

Temporary Buydowns

Very Low Initial Rates A Temporary Buydown is a mortgage program that can help you qualify for the home you've always wanted. You or a third party, such as your builder, Realtor or the seller, can pay the Buydown deposit and then you are qualified for your loan at the lower initial interest rate. Depending on the Buydown program you choose, the deposit buys down the interest rate by 1% or 2% for a specified period; usually one or two years. With this temporary assistance, your initial mortgage payments will be lower and will increase according to the Buydown program selected. For example, on a 2/1 Buydown, if your mortgage note interest rate was 6.5%, your Buydown interest rate would be 4.5% the first year and 5.5% the second year, before returning to the note interest rate of 6.5% for the remainder of your loan. With a lower monthly payment, you realize significant savings during the Buydown period. You may ask why would a third party be interested in this program? Builders participate in the program to move inventory at a fast rate. Realtors and sellers also have an interest to help buyers purchase homes, especially when the market is slow or there is a large housing inventory in the area.

Request a Free Consultation or Apply Now
No Application Fee, No Obligations