

TEMPORARY BUYDOWN — PRODUCT DESCRIPTION

<p>PRODUCT DESCRIPTION</p>	<ul style="list-style-type: none"> • First lien, fully amortizing Fixed Rate Conforming Conventional, FHA, VA, USDA for Delegated and Non-Delegated • 10, 15, 20, 25, or 30-year term for Conventional • 15, 20, 25, or 30-year term for FHA/VA • 20, 25, 30-year term for FHA/VA Released • 30-year term for USDA • Specialty Loan Programs are NOT allowed 																																				
<p>PRODUCT CODES</p>	<ul style="list-style-type: none"> • Product codes will follow existing products already established for Conventional, FHA, VA, USDA products • GEMS Lock Screen requires selection of Buydown option to be 3/2/1 or 2/1 or 1/0 • Buydowns are full rate percent. Example: 2/1 Note rate is 7.250%. Year one is 5.250%, year two is 6.25% <table border="1" data-bbox="630 604 1507 888"> <thead> <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> </thead> <tbody> <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> </tbody> </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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<p>BUYDOWN FUND CONTRIBUTORS</p>	<ul style="list-style-type: none"> • Applicable for Conforming Conventional/FHA/VA/USDA • Funds may come from lender, seller, or other eligible interested third party • Borrower funded buydowns are NOT eligible • Follow applicable Agency guidelines for Interested Party Contributions 																																				
<p>INELIGIBLE PROPERTY TYPES</p>	<ul style="list-style-type: none"> • Freddie Mac Manufactured Home • Follow individual product descriptions and Overlay Matrix 																																				
<p>LOAN PURPOSE</p>	<ul style="list-style-type: none"> • Purchase allowed • Rate-Term Refinance allowed when temporary buydown funds come from a Lender Credit and interest rate is reduced • Cash-out Refinance NOT allowed 																																				
<p>OCCUPANCY</p>	<ul style="list-style-type: none"> • Owner Occupied allowed • Second Home allowed (Conventional only) • Investment Home NOT allowed 																																				
<p>UNDERWRITING</p>	<ul style="list-style-type: none"> • Conventional – DU Approve/Eligible or LPA Accept/Accept status required • Conventional – Manual underwrite is NOT allowed • Government (FHA and VA) – DU Approve/Eligible or LPA Accept/Accept or Manual Underwrite Approve • Government (USDA) – GUS Approve or Manual Underwrite Approve • Qualify at Note Rate, not Buydown Rate • In addition, Fannie Mae loans are delivered with SFC 014 for 3/2/1 Buydown and SFC 009 for 2/1 and 1/0 Buydowns • Gateway 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 discretion • Government Released Programs manual underwrite is NOT allowed 																																				

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<p>REQUIRED TEMPORARY BUYDOWN DOCUMENTS</p>	<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
<p>TEMPORARY BUYDOWN AGREEMENT</p>	<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
<p>GATEWAY LOAN REGISTRATION</p>	<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
<p>DISCLOSURES</p>	<p>TRID Disclosures (LE and CD):</p> <ul style="list-style-type: none"> • Disclosures must use the Note Rate for the term and calculations throughout <ul style="list-style-type: none"> • Loan Terms and Projected Payments table on Page 1 • Loan Calculations on Page 3 – APR, etc. • Temporary Buydown Funds should be in Section A (Origination Charges) on Page 2 of each disclosure <p>Other Disclosure:</p> <ul style="list-style-type: none"> • Must use the Note Rate <ul style="list-style-type: none"> • URLA • Amortization Schedule • Payment Letter should show P&I matching the Note along with Subsidy Amount being reduced for the Total Monthly Payment from Borrower

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>