

# Sell Your Home Faster and For More Money

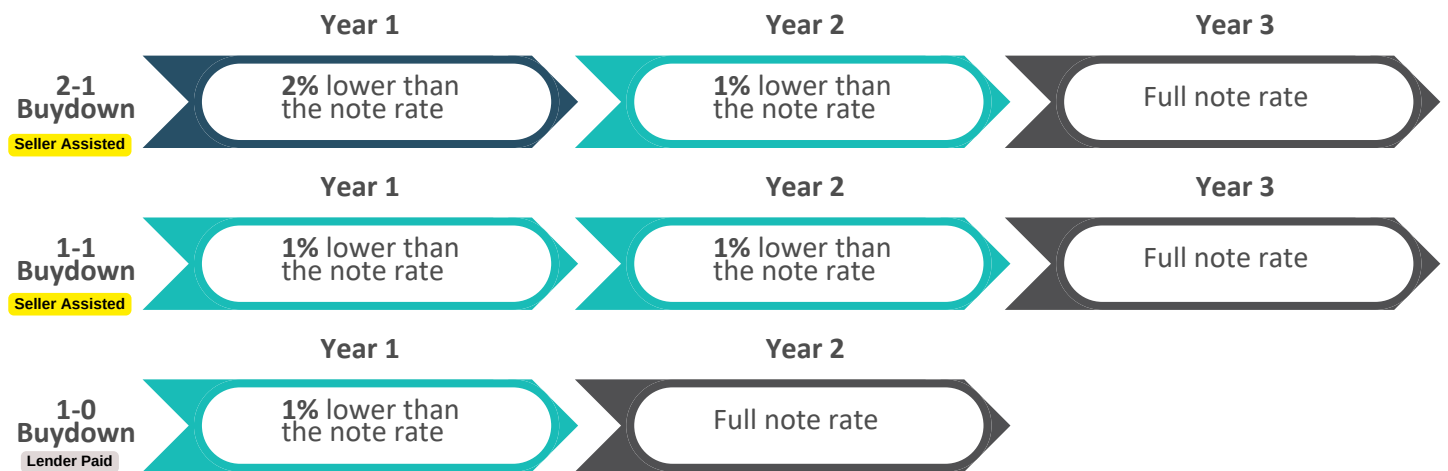


As the number of days on the market continues to rise, and with increasing interest rates making it harder for potential buyers to afford homes, seize the opportunity to stand out and attract a larger pool of prospective buyers. Collaborate closely with your trusted real estate agent and team up with The Wendy Thompson Lending Team at Brighton Bank.

## What is a Temporary Buydown?

A **Temporary Buydown Mortgage** is where the monthly mortgage payment is temporarily reduced for the buydown period and is subsidized by the seller or lender. After the buydown period, the monthly mortgage payment returns to the full payment amount, which is determined by the full note rate for the remaining loan term.

See chart below for a breakdown of the various buydown mortgage options:



## How Does a Temporary Buydown Actually Work?

For example, a 2-1 Buydown with a full note rate of 7.25% will have payments for the first year based off of 5.25% (7.25% less 2%) and the second year based off of 6.25% (7.25% less 1%) respectively. After the first two years, the monthly payment will be based on the full note rate of 7.25% from year 3 and beyond.

Assuming a \$500,000 purchase price with 20% down payment of \$100,000 and \$400,000 loan amount:

### Year 1:

Principal & Interest Payment Based on Original Interest Rate **7.25%** **\$2,728.71**

Principal & Interest Payment Based on 2% Buydown (**5.25%**) **\$2,208.81**

Monthly Mortgage Savings: **\$519.90**

Cost to Seller: **\$6,238.80** (\$519.90 per month times 12 months)

Ready to partner on your listing? Call or text the Wendy Thompson Team at 901-461-8858



# WENDY THOMPSON

Mortgage Loan Originator | NMLS #504814

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**Brighton Bank**

**Year 2:**

Principal & Interest Payment Based on Original Interest Rate 7.25% **\$2,728.71**

Principal & Interest Payment Based on 1% Buydown **\$2,462.87**

Monthly Mortgage Payment Savings: **\$265.84**

Cost to Lender: **\$3,190.08** (\$265.84 per month times 12 months)

\* Assumes buyer works with Wendy Thompson with Brighton Bank\*



**Important!**

It is important to keep in mind that a **\$10,000 price reduction** would only reduce a buyer's estimated monthly payment by **\$68.22 (\$2,728.71 compared to \$2,660.49)**. In the example above, a seller could contribute **\$6,238.80** towards a buydown and save the buyer **\$519.90 a month for 12 months** and do so for less than a \$10,000 price reduction netting the seller more money.

**It would take a \$76,250 price reduction to reduce a buyers payment by \$519.90!!!!**

**\*2-1 Buydown:**



**Seller Assisted**

A **2-1 Mortgage Buydown** will benefit you by attracting more buyers lower initial monthly payments for the first two years, making the home more appealing in a competitive market.

