



Adding Buydowns to Existing Loans



M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.

Adding a Buydown to an Existing Loan

When adding a buydown to an existing loan, go into Forms, 1003 URLA – Lender.

Checkmark Buydown, in Loan Features area.

To designate what type of buydown, press the



Button to open the dialog box.



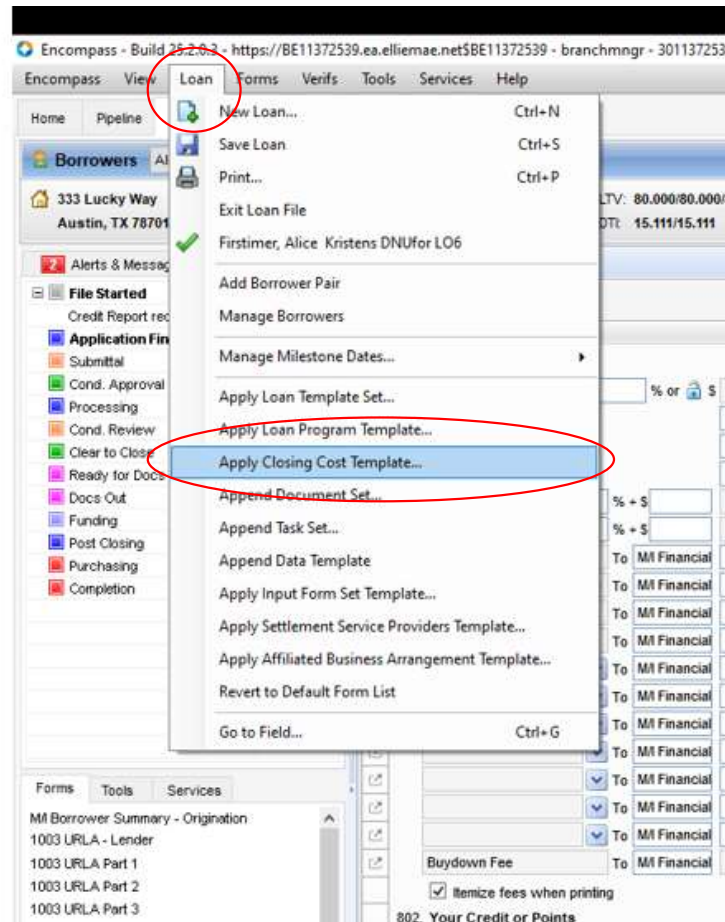
FINANCIAL, LLC

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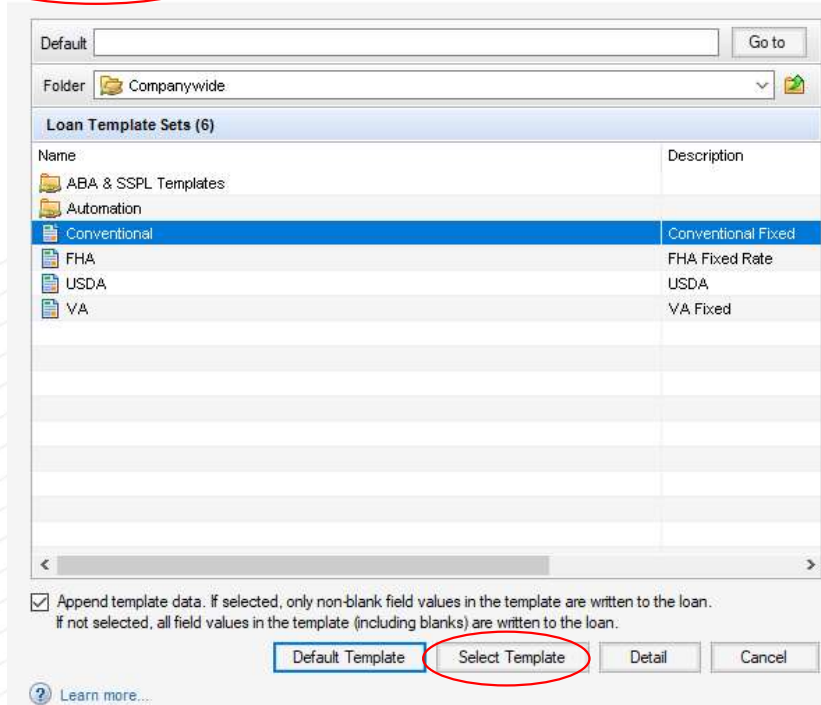
Adding a Buydown to an Existing Loan

Once you select the buydown, you will need to reapply your closing cost template by going in to, loan, apply closing cost template.

Choose the appropriate loan program, then press Select Template.



Apply Loan Template



Confirm in Forms, 2015 Itemization, Section 801r, that your Buydown Fee is entered and correct.

