

## FSB Temporary Buy-Down Overlays

### All Product Overlays:

1. All Borrowers must have at least a 660 Fico Score.
2. All Loans Must qualify at the standard note rate without benefit of the buydown.
3. Must meet all other applicable Agency requirements, including but not limited to qualification, documentation of buydown, and funding of buydown.
4. Not allowed on Cash Out Refinance transactions. Some products do not allow on any refinance transactions.
5. Buydown agreement must be completed at time of application, with an estimated closing date and signed by all contributing parties (only seller/lender allowed). This must be uploaded at the time of all locks on each loan.
6. An additional agreement will be signed at the time of closing by all parties (only seller/lender allowed). See attached agreement.
7. Maximum Contribution may NOT exceed the normal product allowed concession maximum amount.
8. Only available in combination with 30-year fixed rate mortgages.
9. Only available on 1 Unit transactions.
10. The purchase contract must clearly state the amount of any seller concession that is being applied to the buydown.  
Example: Total Seller Concession is \$10,000, \$9,000 is being applied to buydown discount points, \$1,000 can be applied to any other closing costs.

### Specific Product Overlays:

#### Conventional:

1. All Conventional loan products are eligible.
2. Max total interest rate reduction of 3%, max increase per year of 1%
3. 1/0, 2/1, and 3/2/1 buydowns allowed.
4. Only for Primary and Second home occupancy.
5. Not allowed on Cash Out Refinance transactions.
6. Buydown contribution is allowed by Seller, Builder, Lender. ***Borrower and Realtors are not allowed to contribute to the buydown.***

#### VA:

1. Max total interest rate reduction of 3%, max increase per year of 1%
2. 1/0, 2/1, buydowns allowed.
3. Only for Primary occupancy.
4. Purchase Transactions allowed only.
5. Buydown contribution is allowed by Seller, Builder, or Lender. ***Borrowers and Realtors are not allowed to contribute to the buydown.***

FHA:

1. Max total interest rate reduction of 2%, max increase per year of 1%
2. 1/0, and 2/1 buydowns allowed.
3. Only for Primary occupancy.
4. Purchase Transactions allowed only.
5. Buydown contribution is allowed by Seller, Builder, Lender. ***Borrowers and Realtors are not allowed to contribute to the buydown.***

USDA:

1. Max total interest rate reduction of 2%, max increase per year of 1%
2. 1/0, and 2/1 buydowns allowed.
3. Only for Primary occupancy.
4. Buydown contribution is allowed by Seller, Builder, or Lender. ***Borrowers and Realtors are not allowed to contribute to the buydown.***