



Rate Reducer



Worried About High Interest Rates?

If you are purchasing a home, you can ask your realtor to negotiate a buydown, so that you can buy now and keep your monthly payments low.

How It Works

The seller or builder covers the difference between your payment and the adjusted bought-down.

YEAR
1

Your mortgage payment is 2% below your 30-year rate. For example, if your 30-year, 6.309% APR interest rate is 6.25%, during the first year, your bought-down interest rate will effectively be 4.25%.

YEAR
2

Your mortgage payment is 1% below your 30-year rate, so your bought-down interest rate will be 5.25%.

YEAR
3+

Your rate will return to the same format it would have been, 6.25%, but you may have the opportunity to refinance, potentially at a lower interest rate.

Why Choose Rate Reducer

- ◆ **Easier earlier payments:** Lower monthly payments for the first two years of homeownership.
- ◆ **Breathing room to plan:** Extra time to budget or save for compensation in the total amount.
- ◆ **Expanded buying power:** Potential to afford a higher-priced home, even with rising rates.

Talk to Your Howard Hanna Mortgage Expert Today!



Patricia Barnes
NMLS #: 106776
Senior Mortgage Consultant
Mobile: (919) 618-2337
Office: (919) 453-5700
patriciabarnes@howardhanna.com
patriciabarnes.howardhannamortgage.com



Jaime Gutierrez
Real Estate Agent
Mobile: (828) 774-7354
Office: (919) 453-5700
jaime.gutierrez@allentate.com



NMLS# 101561. Terms and conditions apply. Example based on \$375,000 purchase price 6.309% APR, \$300,000 loan amount, 30 year fixed rate loan with 20% down payment. Year one interest is 4.25%, monthly payment is \$1,475.82. Year two interest is 5.25%, monthly payment is \$1,656.61. Year three and beyond interest rate is 6.25% and monthly payment of \$1,847.15. Taxes and insurance premiums not included—actual payment obligation will be greater. APR is based on secondary market conditions and subject to change. Contact Howard Hanna Mortgage Services for mortgage products and eligibility. Offer of credit is subject to credit approval. For full licensing information, visit www.nmlsconsumeraccess.org.
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