permanent interest rate buydowns

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disclaimer

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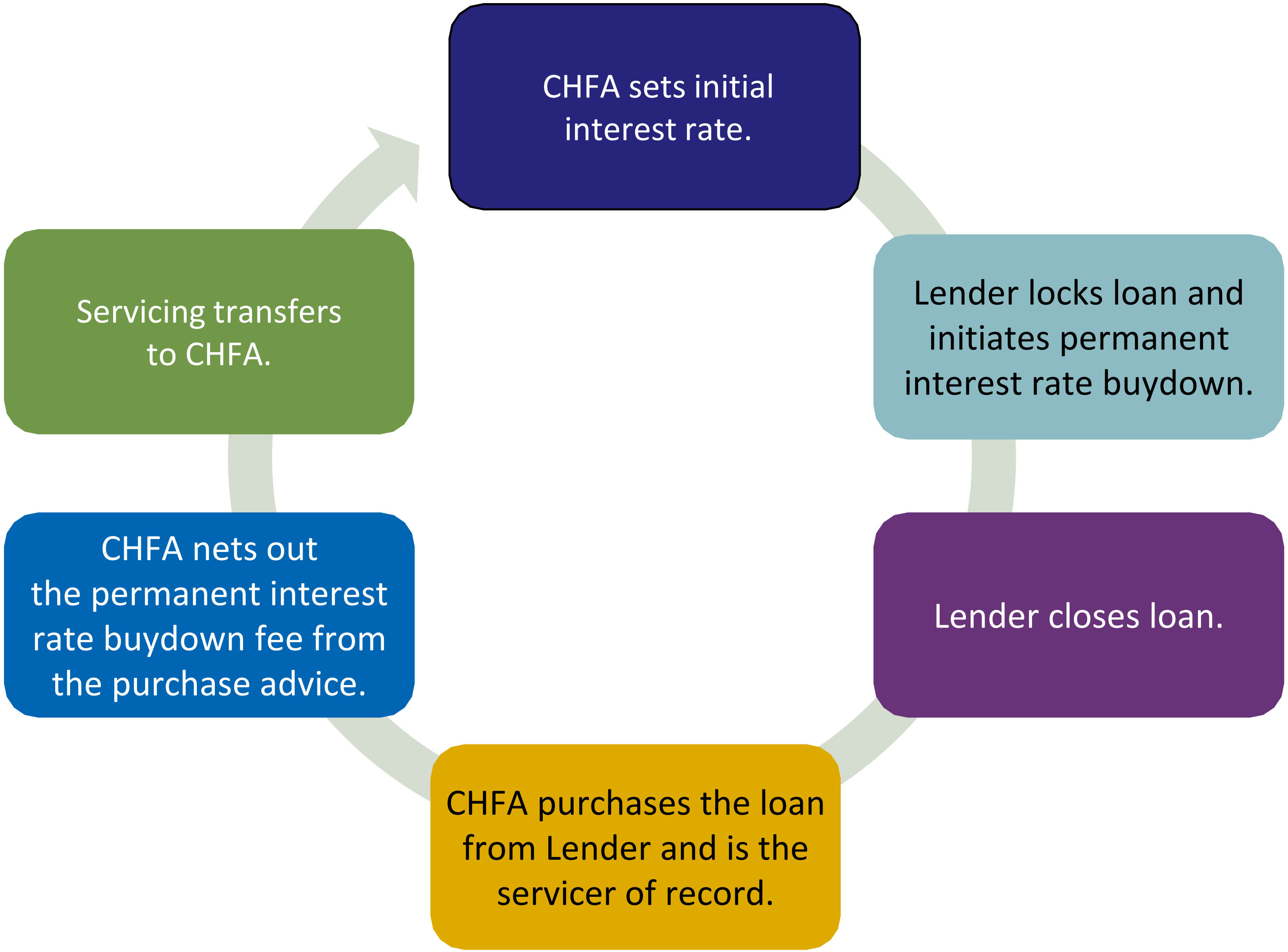
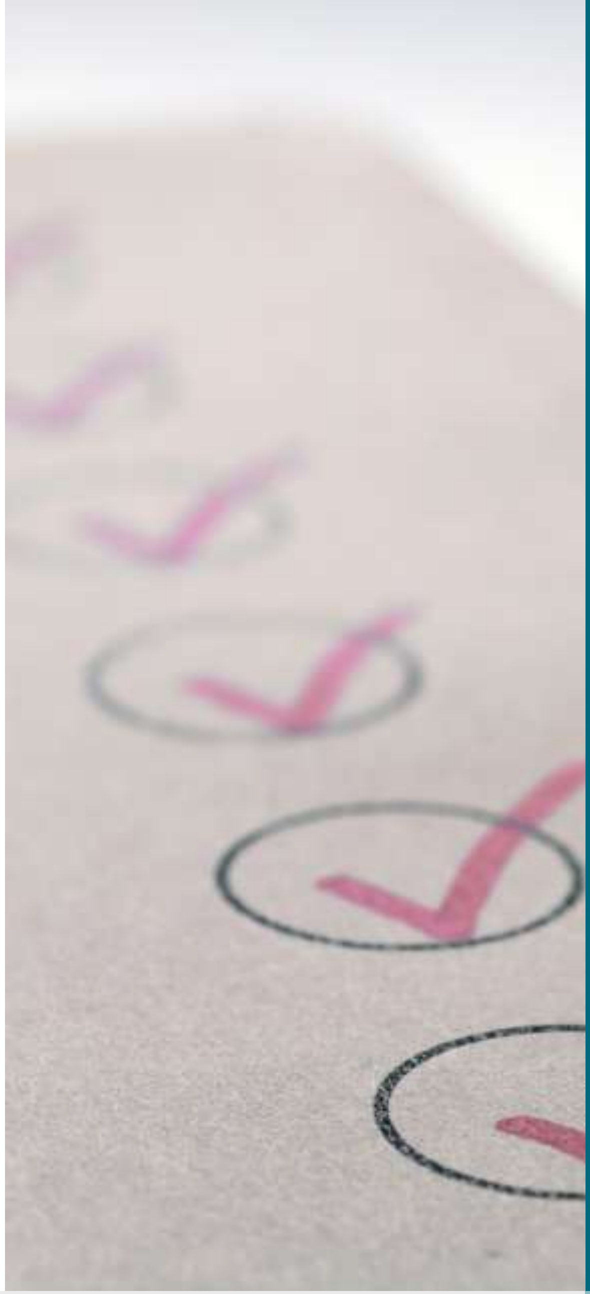
buydown process flow



