



Announcement 2018 – 54

Planet Home Lending – Float Down Policy for long term locks

Planet Home Lending (Planet) is pleased to announce it is offering the following Float Down Policy for long term locks. Long Term Locks are defined as locks of 120, 180, 270 or 360 days.

Planet offers a one-time option for a borrower to reduce the locked mortgage rate.

To qualify for the Float Down option:

- The interest rate market must have favorably improved to a point that a 1/8th reduction to the locked rate is available.
- Once the rate has been floated down, the rate cannot be changed in a subsequent transaction that will cause it to exceed the renegotiated rate.
- Email Correspondentlocks@planethomelending.com to have the long term rate lock renegotiated. Please include the final rate and price you are seeking for the borrower.
- The Float Down Rate calculation is: Current Market minus 0.500%. The resulting price cannot exceed the original locked price. For example:
 - Original Locked Pricing = 4.5% @ 100.00
 - Current Market Pricing = 4.25% @ 100.00; 4.375% @ 100.50; 4.5% @ 100.75
 - Float Down Pricing Options: 4.25% @ 99.5; 4.375% @ 100.00

In the above scenario, 4.5% @ 100.25 is not an available option as it does not provide a 1/8th reduction of the locked rate, and the final price would exceed the original locked price.

All Planet Home Lending documentation will be updated as applicable to reflect these changes.

If you have any questions, please contact your Regional Sales Manager.