

Temporary Buydown Agreement

Borrower:

Loan#:

Builder/Seller:

Loan Amount:

Property Address:

Note Interest Rate:

The purpose of this agreement is to explain certain aspects of the Buydown Mortgage Loan for which you, as borrower, have applied. This agreement between _____, its successors and/or assigns, and the below acknowledged parties, set forth the terms of the Buydown Plan in connection with the mortgage loan secured by the property listed above.

Buydown Period: 2-1

Buydown Schedule

Number of Payments	Borrowers Interest Rate	Monthly Buydown Amount	Borrowers Portion of Monthly Principal and Interest ¹	Total Monthly Principal and Interest Payment
12				
12				

¹The borrower Portion in the table above outlines principal and interest only. Escrowed taxes/insurance and applicable Mortgage Insurance are required to be paid by the borrower in addition to the borrower portion of the principal and interest noted above.

Year 1 Buydown Amount:

Year 2 Buydown Amount:

Total Buydown Fund:

In order to comply with FNMA/FHLMC/FHA guidelines and protect the availability of the buydown funds, these funds shall be held in an separate escrow account with a financial institution, not the original or servicing mortgagee bank account, and is supervised by a Federal or State agency. The escrow shall pay over the buydown funds as required by the agreement to First Community Mortgage, Inc., its successors and/or assigns. However, if, for some unforeseen reason, the escrow payments are not forthcoming, it is the Borrower's responsibility to make the total payment set forth in the mortgage note.

The buydown funds may not be used to pay past due payments on your mortgage. The buydown funds will be automatically applied during each payment period to reduce the periodic payment of principal and interest to the extent provided in this agreement.

If the property is sold by the Borrower and the mortgage is prepaid in full during the buydown period, the non-disbursed and available buydown funds shall be credited to the unpaid principal balance of the mortgage. If the ownership of the property securing this buydown mortgage is sold or transferred during the buydown period and the terms of the buydown mortgage are assumed by the purchaser, any remaining buydown funds are to be used to reduce the mortgage payments of the purchaser in accordance with the buydown schedule.

In the event of a foreclosure of the mortgage, the balance of the buydown funds remaining on deposit with escrow shall be paid to the mortgagee acquiring title to the property and the claim for mortgage insurance benefits must be reduced by the amount in the buydown escrow account.

Except as otherwise provided in this agreement, the buydown funds are not refundable. The Borrower's interest in the buydown funds is to have them paid over and applied to payments due under the Note along with payments made by the Borrower. The Builder/Seller specifically agrees that no repayment of the buydown funds is required.

The sole responsibility of First Community Mortgage, Inc., its successors and/or assigns, escrow bank, and any future assignee of the mortgage under this agreement, shall be limited to the holding and application of the buydown funds as set forth in this agreement. Such responsibility will terminate upon the depletion of such funds or the application of the funds to the unpaid principal balance of the mortgage as provided for in this agreement.

The parties hereby acknowledge that they have read, undersigned, and agree to the above Buydown Agreement:

Contributing Party- Seller and/or Builder

Borrower

(Lender)