



The EL 1395 Washington Street South End, Boston Rate Buy Down Options*

Buyer May Utilize One of the Following:

Temporary Rate Buydown

The developer will pay for a 1%, 1 year rate buydown. This will lower the rate by one percentage point for one year. As an example, if the market rate is 6% for the loan program desired by the buyer, the rate will be 5% for the first year and then revert to 6% for year two and beyond. This will appear as a seller credit towards buyers closing costs on the closing disclosure.

Permanent Rate Buydown

The developer will pay 1% (1 point) of the loan amount at time of closing. This will lower the market rate to a new lower rate for the life of loan. The dollar amount buyer can use to lower the rate is calculated as 1% x loan amount. As an example, with a purchase price of \$1,200,000 and 80% financing, the loan amount equals \$960,000. $1\% \times \$960,000 = \$9,600$. \$9,600 is applied to lowering the rate to a new lower rate for the life of the loan. Your rate does not go from 6% to 5% for the life of the loan. This will appear as a seller credit towards buyers closing costs on the closing disclosure.

***For the first 10 Reservations**



COMPASS

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