



2/1 BUYDOWN

A Temporary Interest Rate Buydown allows qualified borrowers to reduce their monthly payment during the early years of the mortgage.

The interest rate and mortgage payments are reduced for the first couple of years as the result of a lump sum of money deposited into a buydown account.

The buydown funds are then used to reduce the borrower's payments each month, and the borrower's rate & payments increase annually until the full amount is reached at the end of the buydown period. The borrower may obtain the buydown funds from various sources such as the lender, property seller, or other interested parties.

57980 San Andreas, Yucca Vally | PRICE: \$669,800

In the below example case of a 2-1 BUYDOWN, the borrower's interest rate is reduced by 2% during the first year then reduced by 1% in the second year before returning to the full note rate & payment in year three.

Purchase Price	\$669,800.00	\$669,800.00	\$669,800.00
Loan To Value	90.0%	90.0%	90.0%
Property Type	SFR	SFR	SFR
Fico	760	760	760

Loan amount	\$669,800 Assumes 10% down
Interest Rate (Annual)	7.375%
Loan period in years	30
Number of payments per year	12
Monthly Payment	\$4,626.14
Total Payments	360

	Year 1	Year 2	Year 3-30
Loan Program	30 Year Fixed	30 Year Fixed	30 Year Fixed
1st Loan Amount	\$602,820.00	\$602,820.00	\$602,820.00
Interest Rate	5.375%	6.375%	7.375%
Princ & Int Pmt	\$3,375.62	\$3,760.81	\$4,163.53

2-1 BUY DOWN					
Interest Rate	Payment	Payment	Monthly Subsidy	# of Payments	Annual Subsidy Pymnts
5.375%	\$4,626.14	\$3,750.69	\$875.45	12	\$10,505.40
6.375%	\$4,626.14	\$4,178.68	\$447.46	12	\$5,369.52
				2/1 Buydown Cost	\$15,874.92

Based on a primary residence, conventional 30-Year fixed rate mortgage, 740 FICO, with a sales price of \$459,900, a loan amount of \$400,000, .126 discount points, 95% LTV and a monthly payment of \$2,334.29 principal and interest only. Funds for the temporary interest rate buydown used in this loan example will be offered as seller incentives up to 3% of sales price disclosed in the sales contract.

Contact your Loan Officer for questions or more program information.



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