

Loan number: _____

LENDER-PAID TEMPORARY BUYDOWN AGREEMENT

_____ hereinafter the "Lender"

and

_____ hereinafter the "Borrower"

Whereas, Lender engages in the business of originating single family conventional mortgage loans.

Whereas, this date, Borrower signed a Note and Mortgage, Deed of Trust or Deed to Secure Debt (collectively the "Mortgage") payable to Lender covering the real property commonly known as

_____ hereinafter the "Property" with interest at _____ percent per year payable in monthly installments of principal and interest, or interest only amounting to \$ _____.

Whereas, to pay for a temporary reduction in the Borrower's interest rate, Lender has deposited \$ _____ (the "Buydown Subsidy") into a separate account for the benefit of the Borrower.

NOW, THEREFORE, in consideration of the foregoing and of the agreements set forth below, the Lender and Borrower agree as follows:

1. Lender has the right to assign its interest in this Agreement concurrently with the transfer of the Note and Mortgage, provided that such assignee shall agree to apply the Buydown Subsidy in accordance with the terms hereof. In the event that servicing of the Note and Mortgage is transferred, all amounts in the Buydown Subsidy account will be transferred to the new servicer.
2. Lender, its successors and assigns, agrees to pay from the Buydown Subsidy account on behalf of Borrower the sums of money set forth in the following schedule to be applied to the interest portion of the payments required by the Note:

Payment Months	First Payment	Monthly Payment Paid by Borrower	Monthly Buydown Subsidy Application	Total Monthly Payment	Interest Rate
		\$ (%)	\$	\$	%
		\$ (%)	\$	\$	%
		\$ (%)	\$	\$	%
		\$ (%)	\$	\$	%
		\$ (%)	\$	\$	%
		\$ (%)	\$	\$	%
		\$ (%)	\$	\$	%

3. Borrower agrees to pay the balance of monthly ☐ principal and interest, or ☐ interest only payments together with escrow/impound payments for taxes and insurance, if any, as provided in the Note and Mortgage, copies of which are attached hereto and incorporated by reference.
4. Borrower agrees that Borrower is not relieved of his or her obligation to make the full monthly ☐ principal and interest, or ☐ interest only payments required by the Note if for any reason the Buydown Subsidy is not available.
5. No portion of the Buydown Subsidy shall be disbursed to pay any delinquency or other amount under the Note or Mortgage.
6. Borrower will not assign, transfer, or close the Buydown Subsidy account, or withdraw buydown funds, except as permitted by the terms of this Agreement.
7. In the event that the debt as evidenced by the Note is prepaid in full, or foreclosure proceedings begin on the Property securing the Note and Mortgage, any time before the disbursement of the entire Buydown Subsidy, any remaining Buydown Subsidy account balance shall be applied to the outstanding balance due on the Note and Mortgage.
8. Borrower hereby understands and agrees to hold Lender, its successors or assigns, harmless from all claims and demands by third parties, whether in existence now or in the future, arising out of this Agreement.
9. Borrower understands and agrees that the Buydown Subsidy shall not be used to pay any past due payments under the Note and Mortgage. It is further agreed that Lender shall not pay any interest on the funds held in the Buydown Subsidy account unless otherwise required by applicable law.

EXECUTED THIS _____ day of _____

Lender _____

By: _____

Title: _____

Borrower: _____ Date: _____

Borrower: _____ Date: _____

Borrower: _____ Date: _____