

# Buydowns

	Who Can Pay	Qualifying Rate	Max Buydown Term	Primary Residence	Second Home	Investment Property	Cash Out Trans	Manf. Housing
<b>FHLMC</b>	Seller or Builder, Lender, Borrower	Note	36 Months	Yes	Yes	No	No	No
<b>FNMA</b>	Seller or Builder, Lender, Borrower	Note	36 Mo(All Fixed and ARMs with initial terms greater than 3 yr)/ 24 Mo (ARMs)	Yes	Yes	No	No	Yes
<b>FHA</b>	Seller or Builder, Lender, Borrower	Note	36 months	Yes	No	No	No	No
<b>VA</b>	Seller or Builder, Lender, Borrower	Note	36 months	Yes	No	No	No	Yes

Buydown Types allowed on all Products Listed:  
3-2-1  
2-1  
1-0  
1-1  
1.5 - .5

## FAQ:

**Q:** Does PHH require a Temporary Buydown Agreement? **A:** Yes, the agreement must include all terms between the parties as well as **all** required Agency language.

**Q:** Can temporary buydown fees be paid by multiple parties? **A:** Yes, the Buydown Agreement must spell out which parties will contribute and dollar amounts.

**Q:** How are buydowns accounted for? **A:** Borrower paid buydowns are counted into points & fees, CD Closing Cost, and High-Cost testing (as applicable).

**Q:** Are HomeReady and Home Possible loans acceptable? **A:** Yes, HomeReady and Home Possible loans are acceptable.

**Q:** Are High Balance loans acceptable? **A:** Yes, High Balance loans are acceptable.

## The Buydown must be reflected on your AUS