Please note: Compliance review prior to closing required for applicable programs.

buydown requirements

- Effective for locks made **on or after** September 29, 2025
- Permanent interest rate buydowns only
- **Only available on government loans**; hope to rollout this option on conventionals in the future
  - Always check matrix for eligibility!
- Can be paid by borrower, builder, lender, seller, or other acceptable third party*
- CHFA DPA may be used toward the buydown
- Can be initiated at time of lock or after



*Participating Lender must adhere to applicable legal, regulatory, insurer, and guarantor guidelines with respect to buydowns, interested party contributions (IPC), and points and fees calculations.

buydown pricing

- Fee: 0.625% of loan amount for 0.125% interest rate reduction (subject to change)
- Available in CHFA HomeConnection^{sm} and Optimal Blue
- Otherwise, manual calculation must be performed

**CHFA will not calculate maximum allowable points and fees. Lender must adhere to applicable legal, regulatory, insurer, and guarantor guidelines with respect to buydowns, interested party contributions (IPC), and points and fees calculations.

chfa loan rates

Rates as of September 30, 2025

Purchase

Product	Rate*		
Conventional Fannie	**No DPA**	**Plus Grant**	**Plus 2nd**
CHFA Preferred^{sm} (Fannie)	6.375%	-	6.500%
Conventional Freddie	**No DPA**	**Plus Grant**	**Plus 2nd**
CHFA Preferred^{sm} (Freddie)	6.375%	-	6.500%
CHFA Preferred^{sm} Very Low Income Program (VLIP)	6.125%	-	6.250%
Government (FHA, VA, RD)	**No DPA**	**Plus Grant**	**Plus 2nd**
CHFA FirstStep^{sm} (FHA only)	5.750%**	-	6.125%**
CHFA FirstGeneration^{sm} (FHA only)	5.750%**	-	6.125%**
CHFA SmartStep^{sm}	6.125%	6.875%	6.375%

