

Colorado Housing and Finance Authority
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Buydown Agreement

Agreement entered into this [] day of [], 20[]

Parties

Provider: []
Lender: []
Borrower: []

Recitals

- A. Borrower has executed a contract to purchase a single family residence having the following address:
[]
- B. Lender has agreed to loan Borrower \$ [] (the "Mortgage Loan") at an interest rate of [] percent ([]%) in connection with Borrowers purchase of the residence.
- C. Provider has agreed with Lender and Borrower to buy down the interest rate on the Mortgage Loan as described below.

Agreement

1. Provider has paid Lender the amount of \$ [] (the "Buydown Fund") to buy down the interest rate and payments on the Mortgage Loan for: [] years (the "Buydown Period") in accordance with the following schedule:

Monthly Payment Numbers	Simple Interest Rate	Borrower's Monthly Principal and Interest Payment	Monthly Buydown Contribution	Annual Buydown Contribution
1 through 12	[]	[]	[]	[]
13 through 24	[]	[]	[]	[]
25 through 36	[]	[]	[]	[]

Following the Buydown Period, the monthly payment will be as specified in the Note evidencing the Mortgage Loan (the "Note").

- 2. Upon the Lender's disbursement of the Mortgage Loan, Provider shall have no further right to the Buydown Fund, or any portion thereof, even if the Mortgage Loan is paid in full, either voluntarily or involuntarily (such as through foreclosure), during the Buydown Period. In the event of prepayment any undistributed Buydown Funds will be applied to the outstanding balance due on the Mortgage Loan.
- 3. Borrower's only right to the Buydown Fund is to have it credited to the Mortgage Loan to reduce the Borrower's monthly principal and interest payments in accordance with the schedule set forth in Paragraph 1 above and as such monthly installments become due unless the Mortgage Loan is paid in full, either voluntarily or involuntarily (such as through foreclosure), during the Buydown Period.
- 4. In the event of a foreclosure of the Deed of Trust securing the Mortgage Loan (the "Deed of Trust"), the Lender, or any investor to whom the Mortgage Loan may be sold, shall apply any remaining portion of the Buy-down Fund to reduce the Mortgage Loan indebtedness.
- 5. If the ownership of the residence is transferred during the Buydown Period, and the Mortgage Loan is assumed by a purchaser acceptable to the Lender in accordance with the Deed of Trust and upon approval by Lender, then any remaining portion of the Buydown Fund will continue to be used to reduce the Mortgage Loan payments and interest rate in accordance with the schedule set forth in paragraph 1. If the Mortgage Loan is not assumed, any remaining portion of the Buydown Fund will be applied to reduce the Mortgage Loan indebtedness.
- 6. Borrower acknowledges and agrees the Borrower's legal obligation is as contained in the Note and is not modified by this Buydown Agreement, in that, it is the Borrower's responsibility to make the full monthly payment set forth in the Note if for any reason the monthly Buydown contribution payments provided for herein are not made to the Lender or any investor to whom the Mortgage Loan may be sold.
- 7. The Lender agrees to transfer the Buydown Fund to any subsequent Servicer of the Mortgage Loan. The undersigned acknowledge having received a copy of this Agreement and state their understanding and acceptance of the Buydown arrangement described herein.

Provider:

Borrower(s):

Lender acknowledges receipt of the Buydown Fund and agrees to deposit the same in an escrow account insured by the Federal Deposit Insurance Corporation. If the Mortgage Loan is insured by the Federal Housing Administration or guaranteed by the Veterans Administration or the Rural Housing Service then such escrow account shall be with a financial institution other than the Lender which is supervised by a Federal or state agency.

Lender:

By:
