

What a 2-1 Buydown Could Look Like for You

The sellers will pay for a 2-1 temporary rate buydown, lowering your interest rate and payment for the first two years.

A 2-1 buydown lowers your interest rate for the first two years of your loan. Here's what that could mean for your monthly payment at three common down payments.

YEAR 1

5.375%

2 points below the note rate

YEAR 2

6.375%

1 point below the note rate

YEARS 3-30

7.375%

Note rate • APR varies by down payment (see below)

	5% Down \$24,225 down	10% Down \$48,450 down	20% Down \$96,900 down
Loan amount	\$460,275	\$436,050	\$387,600
APR*	7.5542%	7.4779%	7.3917%
ESTIMATED MONTHLY PAYMENT (PRINCIPAL, INTEREST AND ESCROWS)			
Year 1	\$3,155.24	\$2,988.89	\$2,648.55
Year 2	\$3,449.35	\$3,267.52	\$2,896.22
Years 3-30	\$3,756.84	\$3,558.83	\$3,155.16
HOW MUCH YOU SAVE			
Monthly savings, Year 1	\$601.60	\$569.94	\$506.61
Monthly savings, Year 2	\$307.49	\$291.31	\$258.94
Total two-year savings, paid by the seller	\$10,909.08	\$10,335.00	\$9,186.60

The seller pays the full cost of the buydown, which equals your two-year savings. You qualify at the full note rate, so the Years 3-30 payment is planned for from day one.



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Estimates only, prepared by Megastar Financial Corp. on September 29, 2026 for a borrower with a 780 credit score on a 30-year fixed-rate loan (360 months) at a 7.375% note rate. *APR is 7.5542% at 5% down, 7.4779% at 10% down and 7.3917% at 20% down; APRs at 5% and 10% down include private mortgage insurance. Scenarios use 2-1 temporary buydown rates of 5.375% (Year 1) and 6.375% (Year 2). Escrow amounts are estimated and vary by scenario. Your actual rate, payment and closing costs could be higher. Rates are not locked and are subject to change. This is not a commitment to lend; get an official Loan Estimate before choosing a loan. Seller-paid buydown is subject to lender approval and loan program limits on seller concessions. Equal Housing Opportunity.