Refinance

Product	Rate		
Government			
CHFA FHA Streamline Refinance	6.500%	-	-

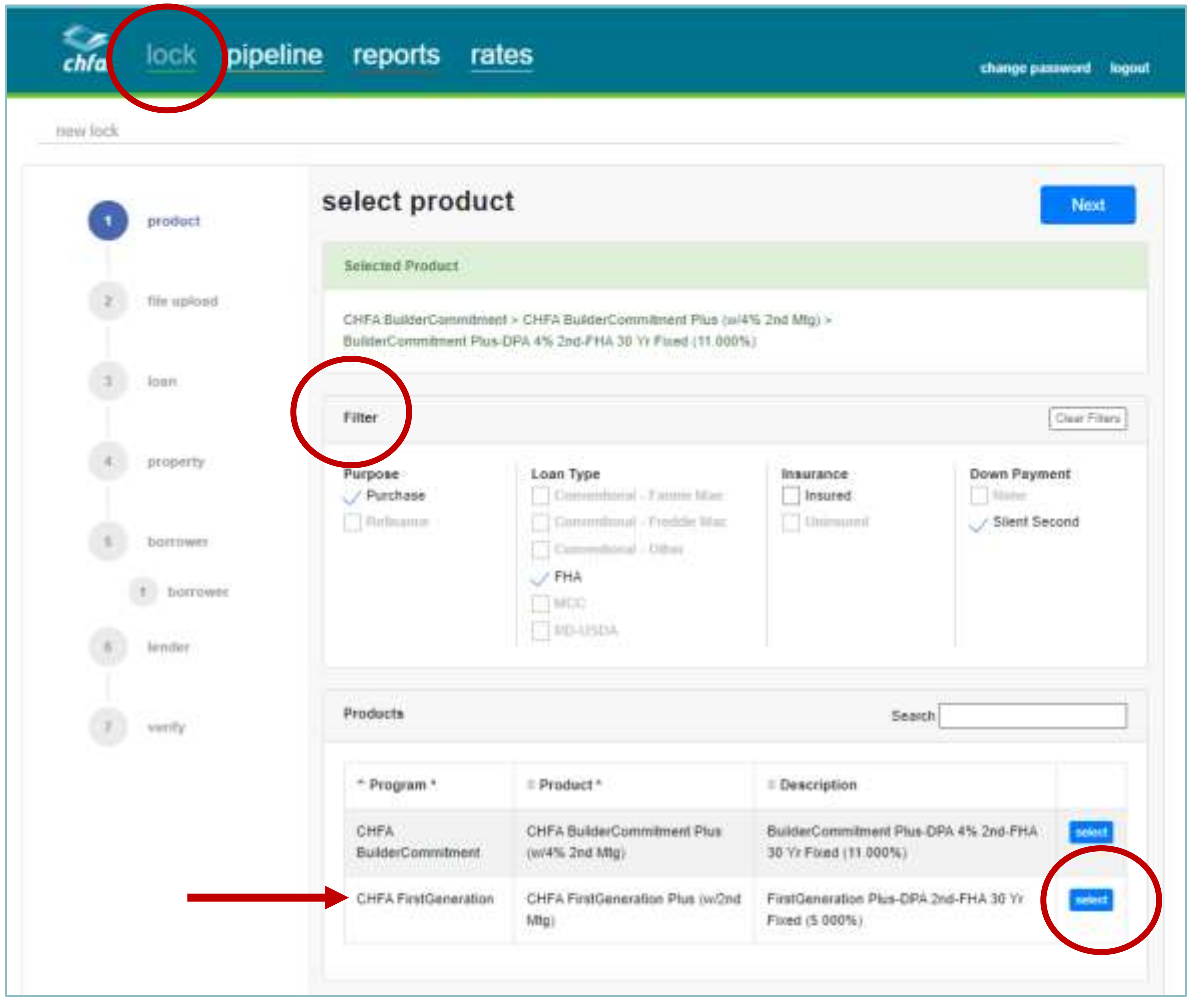
***Permanent Buydown Available:** CHFA does permit a permanent Interest Rate buydown on some CHFA First Mortgage Loans in accordance with applicable insurer or guarantor, or Fannie Mae, or Freddie Mac guidelines. A Buydown Fee of 0.625% for 0.125% in interest rate reduction will be assessed. Check Program matrix for eligibility.

