



**FORWARD
LENDING**



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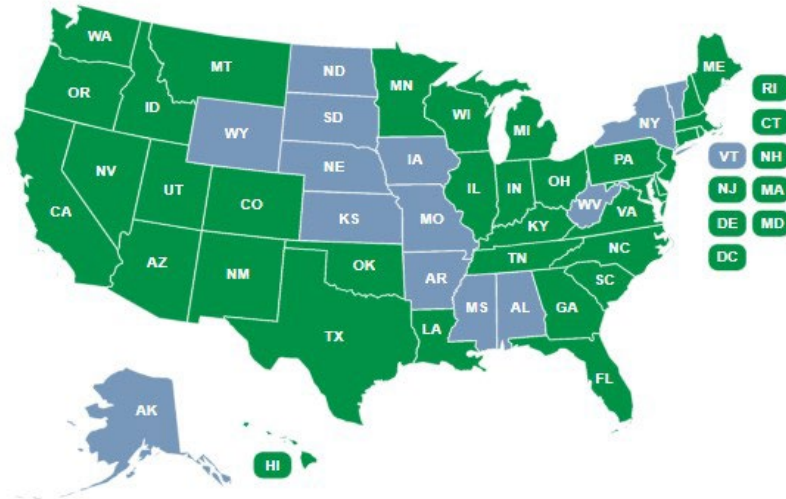
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Forward Lending

We Keep You Moving Forward

Speed, Quality, Service

Forward Lending provides Speed, Quality and Service. Our combination of wholesale loan products and wholesale loan rates in the industry surpass the competition. We understand our clients need loan programs that give you the competitive edge with your customers. With a variety of different home loan products and programs to choose from including unique, Non-QM loan portfolio products, there's no other place to look than *FORWARD*.



Forward Lending

NOVEMBER SPECIALS & NEW PROGRAMS

- **NOVEMBER SPECIAL: 35 BPS OFF Price Improvement on FHA loans**
 - ✓ For eligible loans locked from November 1st through November 30th, 2022
 - ✓ Cannot be combined with FHA Select (FICO >680 FICO and >\$250K loan amount)
 - ✓ Not eligible for Fast100/Fast100 Plus
- **1-YEAR Self Employed Non-QM Program**
 - ✓ Only 1 Year of Self Employment Needed
 - ✓ Up to 80% LTV Purchase and R/T Refi
 - ✓ Up to 75% Cash Out
 - ✓ 660 Min FICO

Check in with your AE for more details on both of these programs!



