



permanent interest rate buydowns

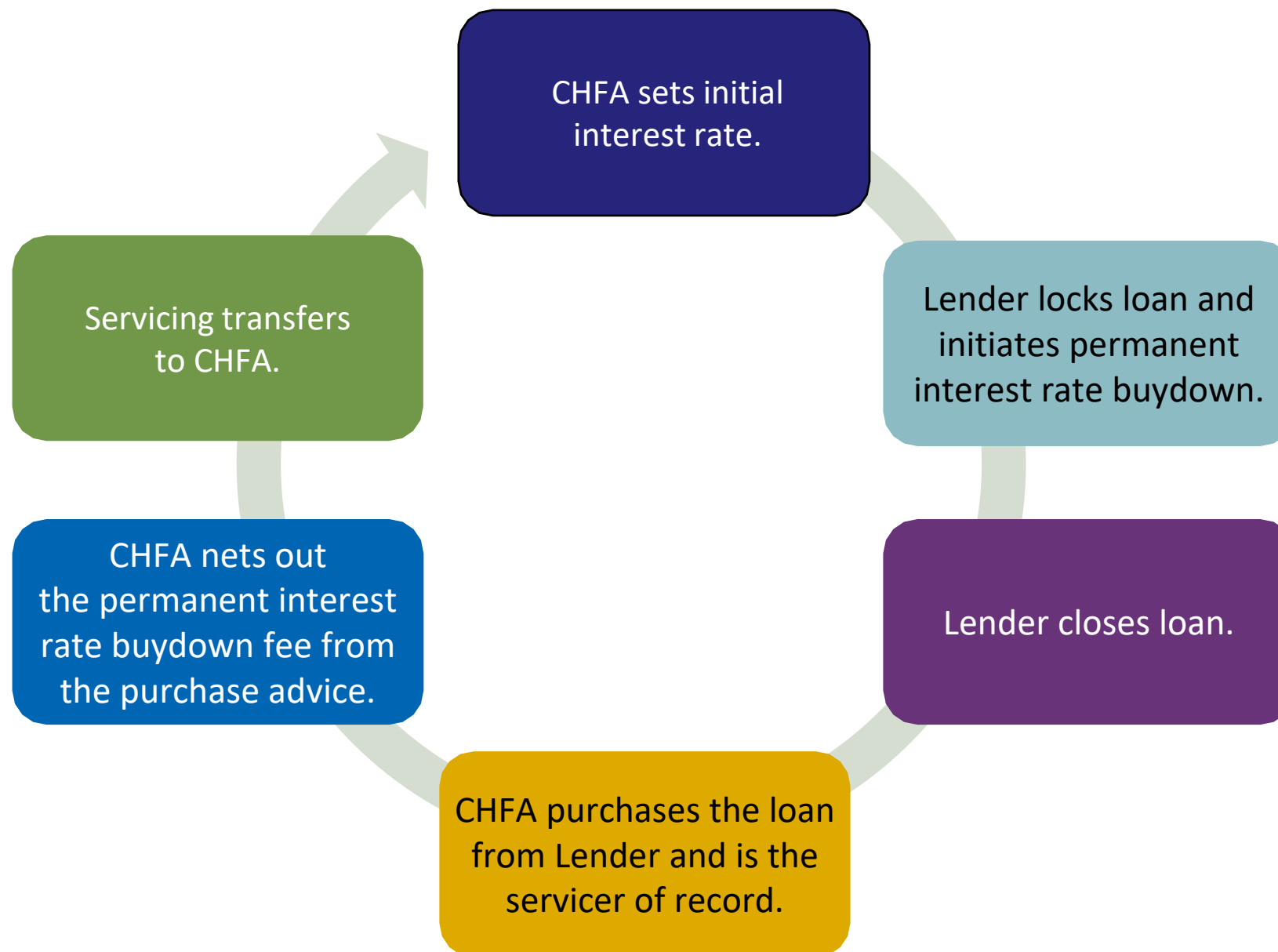
Megan Goss
Business Development Specialist, Home Finance