initiating buydown during lock

lock tab

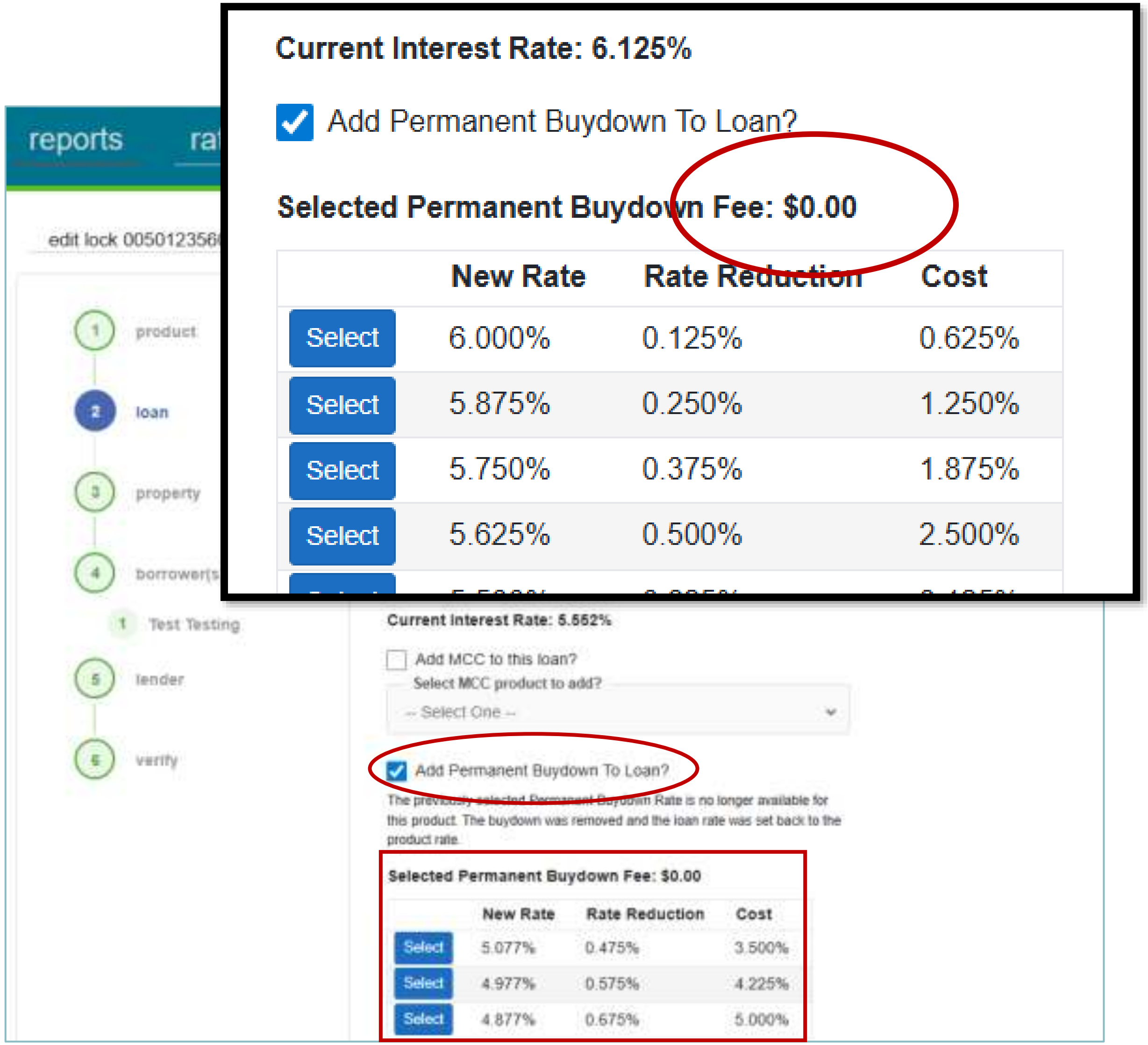
Select program by using filters:

