

TOPIC	QUESTION	ANSWER
Products	What products are eligible for a temporary buydown?	FLC Bank is offering temporary interest rate buydown on Fannie Mae, Freddie Mac, FHA, and VA transactions. See FLC Bank's product profiles for complete details.
Eligibility	Will FLC Bank allow a temporary buydown on a refinance?	FLC Bank will only allow a temporary buydown on a purchase transaction.
	Can a temporary buydown be done on a 2nd home or non-owner-occupied property?	FLC Bank allows a temporary buydown on 1-unit primary residence and second home
	Is the borrower qualified on the temporary buydown payment amount or the full payment amount?	FLC Bank requires the borrower to be qualified on the final Note amount. The temporary lower payment amount should not be used in qualification.
	Is there a minimum FICO Score?	FLC Bank's minimum credit score is 660 when the borrower is using a temporary buydown.
Documentation	Does FLC Bank require a separate temporary buydown agreement?	FLC Bank requires a written executed agreement between the parties and is required to be included in the closing package
	Does FLC Bank require specific language in a temporary buydown agreement?	FLC Bank requires the agreement to contain all the terms of the agreement between the parties. Additionally, we require the agreement to include any and all agency required language.
	Should the Note reflect the temporary buydown payment amount?	For all loans with a temporary buydown, the Note must reflect the permanent payment terms rather than the terms of the buydown plan. If a temporary buydown is reflected in the Note, the loan is ineligible for origination or purchase.
Contributors/ Contributions	Who can contribute to a temporary buydown?	FLC Bank only accepts Seller, Builder and/or Realtor* funded temporary buydowns. <i>*Realtor sources only allowed for FNMA and FHLMC products.</i>
	Can a temporary buydown be paid by multiple parties?	Yes (Seller/Builder and/or Realtor)
	Can a borrower contribute to a temporary buydown?	FLC Bank will not allow a borrower to contribute directly or indirectly towards a temporary buydown. An example of a non-allowable indirect borrower contribution would be the use of premium pricing towards the temporary buydown.
	If a temporary buydown is seller paid, does that count towards the seller contributions or interested party contributions?	Yes, a seller paid temporary buydown must be included in the seller contribution limits.
TRID Disclosures	<ol style="list-style-type: none"> Where would a temporary buydown appear on the LE and CD? How should payments be reflected on the first page of the LE/CD in the Projected Payment table? Should the Adjustable Interest Rate (AIR) Table populate on the LE/CD? Should the Adjustable Payment (AP) Table populate on the LE/CD? If fee is split how should that be reflected on the CD? 	<ol style="list-style-type: none"> Buydown cost is reflected in Section H. Other. The CD will show the cost in the appropriate Seller Paid column The LE/CD should reflect the payment obligations as disclosed on the Note. (i.e., if the loan is a 30-year, fixed rate mortgage at 6% interest, then the projected payments table should reflect a payment stream based on 6% interest. No No Buydown cost is reflected in Section H. Other. The CD will show the cost in the appropriate Seller Paid column
URLA	Where would a temporary buydown appear on URLA?	Details of Transaction: The buydown is included in F (estimated closing costs) and the IPC credit is included in L (other credits). Lender Information L3 Section will reflect the loan as a Temporary Buydown and will indicate the Initial Buydown Rate.
Payment Letter	What payment is reflected on the payment letter in the closing package?	The payment letter will reflect the Initial/First Year payment

Please visit our Resource Center at www.flcbmtg.com for guidelines and other helpful documentation.