disclaimer



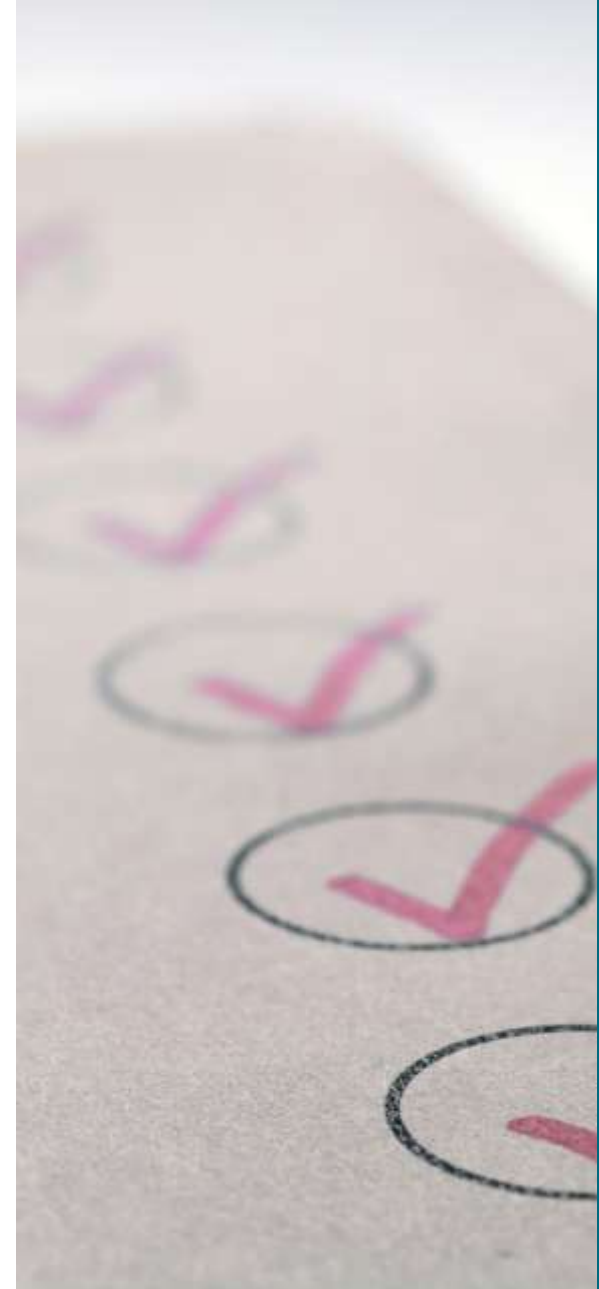
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Please note: Compliance review prior to closing required for applicable programs.

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.

Rates as of September 30, 2025

buydown pricing

- Fee: 0.625% of loan amount for 0.125% interest rate reduction (subject to change)
- Available in CHFA HomeConnectionsm 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.

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

The screenshot shows the 'lock' tab in the CHFA system. The 'select product' section includes a 'Filter' box with the following options:

- Purpose:** ☒ Purchase, ☐ Refinance
- Loan Type:** ☐ Conventional - Fixed Rate, ☐ Conventional - Floating Rate, ☐ Conventional - Other, ☒ FHA, ☐ MDC, ☐ RD-USDA
- Insurance:** ☐ Insured, ☐ Uninsured
- Down Payment:** ☐ None, ☒ Silent Second

Below the filters is a table of products:

Program *	Product *	Description	
CHFA BuilderCommitment	CHFA BuilderCommitment Plus (w/4% 2nd Mtg)	BuilderCommitment Plus-DPA 4% 2nd-FHA 30 Yr Fixed (11.000%)	select
CHFA FirstGeneration	CHFA FirstGeneration Plus (w/2nd Mtg)	FirstGeneration Plus-DPA 2nd-FHA 30 Yr Fixed (5.000%)	select

Red annotations highlight the 'lock' tab in the top navigation bar, the 'Filter' box, and the 'select' button for the 'CHFA FirstGeneration' product. A red arrow points to the 'CHFA FirstGeneration' row in the table.

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.

reports ra

edit lock 005012358

1 product

2 loan

3 property

4 borrower(s)

1 Test Testing

5 lender

5 verify

Current Interest Rate: 6.125%

☒ Add Permanent Buydown To Loan?