- Purpose
- Loan Type
- Insurance
- Down Payment



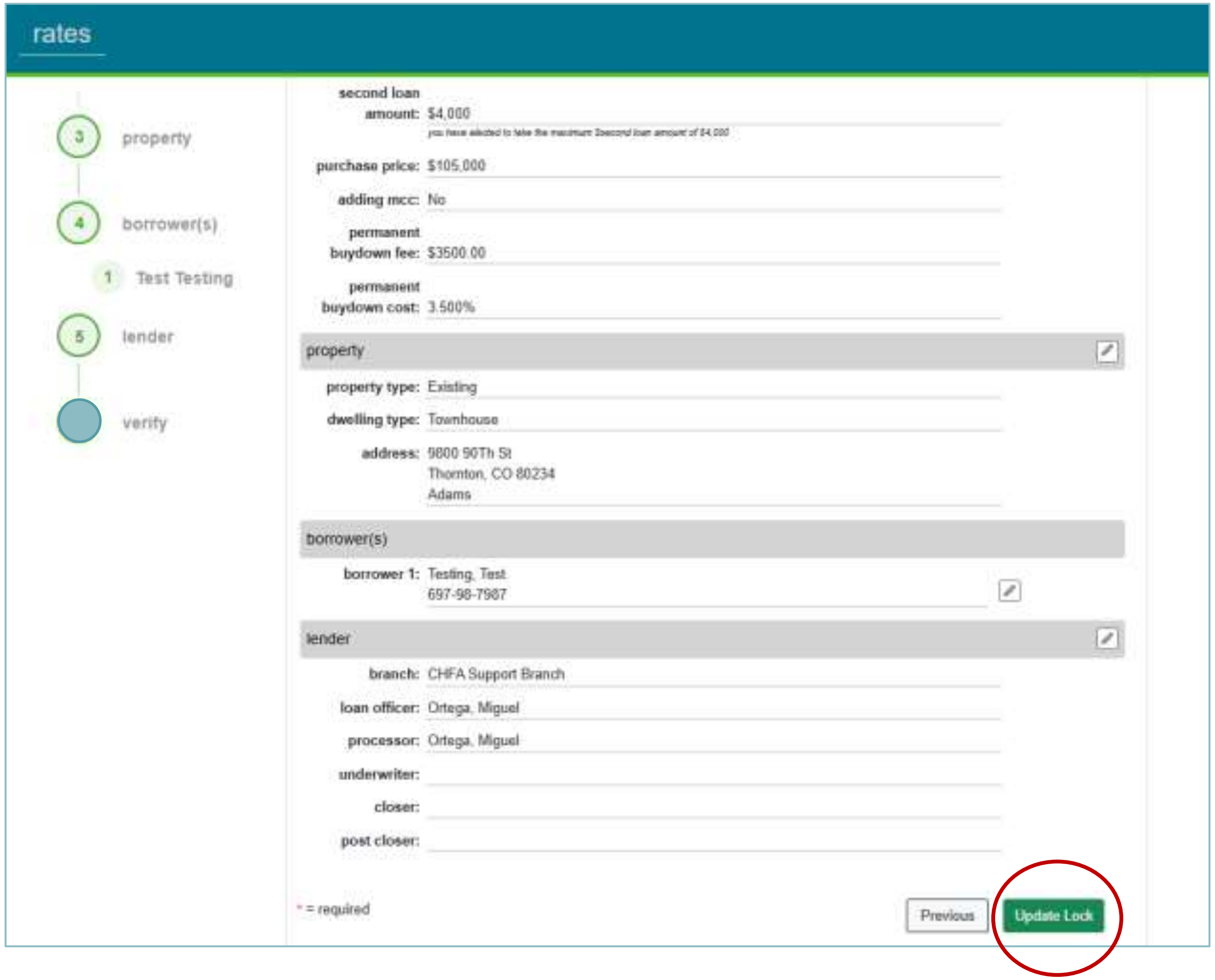
loan information

- Items with a red asterisk (*) are required.
- Check “Add Permanent Buydown to Loan.”
- Rates, buydown percentages, and applicable fees are shown.
- Select the buydown of choice.
- Once selected, the fee will auto calculate.



review/verify

- If information is correct, hit “Submit Lock.”
- Lock is now complete.
- A Lock Letter will be generated reflecting the buydown rate.

