

TEMPORARY BUYDOWN

A Temporary Interest Rate Buydown allows qualified borrowers to reduce their monthly payment during the early years of the mortgage. The interest rate and mortgage payments are reduced for the first couple of years as the result of a lump sum of money deposited into a buydown account.

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



In the below example case of a **2-1 BUYDOWN**, the borrower's interest rate is reduced by 2% during the first year then reduced by 1% in the second year before returning to the full note rate & payment in year three.

Loan Amount
\$400,000
Note Rate
7.00%
APR
7.26%

Year	Rate	P&I	Payment by Borrower	Buydown Funds
1	5%	\$2,398.20	\$1,909.60	\$488.54
2	6%	\$2,398.20	\$2,147.29	\$250.91
3-30	7%	\$2,398.20	\$2,398.20	\$0
Total Buydown Funds				\$8,873

Scenario based on \$500,000 purchase price, 7%, 30-year fixed conventional, 20% down payment. The Annual Percentage Rate is subject to change at any time without notice. The rate posted may vary depending on past credit history, down payment, and approximate term. All loans are subject to approval. Terms and conditions may apply.

Contact your Loan officer for questions or more program information.



Lindsey Turner
Loan Officer NMLS ID 2349842

(520) 240-7782
lturner@vipmtginc.com

5401 N Oracle Road
Tucson, AZ 85704



VIP Mortgage, Inc. does Business in Accordance with Federal Fair Lending Laws. NMLS ID 145502. AZ: Mortgage Banker License No. BK-0909074. VIP is not acting on behalf of or at the direction of the FHA/HUD or the Federal Government. This product or service has not been approved or endorsed by any governmental agency, and this offer is not being made by any agency of the government. VIP is approved to participate in FHA programs but the products and services performed by VIP are not coming directly from HUD or FHA. Information, rates, and programs are subject to change without notice. All products are subject to credit and property approval. Not all products are available in all states or for all loan amounts. Other restrictions may apply. This is not an offer to enter into an agreement. Not all customers will qualify. For state-specific licensing, visit <https://www.vipmtginc.com/national-licenses/>. Equal Housing Lender. AZ: Mortgage Banker License No. BK-0909074, CA: California - DFPI Residential Mortgage Lending Act License, License Number 4131324, CO: Mortgage Company Registration 145502. Regulated by the CO Division of Real Estate, FL: Mortgage Lender License MLD1901/MLD1399, Georgia Residential Mortgage License #51913, HI: Mortgage Loan Originator Company License HI-145502, ID: Mortgage Broker/Lender License # MBL-8966, IL: Illinois Residential Mortgage License MB.6760990, IN: DFI First Lien Mortgage Lending License 21573, MI: First Mortgage Broker/Lender/Servicer Registrant License No. FR.0020728; Second Mortgage Broker/Lender Registrant License No. SR.0017724, MN: Residential Mortgage Originator License No. MN-MO-145502, Minnesota Residential Servicer License No. MN-MS-145502, North Carolina Mortgage Lender License L-170588, Mortgage Loan Company License No. 03769, OR: Residential Mortgage Lending Act Certificate of Registration No. ML-5444/145502, TN: Mortgage License 136173, WA: Consumer Loan Company License No. CL-145502, WI: Mortgage Banker License No. 145502BA (Mortgage