

## Location of Buydown Calculator

[TOOLS – Nations Direct Mortgage \(myndm.com\)](https://myndm.com)

Forms, Documents & Checklists

- Conventional
- Buydown Calculator**
- Conventional Full Condo Review Questionnaire
- Conventional Limited Condo Review Questionnaire
- RefiNow/RefiPossible Max Loan Amount Worksheet

## Instructions to Complete

1. Enter Loan Amount, Interest Rate, and Loan Term (in years)
2. Review the Buydown Cost to determine the minimum Seller Credit required. This is different depending on the Buydown Option chosen (See next page for additional information on Buydown Options)

<b>Loan amount</b>	\$550,000			<b># of Payments</b>	12
<b>Interest Rate (Annual)</b>	5.990%			<b>Monthly Payment</b>	\$3,293.99
<b>Loan period in years</b>	30			<b>Total Payments</b>	360
<b>3/2/1 BUY DOWN</b>					
Interest Rate	Payment	Payment	Monthly Subsidy	# of Payments	Annual Subsidy Pymnts
2.990%	\$3,293.99	\$2,315.86	\$978.13	12	\$11,737.56
3.990%	\$3,293.99	\$2,622.61	\$671.38	12	\$8,056.56
4.990%	\$3,293.99	\$2,949.16	\$344.83	12	\$4,137.96
				<b>3/2/1 Buydown Cost</b>	<b>\$23,932.08</b>
<b>2/1 BUY DOWN</b>					
Interest Rate	Payment	Payment	Monthly Subsidy	# of Payments	Annual Subsidy Pymnts
3.990%	\$3,293.99	\$2,622.61	\$671.38	12	\$8,056.56
4.990%	\$3,293.99	\$2,949.16	\$344.83	12	\$4,137.96
				<b>2/1 Buydown Cost</b>	<b>\$12,194.52</b>
<b>1/1 BUY DOWN</b>					
Interest Rate	Payment	Payment	Monthly Subsidy	# of Payments	Annual Subsidy Pymnts
4.990%	\$3,293.99	\$2,949.16	\$344.83	12	\$4,137.96
4.990%	\$3,293.99	\$2,949.16	\$344.83	12	\$4,137.96
				<b>1/1 Buydown Cost</b>	<b>\$8,275.92</b>
<b>1/0 BUY DOWN</b>					
Interest Rate	Payment	Payment	Monthly Subsidy	# of Payments	Annual Subsidy Pymnts
4.990%	\$3,293.99	\$2,949.16	\$344.83	12	\$4,137.96
				<b>1/0 Buydown Cost</b>	<b>\$4,137.96</b>

## Buydown Options

3-2-1

- Buyer pays lower payments on the loan for the first 3 years
- The payment will increase annually based on a 1% interest rate increase
- The payment as indicated on the Note will apply in the 4<sup>th</sup> year of the mortgage loan

2-1

- Buyer pays lower payments on the loan for the first 2 years
- The payment will increase annually based on a 1% interest rate increase
- The payment as indicated on the Note will apply in the 3<sup>rd</sup> year of the mortgage loan

1-1

- Buyer pays lower payments on the loan for the first 2 years
- The payment as indicated on the Note will apply in the 3<sup>rd</sup> year of the mortgage loan

1-0

- Buyer pays a lower payment on the loan for the first year
- The payment as indicated on the Note will apply in the 2<sup>nd</sup> year of the mortgage loan

## Selling Tips

- Buydown must be Seller Paid only
- Available on Conventional Loans only (Fannie Mae, Freddie Mac, HomeReady, and HomePossible)
- Note Rate is used to calculate interest for the term of the loan, the lower interest rate is solely used for calculating the payment
- Loan is qualified using the Note Rate
- Seller credit must not exceed Interested Party Contributions for loan program chosen (refer to program matrix for applicable IPC's)