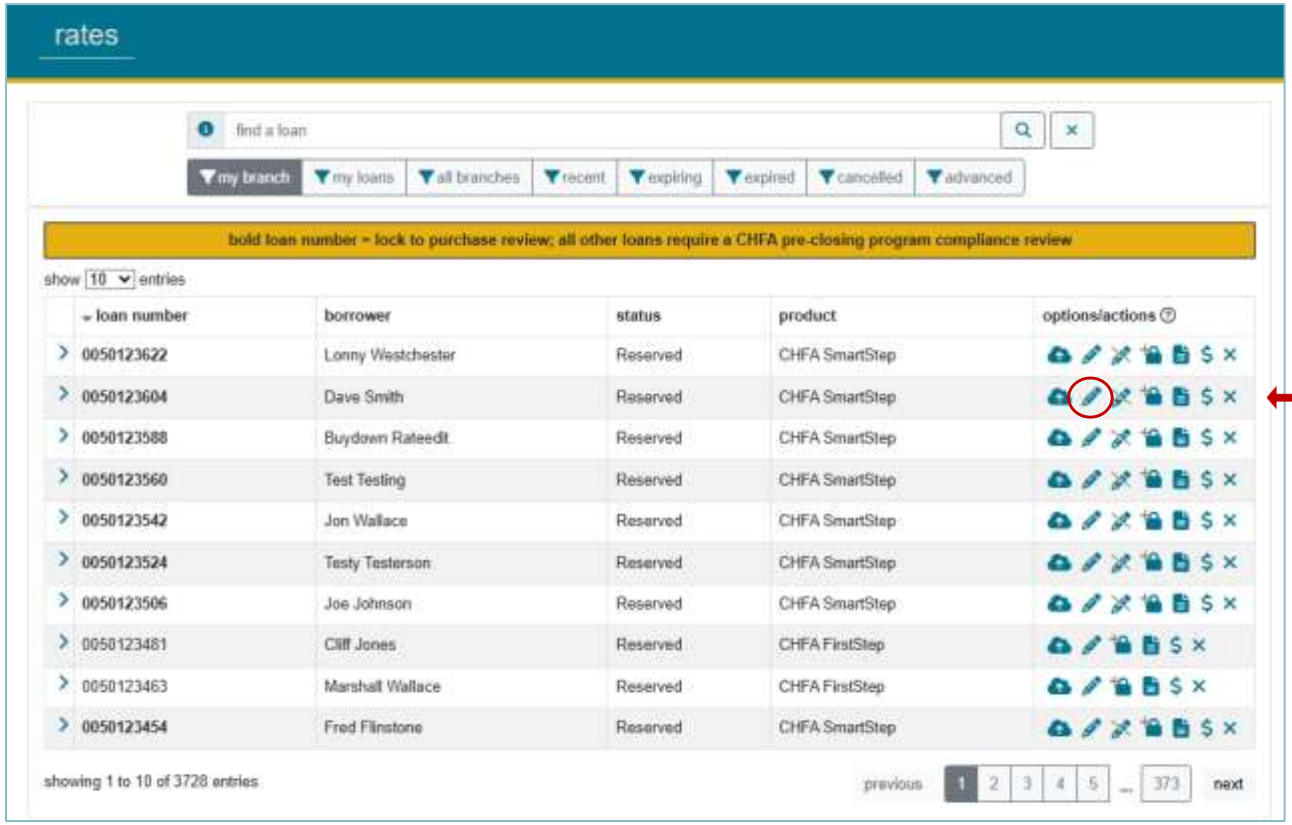


A "Validation Errors" message will appear if any errors were made during the process. Any error must be corrected prior to moving forward to complete the lock.

