

Buydowns

	Who Can Pay	Qualifying Rate	Max Buydown Term	Primary Residence	Second Home	Investment Property	Transaction Type	Manf. Housing
FHLMC	Seller or Builder, Lender, Borrower	Note	36 months	Yes	Yes	No	Purchase R/T refi – buydown funded with lender credit derived from an increase in rate are ineligible.	Yes
FNMA	Seller or Builder, Lender, Borrower	Note	36 months	Yes	Yes	No	Purchase Rate/term refinance	Yes
FHA*	Seller or Builder, Lender, Borrower	Note	36 months	Yes	No	No	Purchase	No
VA	Seller or Builder, Lender, Borrower	Note	36 months	Yes	No	No	Purchase	Yes

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

*Temporary buydowns may not be combined with a Lender Subsidy.

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