



**DELAWARE STATE HOUSING AUTHORITY
HOMEOWNERSHIP PROGRAM
RATE LOCK AGREEMENT**

This Rate Lock Agreement (“Agreement”) is entered into between the Lender, _____, hereinafter referred to as the “Lender”, and the borrower(s), _____, purchasing the property located at _____, hereinafter referred to as the “Borrower”, and collectively with the Lender referred to as the “Parties”.

WHEREAS, the Borrower has applied for a mortgage loan from the Lender to finance the purchase of the above-referenced property;

WHEREAS, the Parties wish to establish the terms and conditions governing the interest rate lock for the mortgage loan;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Interest Rate Lock: The Lender agrees to lock the interest rate for the mortgage loan
2. Loan Details: The mortgage loan details, including the loan amount, loan terms, and any applicable fees, shall be set forth in the loan application submitted by the Borrower to the Lender.
3. Rate Lock Period: The interest rate lock period shall be 60 days commencing on the date of the Loan Reservation in Mitas. The Borrower understands that the interest rate lock will expire at the end of the rate lock period if the loan has not been purchased from the Lender by the Master Servicer by such date.
4. Interest Rate: The interest rate for the mortgage loan shall be fixed, which shall remain in effect during the rate lock period, subject to the conditions set forth in the applicable Program Notice.
5. Lock Rate Extension: In the event that the mortgage loan is not purchased within the rate lock period, the Lender may request a one-time extension of the rate lock period. The lender may choose either a 15- or 30-day rate lock extension to avoid the expiration of the interest rate. The fee for a 15-day extension is .125% of the total loan amount and the fee for a 30-day extension is .25% of the total loan amount. This cost may or may not be passed along to the Borrower by the Lender.

6. Rate Lock Expiration/Lock Cancellation: If the rate lock period either expires or the rate lock is cancelled for any reason other than the related purchase and sale agreement for the subject property being voided, the Borrower shall not be eligible to lock an interest rate for 60 days from the original rate lock expiration date and will be subject to current market interest rates.
7. Transfer of Rate Lock: The rate lock can be transferred from the existing lender to a new lender at the request of the Borrower but only if the existing lender provides a request in writing to Delaware State Housing Authority (“DSHA”) and DSHA approves the transfer the rate lock to the new lender.
8. Mortgage Loan Approval: The mortgage loan subject to the rate lock is subject to final approval by the Lender and DSHA. The Lender and DSHA each reserve the right to deny or withdraw the mortgage loan approval at any time for any reason either entity deems appropriate.
9. Entire Agreement: This Agreement constitutes the entire agreement between the Parties and supersedes all prior discussions, negotiations, and agreements, whether oral or written, relating to the subject matter herein.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

Loan Officer	Date
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Borrower	Date
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Borrower	Date
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Borrower	Date
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