SPECIALS & 2-1 Buydown

Available Now

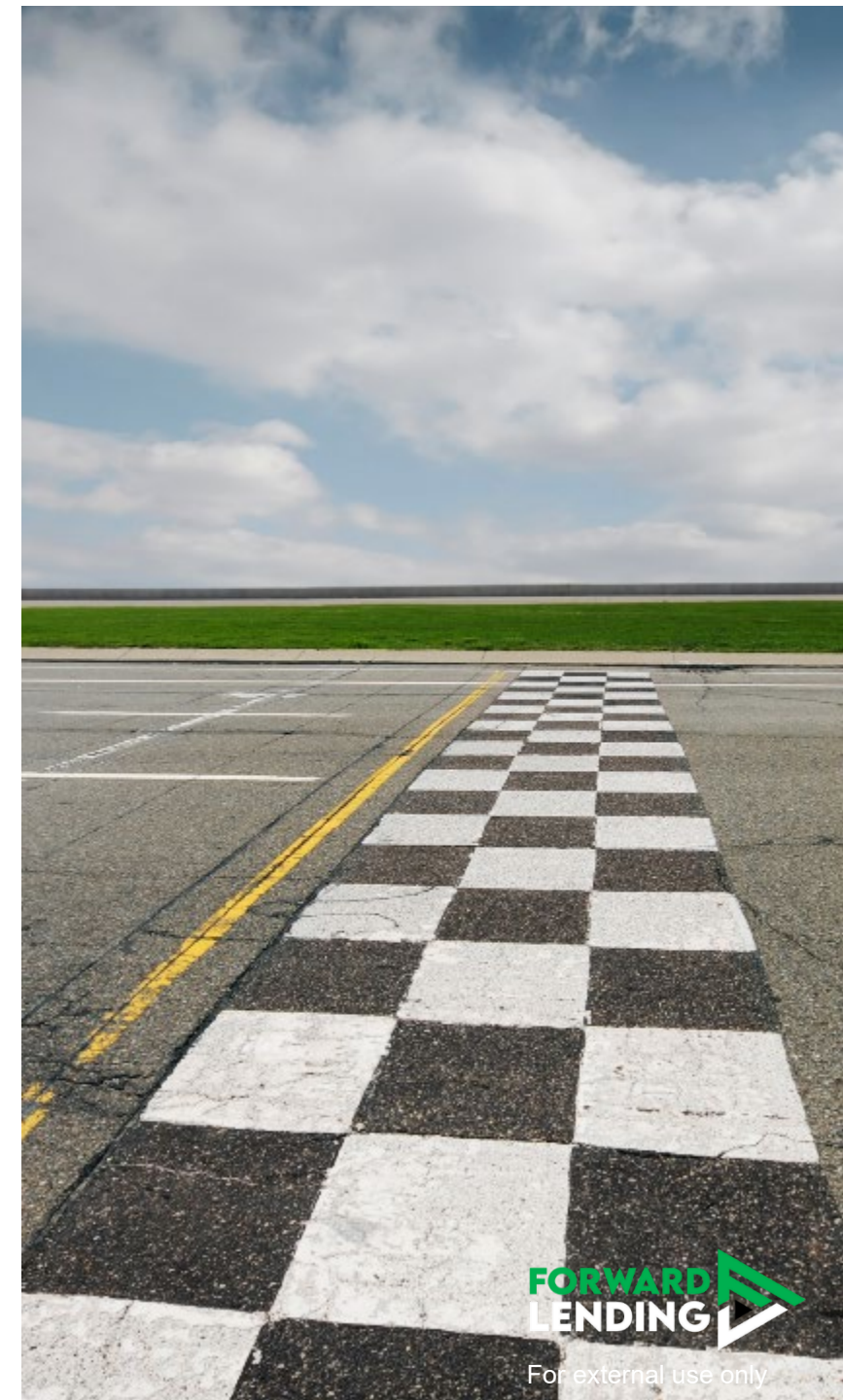
2-1 Buydown

- Give borrowers more purchasing power with this program
- 30-year Fixed Rate Mortgages
- Primary Residences Only
- Purchase Transactions only
- Buydown cost is paid by Seller/Builder concessions



Agenda:

- **BuyDowns Overview**
- **Highlights/How They Work**
- **Benefits**
- **Marketing / Resources**
- **Things to Know**



2-1 Buy Downs Highlights

WHAT IS A BUYDOWN?

A 2-1 buydown is a mortgage loan option in which the seller or builder reduces the homebuyers' interest rate for the first two years of the loan. In year one, the interest rate is 2% less than the original, locked-in rate. In year two, the interest rate is 1% less.

HOW DOES A BUYDOWN WORK?

- The seller or builder covers the difference (cost) between what the borrower's payment typically would be and the adjusted, bought-down rate.
- If a borrower is in the process of purchasing a home, they can ask their Realtor to negotiate a buydown with the seller or builder, if they're purchasing a new construction.
- ***Here's an example.***

If you've locked in a 6.500% interest rate, OCMBC's Mortgage's 2-1 Buydown Program would allow the borrower to make monthly payments at a 4.500% interest rate for the entire first year of their mortgage.

Then, in year two, the payments would be based on a 5.500% interest rate. Finally, once the loan hits year three and for the remaining life of the loan, the loan payments would reflect your originally-agreed-upon 6.500% interest rate.



2-1 Buy Downs How it works

- Temporary Rate Buydowns use a lump sum deposit into an escrow account from which funds are used to supplement the borrower's monthly payment for a fixed period effectively lowering the interest rate in the first year(s) of the loan.
- Borrowers must qualify at the standard note rate and meet all investor requirements.
- Buydown funds can come from seller or other interested parties such as realtors.

If the loan pays off prior to all funds being used, unused portions will be returned to the borrower. Contributions are held to investor Interested Party Contribution (IPC) limits.

Example 2-1 Buydown , 30 Year Fixed Mortgage
Loan Amount \$500,000
Note Rate : 6.60%



2-1 Buy Down Benefits!

Who Benefits?

A temporary buydown can **benefit** all parties involved.

- **Homebuyers** benefit as they can ease into their mortgage gradually.
- Homebuyers have additional costs associated with buying their home, and monthly mortgage payments, down payment, closing costs, mortgage ins as well as other expenses that come along with a new home. – It's nice to be able to offset that with a graduated payment.
 - Reduce initial payments required from the Borrower- Full P&I payment will subsidize with the buydown funds.
 - Predictable payment increase based on the pre-determined structure of the Buydown.
 - Excess Buydown funds can be returned to the Borrower or used to reduce the principal balance at payoff (sale/refinance).
 - Seller/Builder paid closing cost contributions can be used to fund temporary subsidy Buydowns.
- **Seller's** also benefit, by offering a temporary buydown can give homebuyers an extra incentive to purchase a property without having to reduce the price.



2-1 Buy Downs, Product Criteria

PRODUCT CRITERIA

- 30-YR Fixed Rate Mortgages
- Primary Residence Only
- Single Family, PUD and Condos
- FNMA, FHA only (101BD, 301BD) – NO DPA ALLOWED
- FHA Manual UW Not Eligible
- Purchase Transactions ONLY
- Term: 24 months (2-1)
- Initial interest rate is temporarily reduced by no more than two percent below the Note Rate and increased by no more than one percent annually for no more than two years
- Borrower(s) are Qualified off Note Rate not buydown rate
- Standard Interested Party Contribution guidelines apply
- Interim interest is charged at the Note Rate



2-1 Buydowns How to Submit!

