

# Did You KNOW



**Prudential**  
California Realty

**HomeServices**Lending<sup>LLC</sup>

## Can't decide whether to lock or float?

Ask us about our unique rate lock loan programs!

## HomeInfoSanDiego.com

*North County Real Estate*

Carlsbad, Oceanside, Vista, San Marcos, Escondido and Encinitas.

## Gary Harmon, Realtor

*20 years serving North County*

**760-745-1220**

GaryHarmon@prusd.com  
Prudential California Realty

## Craig Piland

*Home Mortgage Consultant*

**858-663-9850**

PilandMortgageConsulting.com  
craig.a.piland@hsl-ca.com

## When to Lock an Interest Rate

Any lender can quote you today's interest rate, but an educated homebuyer is more concerned with what the interest rate will be at the time the loan closes. That's why it's important to ask your Home Mortgage Consultant how long they will hold the quoted interest rate.

### Locking and Floating

Typically, lenders will hold an interest rate range for lock periods of 30 to 120 days, and they also provide a feature that may allow you to float the interest rate, so you can follow interest rates and lock in anytime up to five days before your closing.

Be sure to ask your lender about available interest rate lock and float down features as well as any fees that may be charged for these features. Think about how, or if, these features may accommodate your needs. Some people may need more time to move out of their apartment or sell their current home.

### Timing

When you lock, make sure the lock period allows enough time for your loan to be processed. If your lock period expires before you're ready to take ownership of the home, your loan pricing may be adjusted to reflect current market conditions.

Some loan programs allow a one-time float-down feature that can be used during the rate range period. The one-time float down allow you to seek a lower interest rate should interest rates drop while your loan is locked. Float down is subject to qualification.

### New Construction

If you are building a new home, there are programs that can enable you to lock your interest rate for up to two years<sup>1</sup> to accommodate lengthy construction time frames. You can also get an extended lock with an option to reset your interest rate one time during the rate-lock period, provided you qualify at the time you seek the new interest rate.

### Word of Advice

Not even the experts can predict if interest rates will rise or fall, so it is impossible for your Home Mortgage Consultant to make the lock/float decision for you. The decision is yours. There is, however, a guiding principle that can help you make the decision: the prudent person locks when the numbers are acceptable to him or her.



1. A non-refundable closing cost commitment deposit will be required for a lock ranging from 3 months to 12 months on qualified products. An extended lock/commitment fee may be required for a lock ranging from 4 months to 24 months on qualified products. Due to daily pricing variations between products, you are encouraged to work with your HomeServices Lending Home Mortgage Consultant to ensure that pricing available on the Builder Best lock feature that you choose is the most advantageously priced Builder Best lock feature for you.

All first mortgage products are provided by Homeservices Lending, LLC Series A dba Homeservices Lending. Homeservices Lending may not be available in your area. ©2008 Homeservices Lending. All Rights Reserved. An Equal Housing Lender. Prudential California Realty is an affiliate of HomeServices Lending. Please speak to your real estate agent for more information on this affiliation.