

THE AFFORDABILITY PLAYBOOK

Seller credits and interest-rate buydown strategies | Do not just negotiate price. Negotiate affordability.

FOUR WAYS TO STRUCTURE THE CONVERSATION

01 PRICE REDUCTION

A lower purchase price can reduce the loan amount and principal-and-interest payment. The monthly difference may be modest.

02 SELLER CREDIT

An eligible seller contribution can help cover permitted closing costs and preserve buyer cash. It generally cannot replace a required down payment.

03 PERMANENT RATE BUYDOWN

Discount points may secure a lower note rate, subject to actual lender pricing. Compare upfront cost with expected payment savings and time in the loan.

04 TEMPORARY RATE BUYDOWN

A funded 2-1 or 1-0 buydown can lower the amount a borrower pays toward principal and interest initially; the full note-rate payment returns later.

THE KEY QUESTION

Is the priority lower cash to close, lower payments now, or lower payments over time?

THE NUMBERS / ILLUSTRATIVE EXAMPLE

SAME HOME. DIFFERENT OPTIONS.

A \$500,000 home | 10% down | 30-year fixed | 6.50% illustrative note rate | \$15,000 negotiated concession.

BASELINE**\$2,844 / mo**

Principal + interest at 6.50%

PRICE REDUCTION**\$2,759 / mo**

\$15,000 lower price; approx. \$85/mo less

CLOSING COST CREDIT**Up to \$15,000**

Potential eligible upfront cost reduction; P&I unchanged

PERMANENT BUYDOWN**\$2,698 / mo**

Illustrative 6.00% rate; actual point cost NOT assumed

TEMPORARY 2-1 BUYDOWN**YEAR 1 \$2,280/mo****YEAR 2 \$2,555/mo****YEAR 3+ \$2,844/mo**

Illustrative 24-month subsidy: \$10,242. This is below the \$15,000 example concession; eligibility and permitted use still require review.

All payments are principal and interest only. Taxes, insurance, mortgage insurance, HOA dues and other expenses are excluded.

THE STRATEGY / NEXT STEPS

NEGOTIATE WITH A PLAN.

The strongest strategy is the one that fits the buyer, the property, the loan program and the seller's net proceeds.

FIVE QUESTIONS TO ASK BEFORE NEGOTIATING

01 Is my biggest challenge monthly payment or cash required at closing?

02 What seller contributions are allowed under my specific loan program?

03 Which structure creates the most useful benefit for this transaction?

04 How long do I expect to keep this mortgage?

05 Can I afford the full payment after a temporary buydown expires?

EXPLORE THE INTERACTIVE AFFORDABILITY PLAYBOOK

bridgepointmtg.lovable.app/resources/affordability-playbook

Educational examples only; not an offer, rate quote, commitment to lend or guarantee of approval. Actual rate pricing, seller contribution limits, eligible costs, buydown availability and underwriting vary. A temporary buydown does not change the contractual note rate. Never assume future refinancing will be available.