3 LESSER-KNOWN TIPS

TO GET A LOWER MORTGAGE RATE

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1. Ask for seller concessions to buy down your rate permanently. *Seller concessions to pay closing costs are quite common, but did you know you can also use seller concessions to buy down an interest rate permanently? Seller concessions can be used to buy discount points, permitting a home buyer to make a pre-paid interest payment to permanently buy down the interest rate over the loan's term. It's a win-win for both buyers and sellers in a higher rate environment. You get your home at a lower interest rate, which means a lower mortgage payment, and the seller will have a better pool of potential offers.*

2. Use seller concessions for a temporary rate decrease. *A widely used home-selling tactic during the soaring rates of the 70s and 80s, the temporary buy-down has made a great comeback. With a temporary buydown, the seller covers the difference between the buyer's monthly payment and the reduced rate. The home sellers pay for the buy-down as a closing cost equal to the buyer's interest savings. These funds are held in and released from an escrow account to cover the buydown portion of the monthly payment.*

3. Explore a longer-term ARM as a financing option. *Some people hear ARM and think of the risky products from the housing market bubble burst of 2008. What happened due to loose lending practices wasn't a good situation for anyone, lenders included. So, today's ARM products are more solid- fully amortizing mortgages with initial fixed terms of 5, 7, or 10 years that are subject to an interest rate reset each year after the fixed period.*

An excellent option for many of today's homebuyers, all the above loan programs can be refinanced at any time in the event of lower mortgage rates in the future! We are always looking for ways to assist our buyers to enhance their mortgage affordability, financial goals, and value.

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