initiating buydown after lock

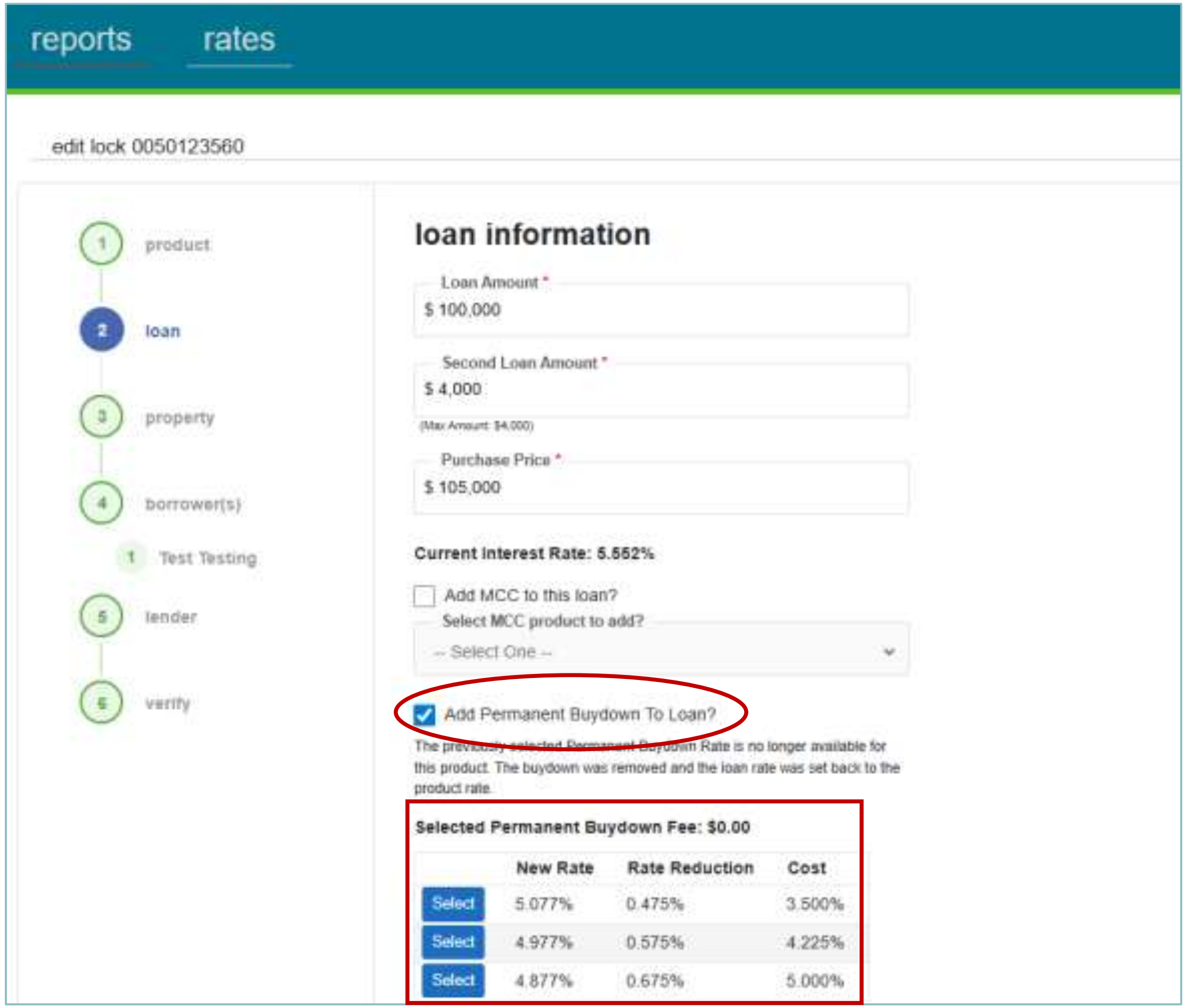
pipeline tab

- Loan must be in “Reserved” status.
- Click on pencil icon.



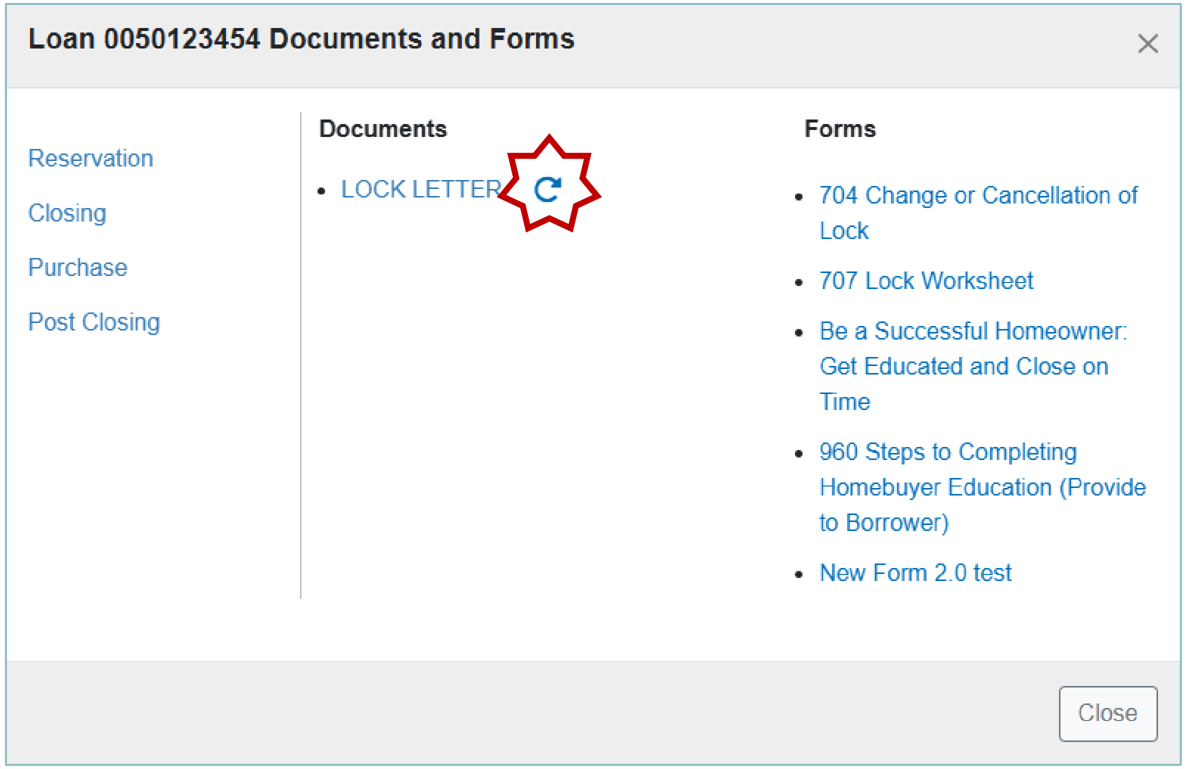
loan information

- Check “Add Permanent Buydown to Loan.”
- Available rates, buydown percentages, and applicable fees are shown.
- Select the buydown of choice.
- Once selected, the fee will auto calculate.
- Under the “Verify” section, you can view a summary of the revisions and hit “Update Lock.”



