

TEMPORARY BUYDOWN — PRODUCT DESCRIPTION

PRODUCT DESCRIPTION	<ul style="list-style-type: none">First lien, fully amortizing Fixed Rate Conforming Conventional, FHA, VA, USDA for Delegated and Non-Delegated10, 15, 20, 25, or 30-year term for Conventional15, 20, 25, or 30-year term for FHA/VA20, 25, 30-year term for FHA/VA Released30-year term for USDASpecialty Loan Programs are NOT allowed																																				
PRODUCT CODES	<ul style="list-style-type: none">Product codes will follow existing products already established for Conventional, FHA, VA, USDA productsGEMS Lock Screen requires selection of Buydown option to be 3/2/1 or 2/1 or 1/0Buydowns are full rate percent. Example: 2/1 Note rate is 7.250%. Year one is 5.250%, year two is 6.25% <table><tr><th>Conforming Fixed Rate - DU</th><th>Conforming Fixed Rate - LPA</th><th>FHA</th><th>VA</th><th>RD</th><th>HUD 184</th></tr><tr><td>CF10</td><td>CF10-FHLMC</td><td></td><td></td><td></td><td></td></tr><tr><td>CF15, CF15-HR</td><td>CF15-FHLMC, CF15-FHLMCHP</td><td>F15</td><td>V15</td><td></td><td></td></tr><tr><td>CF20</td><td>CF20-FHLMC</td><td>F20</td><td>V20</td><td></td><td></td></tr><tr><td>CF25</td><td>CF25-FHLMC</td><td>F25</td><td>V25</td><td></td><td></td></tr><tr><td>CF30, CF30HR</td><td>CF30-FHLMC, CF30-FHLMCHP</td><td>F30</td><td>V30</td><td>RD30</td><td>F30-Sec184</td></tr></table>	Conforming Fixed Rate - DU	Conforming Fixed Rate - LPA	FHA	VA	RD	HUD 184	CF10	CF10-FHLMC					CF15, CF15-HR	CF15-FHLMC, CF15-FHLMCHP	F15	V15			CF20	CF20-FHLMC	F20	V20			CF25	CF25-FHLMC	F25	V25			CF30, CF30HR	CF30-FHLMC, CF30-FHLMCHP	F30	V30	RD30	F30-Sec184
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BUYDOWN FUND CONTRIBUTORS	<ul style="list-style-type: none">Applicable for Conforming Conventional/FHA/VA/USDAFunds may come from lender, seller, or other eligible interested third partyBorrower funded buydowns are NOT eligibleFollow applicable Agency guidelines for Interested Party Contributions																																				
INELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none">Freddie Mac Manufactured HomeFollow individual product descriptions and Overlay Matrix																																				
LOAN PURPOSE	<ul style="list-style-type: none">Purchase allowedRate-Term Refinance allowed when temporary buydown funds come from a Lender Credit and interest rate is reducedCash-out Refinance NOT allowed																																				
OCCUPANCY	<ul style="list-style-type: none">Owner Occupied allowedSecond Home allowed (Conventional only)Investment Home NOT allowed																																				
UNDERWRITING	<ul style="list-style-type: none">Conventional – DU Approve/Eligible or LPA Accept/Accept status requiredConventional – Manual underwrite is NOT allowedGovernment (FHA and VA) – DU Approve/Eligible or LPA Accept/Accept or Manual Underwrite ApproveGovernment (USDA) – GUS Approve or Manual Underwrite ApproveQualify at Note Rate, not Buydown RateIn addition, Fannie Mae loans are delivered with SFC 014 for 3/2/1 Buydown and SFC 009 for 2/1 and 1/0 BuydownsGateway may purchase at Gateway’s sole discretion and subject to the terms set forth below. To be eligible for purchase, each such loan must meet all underwriting guidelines as prescribed by the applicable Agency and are subject to further restrictions as described in Gateway’s Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway’s sole and complete discretionGovernment Released Programs manual underwrite is NOT allowed																																				

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REQUIRED TEMPORARY BUYDOWN DOCUMENTS	<ul style="list-style-type: none"> • A copy of the Buydown Agreement with the Payment Schedule must be included in the Loan File • Original Buydown Agreement with Payment Schedule must be included with delivery of the original Note • Compliance Reports require Borrower paid temporary buydown funds are included in QM points and fees test • Buydown Funds will be collected in the Purchase Advice when Gateway purchases the loan
TEMPORARY BUYDOWN AGREEMENT	<p>The Temporary Buydown Agreement must include the following information:</p> <ul style="list-style-type: none"> • Temporary Payment Schedule showing: <ul style="list-style-type: none"> • Calculation of the total buydown funds • Terms of the buydown • Rate used to calculate the monthly buydown funds • Monthly buydown amount • Borrower's portion of monthly P&I • Mortgagee agrees to hold the funds and apply according to the schedule for the portion of the payment • Mortgagee agrees to transfer the funds if a servicing transfer occurs • Borrower(s) agree their interest in the buydown funds is to have them applied as the temporary payment schedule states • Borrower(s) are responsible for full payments after the buydown period • Buydown funds can never be applied to past due payments • Unexpended funds in a foreclosure or short sale are paid to the holder of the mortgage • Unexpended funds if the loan is prepaid in full or the Borrower(s) sell the property will be credited to the unpaid mortgage balance • Signed by Borrower, Contributor and Lender
GATEWAY LOAN REGISTRATION	<ul style="list-style-type: none"> • Selection of Buydown Option is on the GEMS Lock Screen under First Lien Search Criteria section • Lock Confirmation does not display the Buydown Option selected; however your email lock acceptance will display the Buydown Option selected • If Buydown Option is selected and locked, it will be displayed under the GEMS Home Screen under the Loan Info Section



Each loan must fully comply with all Agency Guide requirements unless otherwise specifically noted above. Clients with access to AllRegs can access the entire Fannie Mae Seller Guide and Freddie Mac Seller Guide. For your added convenience, specific Fannie Mae and Freddie Mac Guidelines may also be accessed from each Agency's website at the following links:

Fannie Mae: [B2-1.4-04, Temporary Interest Rate Buydowns \(07/29/2014\) \(fanniemae.com\)](#)

Freddie Mac: [Guide Section 4204.4 \(freddiemac.com\)](#)

Each loan must fully comply with all FHA requirements unless otherwise specifically noted above. FHA Guidelines are available at www.hud.gov or on All-Regs. For your added convenience, specific FHA guidelines may also be accessed from FHA's website at the following links:

Mortgage Credit Analysis Handbook:

[SFH Handbook 4000.1 | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Each loan must fully comply with all VA requirements unless otherwise specifically noted above. VA Guidelines are available at https://benefits.va.gov/warms/pam26_7.asp or on All-Regs. For your added convenience, specific VA guidelines may also be accessed from VA's website at the following links:

VA Lenders Handbook: https://benefits.va.gov/warms/pam26_7.asp

Each loan must fully comply with all USDA RD requirements unless otherwise specifically noted above. USDA RD Guidelines are available at www.usda.gov or on All-Regs. For your added convenience, specific USDA RD guidelines may also be accessed from USDA RD's website at the following links:

USDA Rural Development Regulations and Guidance: <https://www.rd.usda.gov/page/regulations-and-guidance>