Loan Amount	Year 1 Monthly Savings	Year 2 Monthly Savings	Cost for 2-1 Buydown	Seller Paid Buydown	Lender Paid Buydown
\$350,000	\$454.91	\$232.61	\$8,250.24	\$5,458.92	\$ 2,791.32
\$375,000	\$487.40	\$249.22	\$8,839.44	\$5,848.80	\$ 2,990.64
\$400,000	\$519.90	\$265.84	\$9,428.88	\$6,238.80	\$ 3,190.08
\$425,000	\$552.38	\$282.45	\$10,017.96	\$6,628.56	\$ 3,389.40
\$450,000	\$586.87	\$299.06	\$10,631.16	\$7,042.44	\$ 3,588.72
\$475,000	\$617.37	\$315.68	\$11,196.60	\$7,408.44	\$ 3,788.16
\$500,000	\$649.86	\$332.29	\$11,785.80	\$7,798.32	\$ 3,987.48
\$525,000	\$682.36	\$348.91	\$12,375.24	\$8,188.32	\$ 4,186.92
\$550,000	\$714.85	\$365.53	\$12,964.51	\$8,578.20	\$ 4,386.31
\$575,000	\$747.34	\$382.14	\$13,553.76	\$8,968.08	\$ 4,585.68
\$600,000	\$779.84	\$398.76	\$14,143.20	\$9,358.08	\$ 4,785.12
\$625,000	\$812.03	\$415.07	\$14,725.20	\$9,744.36	\$ 4,980.84
\$650,000	\$844.83	\$431.99	\$15,321.84	\$10,137.96	\$ 5,183.88
\$675,000	\$877.32	\$448.60	\$15,911.04	\$10,527.84	\$ 5,383.20
\$700,000	\$909.80	\$465.21	\$16,500.12	\$10,917.60	\$ 5,582.52
\$725,000	\$942.30	\$481.83	\$17,089.56	\$11,307.60	\$ 5,781.96

**\*1-1 Buydown:**



**Seller Assisted**

A **1-1 Mortgage Buydown** can be a win-win, as it helps sellers by enticing buyers with reduced payments by 1% for the first two years, making the property stand out even more.

Loan Amount	Year 1 Monthly Savings	Year 2 Monthly Savings	Cost for 1-1 Buydown	Seller Paid Buydown	Lender Paid Buydown
\$350,000	\$232.61	\$232.61	\$5,582.64	\$2,791.32	\$ 2,791.32
\$375,000	\$249.22	\$249.22	\$5,981.28	\$2,990.64	\$ 2,990.64
\$400,000	\$265.84	\$265.84	\$6,380.16	\$3,190.08	\$ 3,190.08
\$425,000	\$282.45	\$282.45	\$6,778.80	\$3,389.40	\$ 3,389.40
\$450,000	\$299.06	\$299.06	\$7,177.44	\$3,588.72	\$ 3,588.72
\$475,000	\$315.68	\$315.68	\$7,576.32	\$3,788.16	\$ 3,788.16
\$500,000	\$332.29	\$332.29	\$7,974.96	\$3,987.48	\$ 3,987.48
\$525,000	\$348.91	\$348.91	\$8,373.84	\$4,186.92	\$ 4,186.92
\$550,000	\$365.53	\$365.53	\$8,772.62	\$4,386.31	\$ 4,386.31
\$575,000	\$382.14	\$382.14	\$9,171.36	\$4,585.68	\$ 4,585.68
\$600,000	\$398.76	\$398.76	\$9,570.24	\$4,785.12	\$ 4,785.12
\$625,000	\$415.07	\$415.07	\$9,969.12	\$4,980.84	\$ 4,980.84
\$650,000	\$431.99	\$431.99	\$10,367.76	\$5,183.88	\$ 5,183.88
\$675,000	\$448.60	\$448.60	\$10,766.40	\$5,383.20	\$ 5,383.20
\$700,000	\$465.21	\$465.21	\$11,165.04	\$5,582.52	\$ 5,582.52
\$725,000	\$481.83	\$481.83	\$11,563.92	\$5,781.96	\$ 5,781.96

**1-0 Buydown:**



**Lender Paid**

A **1-0 Mortgage Buydown** will immediately grab buyers' attention, as it lowers their upfront costs, making the home more affordable and desirable.

For complete details, reach out to The Wendy Thompson Lending Team. They will be happy to assist you in understanding the specific terms and conditions that apply to your unique selling situation.

Please note that the financing breakdowns provided are for illustrative purposes only and should not be considered an official offer or approval for financing. The actual terms and conditions of your loan may differ based on your individual qualifications, prevailing market conditions, and the specific loan product you select.

Loan Amount	Year 1 Monthly Savings	Cost for 1-0 Buydown	Lender Paid Buydown
\$350,000	\$232.61	\$2,791.32	\$ 2,791.32
\$375,000	\$249.22	\$2,990.64	\$ 2,990.64
\$400,000	\$265.84	\$3,190.08	\$ 3,190.08
\$425,000	\$282.45	\$3,389.40	\$ 3,389.40
\$450,000	\$299.06	\$3,588.72	\$ 3,588.72
\$475,000	\$315.68	\$3,788.16	\$ 3,788.16
\$500,000	\$332.29	\$3,987.48	\$ 3,987.48
\$525,000	\$348.91	\$4,186.92	\$ 4,186.92
\$550,000	\$365.53	\$4,386.31	\$ 4,386.31
\$575,000	\$382.14	\$4,585.68	\$ 4,585.68
\$600,000	\$398.76	\$4,785.12	\$ 4,785.12
\$625,000	\$415.07	\$4,980.84	\$ 4,980.84
\$650,000	\$431.99	\$5,183.88	\$ 5,183.88
\$675,000	\$448.60	\$5,383.20	\$ 5,383.20
\$700,000	\$465.21	\$5,582.52	\$ 5,582.52
\$725,000	\$481.83	\$5,781.96	\$ 5,781.96

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