Loan & Property ☒

Borrower Information ☒

Assets & Liabilities ☒

Real Estate ☒

Declarations ☒

Demographic Information ☒

Loan Originator Information ☒

Lender Loan Information ☒

Initial Buydown Rate

Buydown Fund Source -- Select --

Buydown Months Duration

Buydown Rate Percent Increase

Loan Program Description

Quick Pricer

Loan Scenario -- Select --

Mortgage Information

Non-QM ☒ No ☐ Yes

Comp source Lender Paid

Loan type * FHA

My comp plan: BP: 0.000

Loan purpose * Purchase

Fixed Fee: 0

Doc type * Full

Min: 0

Loan term 30 Year

Max: 0

Amortization ☐ Fixed ☐ ARM

UW fee buyout * ☒ No ☐ Yes (Fee bought-out)

Low-Mid FICO *

Purchase price *

DTI *

Est. value *

Underwriting Result * -- Select --

Loan amount *

Is there a Co-Borrower? ☒ No ☐ Yes

Subordinate financing

Buydown Type ☐ None ☒ 2/1

LTV *

CLTV

Include Down Payment Assistance? ☒ No ☐ Yes

Gross loan amount

Do you want to finance the upfront MIP? ☐ No ☒ Yes

Property Information

Property zip *

Property type * PUD

Property state * -- Select --

Units * 1

Property city *

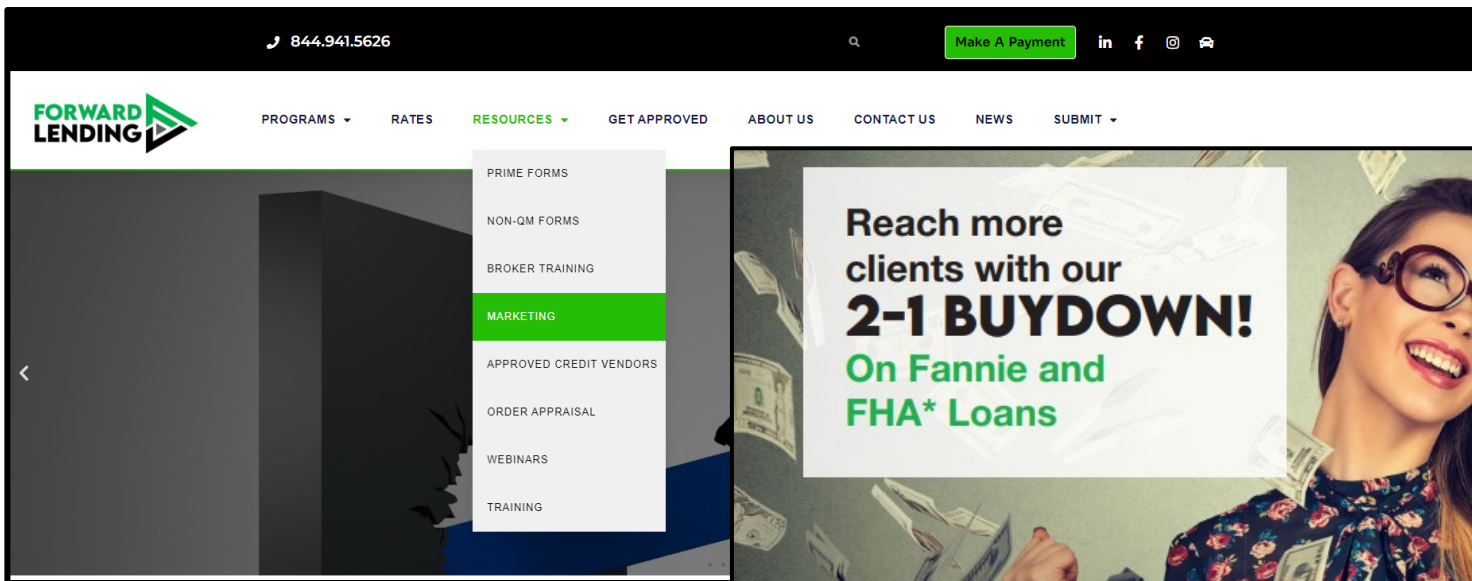
Occupancy type * Primary

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Marketing Material/Resources



Reach more clients with our 2-1 BUYDOWN!
On Fannie and FHA* Loans

Give your Borrowers more purchasing power with our 2-1 Buydown Program

Program Highlights:

- 30 year Fixed Rate Mortgages
- Primary Residences only
- Single Family Residences, PUD and Condos
- FNMA and FHA only – No DPA allowed
- Purchase Transactions only
- Term: 24 months (2-1)
- Borrower(s) are Qualified off Note Rate not buydown rate
- Buydown cost is paid by Seller/Builder concessions
- Seller Concessions:
 - Max 6% on FHA
 - Max 6% up to 90% FNMA
 - Max 3% greater than 90% FNMA

*Not available for Manually Underwritten Loans on FHA.

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THANK YOU

FORWARD LENDING

WE KEEP YOU MOVING FORWARD



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