

# 2-1 Buydown

Buy in today's hot market, with yesterday's low rates!



## What is the 2-1 Buydown?

The 2-1 buydown is an exciting financing option that lowers the interest rate on the buyer's mortgage temporarily, making the first two years of homeownership more affordable.

How does it work? The seller or builder kicks in enough money to reduce the buyer's mortgage rate for the first two years of the loan. During the first year of the buydown, a 2% discount is applied toward the interest rate, and in the second year a 1% discount is applied. After the two years, the interest rate returns to the original percent for the remainder of the mortgage term.

## Example:

**BASED ON A \$300K LOAN\***

| year | rate | payment |
|------|------|---------|
| 1    | 4%   | \$1,431 |
| 2    | 5%   | \$1,610 |
| 3-30 | 6%   | \$1,799 |

\*Principal and interest only. Taxes insurance or HOA not included. Rates and payments are for illustrative purposes only and do not reflect currently available rates. Subject to credit qualification, not all applicants may qualify. Not a commitment to lend.

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