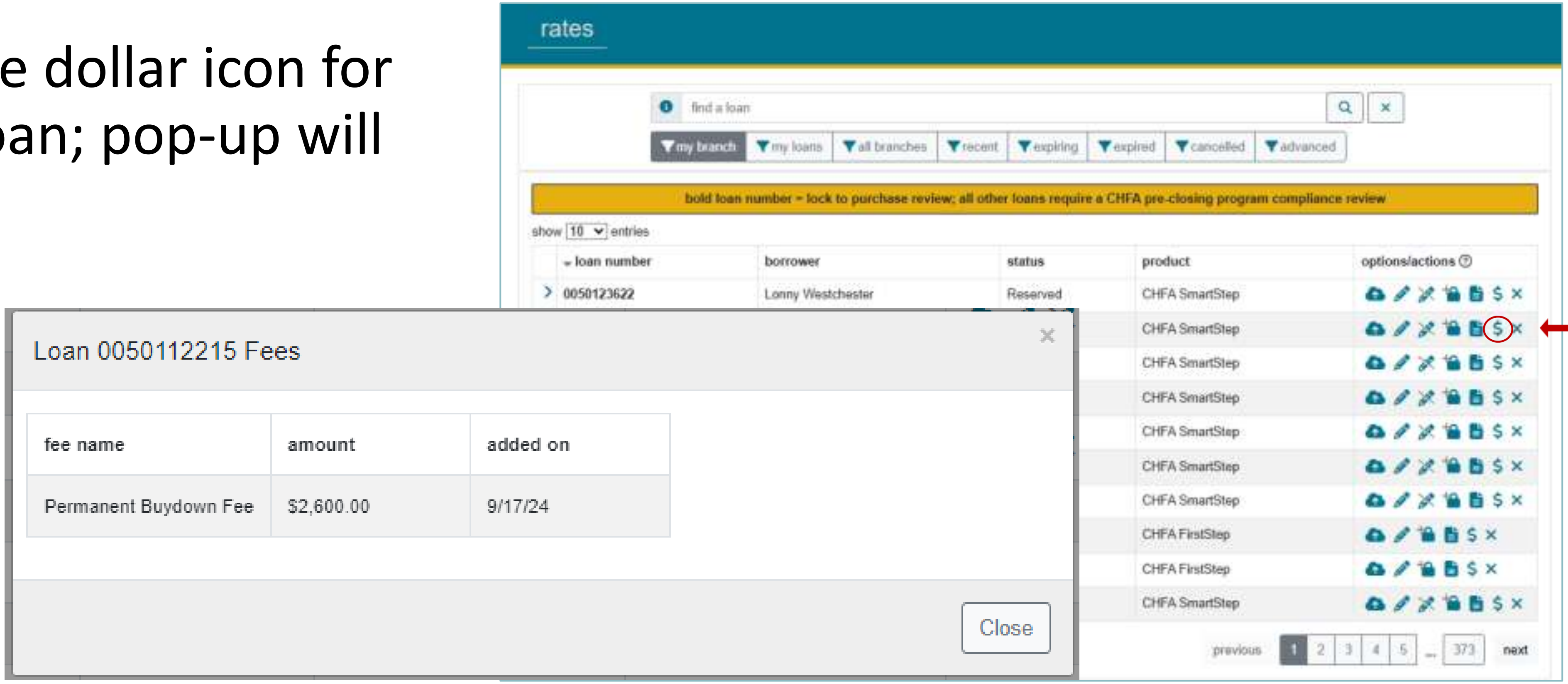
important!

- Any time changes are made to a lock, you must refresh the Lock Letter!
- Lock Letter will feature:
  - Rate (with rate adjust for any applied buydown)
  - Buydown Cost $
  - Buydown Cost %



verify permanent buydown fee

Click on the dollar icon for updated loan; pop-up will show fee.



summary

- Can be initiated or edited while locking or while in "Reserved" status
- Pricing based on initial Lock Date; pricing grid follows loan through lock term
- Can remove buydown or select another buydown option
- Cancelled locks with buydowns can be reinstated (CHFA Seller's Guide, Section 406)
- Relocked loans: considered new locks and lose previous buydown
- **Refresh Lock Letter** so it reflects updated interest rate
- Disclose buydown properly on LE and CD, if applicable*
- CHFA will purchase the loan and net out the buydown fee

*CHFA relies on its Participating Lenders to comply with any and all applicable legal and regulatory disclosure requirements.

important contacts

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