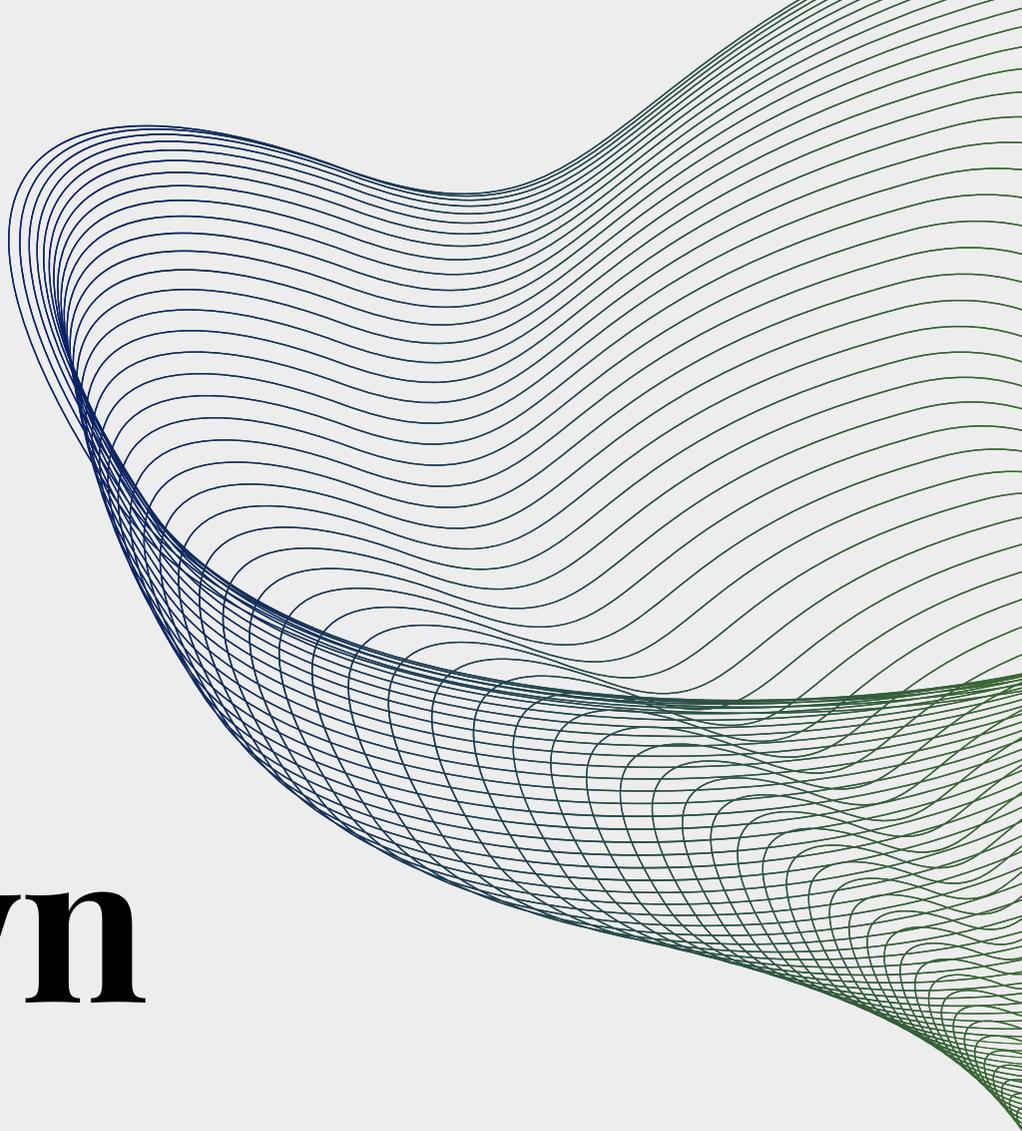


3-2-1

BuyDown

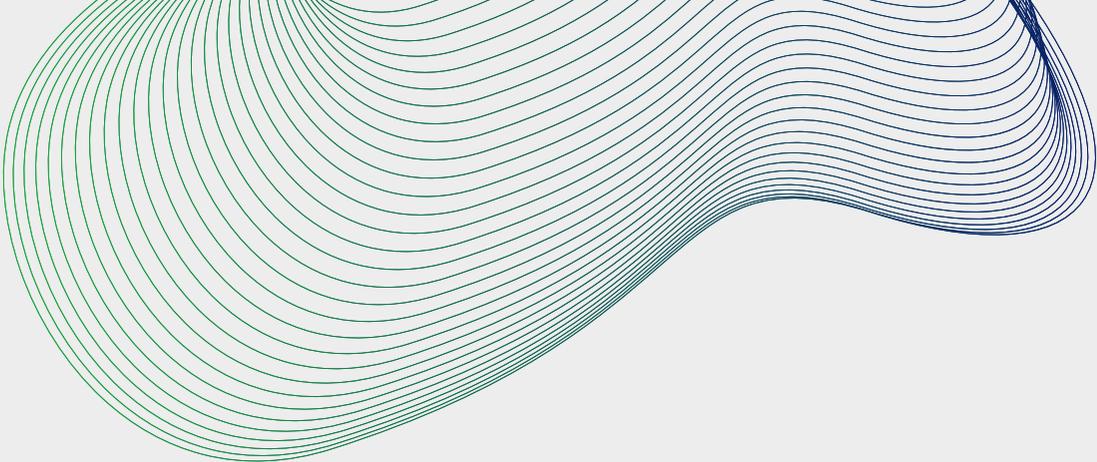


Temporary Rate BuyDown



Give your clients extra flexibility with a lower monthly payment by offering them a Temporary Rate Buydown to lower their interest rate at the start of their loan.

Program Summary



The buyer decides they want to lower their interest rate for the first 3 years with a 3-2-1 buydown. For example, in the 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.

Temporary Rate Buydowns are available for:



- Conventional primary and second home purchases
- FHA and VA primary home purchases



HELP BORROWERS LOWER THEIR INTEREST RATE BY UP TO 3% AT THE START OF THEIR LOAN



Temporary Buydowns are a great option for almost any borrower, especially those who:

- Have access to seller concessions and apply it towards the buy-down to take advantage of a low fixed rate
- Utilize your money towards renovations making upgrades or buying furniture for your new home
- The buy-down enables you to go from renting to buying with less of a payment shock

Example: The potential savings on a 3-2-1 seller-paid buydown:



Conventional 30-Year Fixed 3-2-1 Temporary rate Buy down on a \$350,000 loan for a borrower with a 700 FICO and a 90% LTV

3-2-1 Temporary Rate Buydown	Interest Rate	Monthly Payment*	Monthly Savings	Yearly Savings
Year 1	3.75%	\$1,620.90	\$649.19	\$7,790.28
Year 2	4.75%	\$1,825.77	\$444.32	\$5,331.84
Years 3	5.75%	\$2,042.50	\$227.59	\$2,731.08
Years 4-30	6.75%	\$2,270.09	-	-
				\$15,853.20

What happens when I sell my property or refinance?

Any remaining balance of the buydown will go towards the principal balance. The borrowers do not lose the money. I would also note if you're talking about the 3-2-1 buydown, that you do need at least 10% down on a conventional loan to get up to 6% concession to cover the cost.





Contact Us



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