Selected Permanent Buydown Fee: \$0.00

	New Rate	Rate Reduction	Cost
Select	6.000%	0.125%	0.625%
Select	5.875%	0.250%	1.250%
Select	5.750%	0.375%	1.875%
Select	5.625%	0.500%	2.500%

Current Interest Rate: 5.552%

☐ Add MCC to this loan?
Select MCC product to add?
-- Select One --

☒ Add Permanent Buydown To Loan?

The previously selected Permanent Buydown Rate is no longer available for this product. The buydown was removed and the loan rate was set back to the product rate.

Selected Permanent Buydown Fee: \$0.00

	New Rate	Rate Reduction	Cost
Select	5.077%	0.475%	3.500%
Select	4.977%	0.575%	4.225%
Select	4.877%	0.675%	5.000%

Rates, fees, and costs depicted are for illustrative purposes only.

review/verify

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

rates

3 property

4 borrower(s)

1 Test Testing

5 lender

verify

second loan
amount: \$4,000
you have elected to take the maximum second loan amount of \$4,000

purchase price: \$105,000

adding mcc: No

permanent
buydown fee: \$3500.00

permanent
buydown cost: 3.500%

property

property type: Existing

dwelling type: Townhouse

address: 9800 90th St
Thornton, CO 80234
Adams

borrower(s)

borrower 1: Testling, Test
697-98-7987

lender

branch: CHFA Support Branch

loan officer: Ortega, Miguel

processor: Ortega, Miguel

underwriter:

closer:

post closer:

* = required

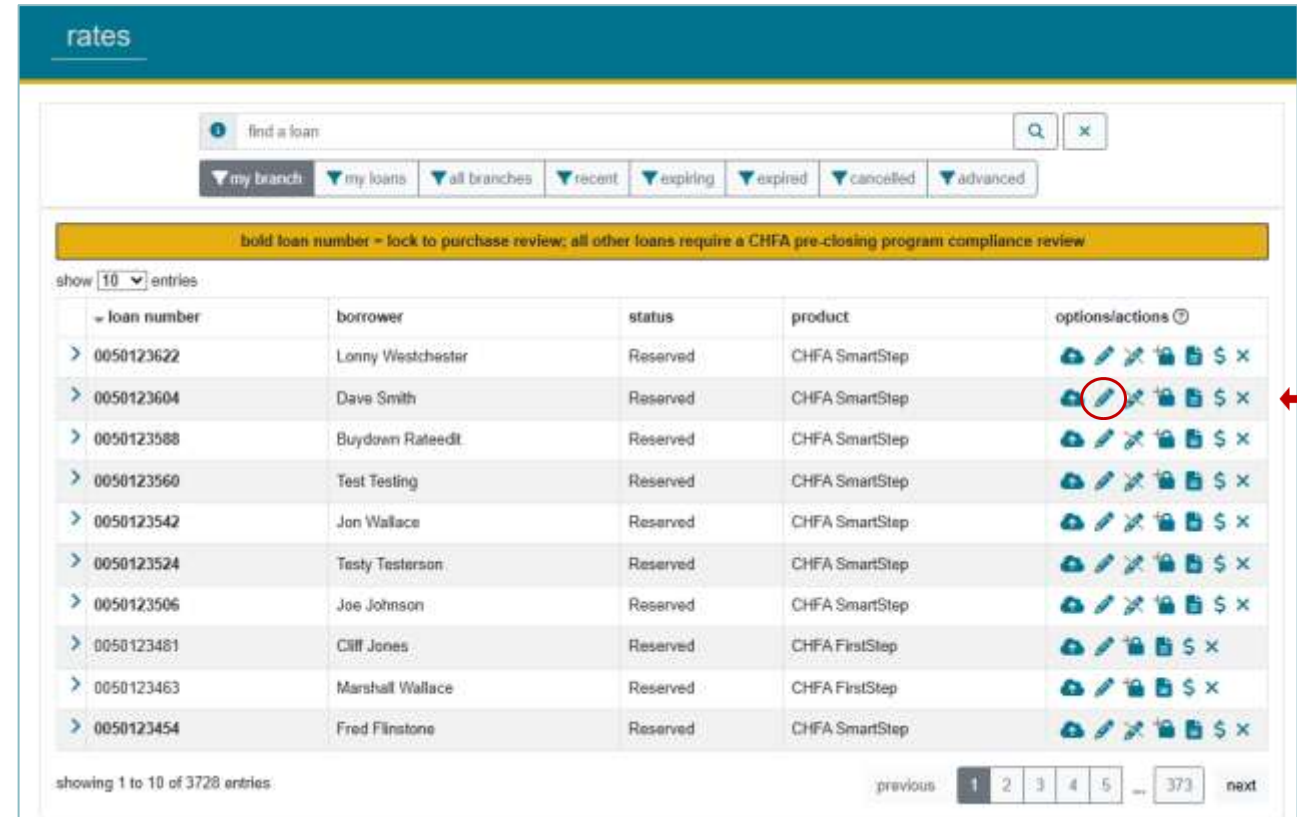
Previous Update Lock

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.



