FOR BUYERS

Four things a buydown actually does for you.

1 It lowers the payment when money is tightest

The first year of owning a home is the expensive one — the move, the furniture, the repair nobody saw coming at the walkthrough. A buydown puts the biggest payment relief in exactly that year, then eases you into the full payment on a schedule you know at closing.

2 Someone else usually pays for it

In most cases the seller or the builder funds the buydown as a concession. For a seller, it often costs less than the price reduction they were already weighing — and it moves your payment several times further than that price cut would have.

3 Your rate is fixed the whole time

This is not an adjustable-rate loan and it is not a teaser. The note rate is set at closing and never changes. You are approved based on the full note-rate payment, so the step-up is never a number you weren't already qualified for.

4 Nothing is wasted if plans change

If you refinance or sell before the schedule runs out, the buydown funds that haven't been used are credited toward your payoff. And if rates drop during the buydown period, refinancing is still on the table.

WHAT IT LOOKS LIKE

4620 Altadena Ave
San Diego, CA 92115

Purchase price	$1,189,000
Down payment	$237,800 (20%)
Loan amount	$951,200
Loan program	30-yr fixed
Structure	1-0 buydown
Note / Year 1 rate	7.375% / 6.375%
Payment at note rate	$6,569.70/mo
Payment in Year 1	$5,934.25/mo

$635.45

LOWER EACH MONTH IN YEAR 1

HOW THE PAYMENT STEPS UP

Estimated 1-0 buydown cost
$7,625.42
Funded up front by the seller, builder or lender.

Principal and interest only; other housing costs are additional.

Do I have to qualify twice?
No. One application, one approval, based on the full note-rate payment. The buydown agreement is prepared alongside your loan documents.

What if I can't get a seller credit?
Some conventional programs allow a lender-funded buydown instead. It's priced into the rate rather than paid by the seller — worth comparing side by side.

Which structure is right for me?
It usually comes down to how much concession is available. Tell me what the contract allows and I'll show you every structure that fits it.

Let's run your actual numbers.

Send me a price range and I'll come back with the payment at the note rate and with each buydown structure, so you can see what a concession is worth before you write the offer. No application needed to get the numbers.

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