked through their funding date.

Lock Confirmations will be sent via email and saved in the Docs folder in Oaktree's LOS. Lock expirations that fall on a weekend or holiday will automatically roll forward to the next business day.

Second Lien products (CES and HELOCs) may not be locked until they are in Approved status.

CHANGES TO LOCKED LOANS

Loans will be locked as represented at time of lock request. Changes to interest rate or loan details will be priced based on pricing from the initial lock date. Changes of investor will only be allowed for eligibility/qualification reasons, not based on market conditions. Loans that need to change products will be subject to worse case pricing (initial lock date or current market at time of change, whichever is worse).

Property changes (new address) require a new lock at current market. Locks cannot be transferred between properties.

Please email secondary@oaktreefunding.com for lock changes and pricing.

LOCK EXTENSIONS

It is Oaktree's expectation that loans which do not fund by the lock expiration date will be extended. Extension requests should be emailed to secondary@oaktreefunding.com no later than 4pm PT on the day of expiration. Extensions are in calendar days, and options and costs are published on the Oaktree portal and rate sheet. Oaktree allows up to 30 days total in extensions; after 30 days, loans may be subject to worse case pricing. Any exception must be approved in advance by Secondary. Extensions may not be available in times of high market volatility.

Secondary will email Lock Expiration reminders 7 days in advance and again on the day of lock expiration. It is solely the responsibility of the originator to ensure that the lock is extended through the funding date. Locks which expire will be subject to the Relock Policy.

RELOCKS

Loans relocked within 30 days of expiration or cancellation date will be subject to worse case pricing and any applicable relock fees. Loans relocked over 30 days from expiration or cancellation date will receive current market at the time of relock.

LOCK CANCELLATIONS

Please email secondary@oaktreefunding.com when a locked loan is denied, cancelled, or withdrawn for any reason.

RENEGOTIATIONS

Secondary will consider rate renegotiations on a case by case basis, and the benefit of the improved market conditions must be passed on to the borrower by lowering the rate (pricing does not change). Generally speaking, the requirements for a renegotiation are:

1. Current market is at least 100bps better in price compared to the original, unexpired lock
2. Loan must be Clear to Close and funding within 15 days of renegotiation

Loans with Underwriting or Pricing Exceptions are not eligible for renegotiation.

EXCEPTIONS

Loans which receive an exception to published policies, matrices, and guidelines may be subject to additional price adjustments.

PULL-THROUGH

Lock pull-through in general is defined as the percentage of locked loans which fund. Clean pull-through is the percentage of locked loans which fund on their original loan product, at the original interest rate, and within the original lock term. Oaktree monitors both kinds of pull-through and expects originators and partners to maintain a general pull-through ratio of at least 70%, and clean pull-through of 60%. Secondary provides a quarterly report to Senior Management.