rates

find a loan

my branch my loans all branches recent expiring expired cancelled advanced

bold loan number = lock to purchase review; all other loans require a CHFA pre-closing program compliance review

show 10 entries

loan number	borrower	status	product	options/actions
> 0050123622	Lonny Westchester	Reserved	CHFA SmartStep	      
> 0050123604	Dave Smith	Reserved	CHFA SmartStep	      
> 0050123588	Buydown Rateedit	Reserved	CHFA SmartStep	      
> 0050123560	Test Testing	Reserved	CHFA SmartStep	      
> 0050123542	Jon Wallace	Reserved	CHFA SmartStep	      
> 0050123524	Testy Testerson	Reserved	CHFA SmartStep	      
> 0050123506	Joe Johnson	Reserved	CHFA SmartStep	      
> 0050123481	Cliff Jones	Reserved	CHFA FirstStep	     
> 0050123463	Marshall Wallace	Reserved	CHFA FirstStep	     
> 0050123454	Fred Flinstone	Reserved	CHFA SmartStep	      

showing 1 to 10 of 3728 entries

previous 1 2 3 4 5 ... 373 next

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.”

edit lock 0050123560

loan information

Loan Amount *
\$ 100,000

Second Loan Amount *
\$ 4,000
(Max Amount: \$4,000)

Purchase Price *
\$ 105,000

Current Interest Rate: 5.552%

☐ Add MCC to this loan?
Select MCC product to add?
-- Select One --

☒ Add Permanent Buydown To Loan?
The previously selected Permanent Buydown Rate is no longer available for this product. The buydown was removed and the loan rate was set back to the product rate.

Selected Permanent Buydown Fee: \$0.00

	New Rate	Rate Reduction	Cost
Select	5.077%	0.475%	3.500%
Select	4.977%	0.575%	4.225%
Select	4.877%	0.675%	5.000%

Note: Should you not be able to access HomeConnection or encounter issues, please contact the [CHFA Lock Desk](#) or submit [CHFA Form 704: Change or Cancellation of Lock](#) to make lock changes.

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 %

Loan 0050123454 Documents and Forms

Reservation

Closing

Purchase

Post Closing

Documents

• LOCK LETTER

Forms

• 704 Change or Cancellation of Lock

• 707 Lock Worksheet

• Be a Successful Homeowner: Get Educated and Close on Time

• 960 Steps to Completing Homebuyer Education (Provide to Borrower)

• New Form 2.0 test

Close

verify permanent buydown fee

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

The screenshot displays the CHFA loan management interface. At the top, there's a 'rates' header. Below it, a search bar labeled 'find a loan' is present, along with filters for 'my branch', 'my loans', 'all branches', 'recent', 'expiring', 'expired', 'cancelled', and 'advanced'. A yellow banner states: 'bold loan number = lock to purchase review; all other loans require a CHFA pre-closing program compliance review'. Below this, a table lists loans with columns: loan number, borrower, status, product, and options/actions. The first row shows loan number 0050123622, borrower Lonny Westchester, status Reserved, and product CHFA SmartStep. The options/actions column contains several icons, including a dollar sign icon which is circled in red and pointed to by a red arrow. A pop-up window titled 'Loan 0050112215 Fees' is overlaid on the bottom left. It contains a table with the following data:

fee name	amount	added on
Permanent Buydown Fee	\$2,600.00	9/17/24

The pop-up window also has a 'Close' button at the bottom right.

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

Homeownership

homeownership@chfainfo.com

888.320.3688

Lock Desk

chfalockdesk@chfainfo.com

800.877.2432

Sub-servicer: DMI

client.services@dmicorp.com

855.587.8655