

Karley Stover

From: Josh Heinrich
Sent: Wednesday, April 5, 2023 8:42 AM
To: Sales
Cc: Josh Heinrich; Mortgage Management; Underwriting
Subject: Temporary Buydown Follow up Answer

Unfortunately, any DPA or Grant (FHLB) would be considered the borrowers funds toward contributing to the Buydown escrow. DPA/Grant/Gift funds can only be applied to non-buydown closing costs and prepaids, and down-payment.

In these situations, I would advise LO's to use DPA/Grant funds to pay down the actual interest rate by paying discount point(s), and then have any seller contributions go toward the buydown funds.

Thank you!

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