

THE 2/1 BUYDOWN IS BACK!

WHAT IS THAT? AND HOW IS IT RELEVANT FOR REALTORS AND SELLERS?



Inventory continues its rise along with interest rates, the market is slowly shifting. In the meantime, Realtors need every additional tool possible to help Sellers maximize their price point and sell quickly. This tool can help you avoid larger than desired price reductions and get you in escrow as quickly as possible.

EXAMPLE LOAN SCENARIO	TEMPORARY RATE BUYDOWN
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\$1.05m Sales Price
10% Down
\$945k Loan Amount

3.625% Year 1 Rate (\$1,131 a month lower)
4.625% Year 2 Rate (\$581 a month lower)
5.625% Year 3 to 30 Rate

\$20,544 Total Cost to Seller, which equals the difference in buyer payment amounts in the first 2 years

Max total rate reduction 2%, max increase per year 1%
FNMA, FHLMC, FHA, VA, USDA eligible
Owner Occupied / Purchase Transactions only

Fixed rate only
Borrower funded buydown accounts are ineligible
Single Family Residences, PUD and Condos

FAQ ?

THE EXAMPLE LOAN AND BUYDOWN SCENARIO IS PROVIDED FOR ILLUSTRATION PURPOSES ONLY. ACTUAL RATE AND/OR TERMS MAY DIFFER.

Why not a price reduction instead?

Price reduction is significantly less powerful than a 2/1 buydown.

Why not give a seller credit towards closing costs instead?

Sellers can only credit the total traditional closing costs. 2/1 buydown allows the seller to credit more.

Work With a **Team You Can Trust.**
Let Me Know How I Can Help.

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