



LOAN ESTIMATE (LE) AND CLOSING DISCLOSURE (CD) FOR TEMPORARY 2/1 BUYDOWN

When completing an LE or CD for a loan that contains a temporary 2/1 Buydown, consider these sections of the document.

Loan Terms > Monthly Principal & Interest

This section should reflect the principal and interest payment as reflected on the Note. In the example below, the principal and interest payment on the Note is \$1,061.00.

Loan Terms	Can this amount increase after closing?	
Loan Amount	\$215,576	NO
Interest Rate	4.25%	NO
Monthly Principal & Interest	\$1,061.00	NO

Projected Payments > Payment Calculation > Principal & Interest

This section should reflect a fixed payment stream. As disclosed within the Temporary Buydown Agreement, the Borrower is responsible to make the full monthly principal and interest payment required by the Note if for any reason the Buydown Subsidy is not available.

Projected Payments		
Payment Calculation	Years 1 - 30	
Principal & Interest		\$1,061.00
Mortgage Insurance	+	148.99
Estimated Escrow <i>amount can increase over time</i>	+	740.71
Estimated Total Monthly Payment		\$1,950.70





Other Costs > H. Other

The Buydown fee is placed in Section H of the LE and CD. This fee is not required by the Lender. In the example below, the Seller is paying the Buydown fee. If the borrower is paying the Buydown fee, it would still be placed in Section H.

Other Costs				Borrower-Paid		Seller-Paid	
				At Closing	Before Closing	At Closing	Before Closing
H. Other							
01	Buydown	to	<i>(Lender's name here)</i>			\$4,307.40	
			<i>(Title Company name</i>				
02	Title - Owner's Title Insurance (optional)	to	<i>here)</i>	\$1,200.00			

If the Temporary Buydown fee is placed in the incorrect section of the Final CD, a Post-Closing corrective CD will be required prior to purchase by Planet.

