

Temporary Interest Rate Buydowns



A Temporary Interest Rate Buydown is a financing tool that allows borrowers who qualify at the full note rate to reduce their monthly payment during the early years of their mortgage. During this process, a lump sum of money (equivalent to the annual savings in interest based on the lower rate) is deposited into a buydown account (escrow) and allows for a reduction of the borrower's interest rate and mortgage payments for the first couple of years.

How It Works

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

2-1 Buydown

In the case of a "2-1 buydown," the borrower's interest rate is reduced by 2% in the first year, then reduced by 1% in the second year before returning to the full note rate and payment in the third year -- see example below:

Example: 2-1 Buydown with 30-year Fixed Mortgage¹

Loan Amount	\$400,000
Note Rate	5.00%

Year	Rate	Total Monthly Payment	Payment by Borrower	Monthly Payment Savings
1	3%	\$2,147.29	\$1,686.42	\$460.87
2	4%	\$2,147.29	\$1,909.66	\$237.63
3-30	5%	\$2,147.29	\$2,147.29	\$0
Total Payment Savings²				\$8,382

Lender-paid Buydown (available depending on market conditions)

With a lender-paid buydown, you can finance your lump sum amount into your loan and use it to temporarily reduce your mortgage payments and interest rate.

Qualifications:

- Max total interest rate reduction of 2%, max increase per year of 1%
- Minimum 680 FICO
- Owner Occupied / Purchase Transactions only
- Fixed-rate only
- Borrower-funded buydown accounts are ineligible
- Buydown must be paid by Seller, Builder, or Lender
- Only permitted on fixed-rate loans with terms of 30 years

For Use On These Products:

- Fannie Mae Standard & High Balance
- Freddie Mac Standard & Super Conforming
- Fannie Mae HomeReady
- FHA Standard Loan Product
- VA Standard Loan Product

¹ This example is provided for illustration purposes only. Actual rate and/or terms may differ. This is not an offer for extension of credit or a commitment to lend or to purchase loans.

² Total Buydown Funds = Year 1 (\$460.87 x 12 months = \$5,530.44) + Year 2 (\$237.63 x 12 months = \$2851.56) = \$8,382



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TJC Mortgage, Inc. dba MortgageRight (NMLS# 2239) is an approved lending institution. Interest rate, program terms, and conditions are subject to change based on borrower eligibility and market conditions. Certain restrictions and conditions will apply and not all applicants will qualify. Mortgage to be refinanced must be insured. Even though a lower interest rate can have a profound effect on monthly payments and potentially save you thousands of dollars per year, the results of such refinancing may result in higher total finance charges over the life of the loan.

INFINITY HOMES & Co

INTEREST RATE LOCK PROGRAM

When you find your dream home, you can take comfort in knowing what your payment will be up to 12 months out. Infinity Homes & Co in conjunction with Mortgage Right, proudly introduce our extended One Year Rate Lock Program.

PROGRAM DETAILS

- One full year lock on rate on a 30 year Mortgage. (FHA, VA, Conventional, RD)
- Protect yourself from rising interest rates and enjoy the comfort of knowing what your monthly payment will be up to one year before closing
- If interest rates go down, you can exercise a free float down option within 15 days of closing
- A 1% fee of the loan amount is due upfront
- Infinity Homes & Co will give 50% of the fee in seller concessions at closing
- Mortgage Right will give 50% of the fee back at closing as a broker credit

InfinityHomesCorp.com

Purchaser can use any lender they prefer on a 12 month rate lock. In order to receive the full point refund purchaser's lender would have to agree



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