TEMPORARY BUYDOWNS

When interest rates were at historic lows, a typical fixed rate mortgage loan was all most people needed. Now, rates have risen. They're still below long-term averages, yet appreciably higher than before. And of course, higher interest rates lead to higher monthly payments.

The good news is we have loan programs that can help ease the burden of a higher monthly payment, with help from your builder or independent seller. With a Temporary Buydown, you'll get a 30-year fixed rate loan with a reduced payment for the first 1, 2, or 3 years. Lender Paid Buydowns are also available, for the fist 1 or 2 years for Conventional, non-specialty 30 year loans.

You can ease your way into a home with lower payments that simply step up at the end of the buydown period then remain fixed for the remainder of the loan.

A Temporary Buydown comes with extra upfront costs that can be paid by the lender, seller or builder, with their agreement to do so. There are additional details that vary according to the specific scenario.

This is just one way today's buyers can make buying the home they really want a reality. If you have questions or would like to learn more, reach out, and I'll be happy to help.

3/2/1 Buydown

Seller pays fee, effectively prepaying a portion of the borrower's P&I payments for the first 3 years of the mortgage. As a result, the payment to the borrower is 3% less than the note rate for the 1st year, increases to 2% less than the note rate for the 2nd year and increases to 1% less than the note rate for the 3rd year and from there increases to the note rate for years 4 and beyond.

Borrower must qualify at the full note rate.

2/1 Buydown

Seller or lender pays fee, effectively prepaying a portion of the borrower's P&I payments for the first 2 years of the mortgage. As a result, the payment to the borrower is 2% less than the note rate for the 1st year, increases to 1% less than the note rate for the 2nd year and increases to the note rate for years 3 and beyond.

Borrower must qualify at the full note rate.

1/1 Buydown

Seller or lender pays fee, effectively prepaying a portion of the borrower's P&I payments for the 1st year of the mortgage. As a result, the payment to the borrower is 1% less than the note rate for the first 2 years and increases to the note rate for years 3 and beyond.

Borrower must qualify at the full note rate.

1/0 Buydown

Seller or lender pays fee, effectively prepaying a portion of the borrower's P&I payments for the 1st year of the mortgage. As a result, the payment to the borrower is 1% less than the note rate for the 1st year and increases to the note rate for years 2 and beyond.

Borrower must qualify at the full note rate.

Loan Officer Name
LO Phone (e.g. 555.999.0099)
LO NMLS #
LO Email

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