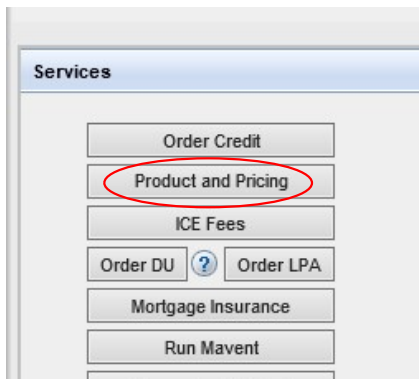
Borrower	Seller	Paid By / F / D / A / Paid To
801. Our Origination Charge	1,950.00	9,480.48
Loan Origination Fees	% or \$	
Application Fees		
Processing Fees		
Underwriting Fees		
Broker Fees	% + \$	
Broker Compensation 0.000	% + \$ 0.00	☐ Use LO Comp Tool
Administrative Fee	To MI Financial 1,950.00	
Automated Underwriting Fee	To MI Financial	
Commitment Fee	To MI Financial	
Doc Prep Fee	To MI Financial	
	To MI Financial	
	To MI Financial	
	To MI Financial	
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	To MI Financial	
Buydown Fee	To MI Financial	9,480.48
☒ Itemize fees when printing		

MI Borrower Summary - Origination
 1003 URLA - Lender
 1003 URLA Part 1
 1003 URLA Part 2
 1003 URLA Part 3
 1003 URLA Part 4
 1003 URLA Continuation
 MIP Prequal Letter
2015 Itemization
 RegZ - LE

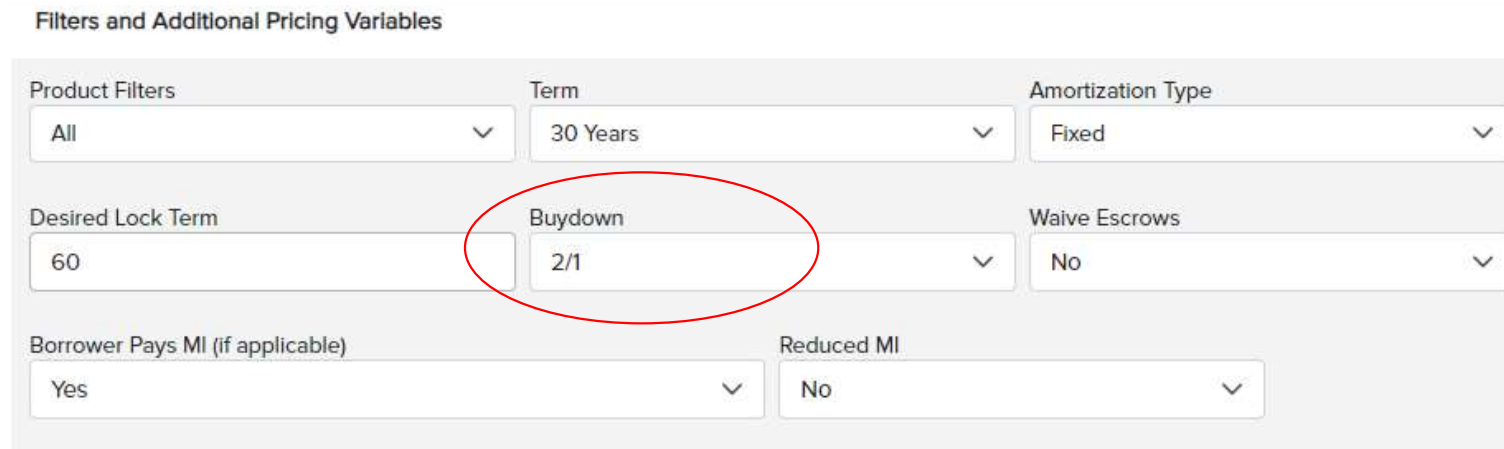
Update Services: Product and Pricing

Just like in any other loan application, when a change is made to the loan, you will want to update your services, inclusive of Product and Pricing, ICE Fees, and Running Mavent.

Before searching for pricing, confirm in, Filters and Additional Pricing Variables, that the Buydown is selected.



A screenshot of a web application's 'Services' menu. The menu is a vertical list of buttons: 'Order Credit', 'Product and Pricing' (circled in red), 'ICE Fees', 'Order DU' (with a question mark icon), 'Order LPA', 'Mortgage Insurance', and 'Run Mavent'.



A screenshot of the 'Filters and Additional Pricing Variables' form. The form contains several dropdown menus and input fields. The 'Buydown' dropdown menu is circled in red. The form fields are as follows:

Filters and Additional Pricing Variables		
Product Filters	Term	Amortization Type
All	30 Years	Fixed
Desired Lock Term	Buydown	Waive Escrows
60	2/1	No
Borrower Pays MI (if applicable)	Reduced MI	
Yes	No	

Update Services: ICE Fees

Just like in any other loan application, when a change is made to the loan, you will want to update your services, inclusive of Product and Pricing, ICE Fees, and Running Mavent.

Services

- Order Credit
- Product and Pricing
- ICE Fees**
- Order DU ? Order LPA
- Mortgage Insurance
- Run Mavent

☒ Mortgage
☒ Deed

☐ Assignment
☐ Release
☐ Subordination
☐ Power of Attorney

☐ Property Tax
☒ Title Fees
☐ Inspection Service

Display Index Fees: ☐ Yes ☒ No

Mortgage

Mortgage Pages New Debt Amount

Deed

Deed Pages Consideration Amount

Questions

Q50 Is this transaction being recorded electronically? Yes ☒ No ☐

Title Fee

Use Simultaneous Rates ☒ Yes ☐ No

☒ Lender's Policy Current Policy Amount
☒ Owner's Policy Current Policy Amount

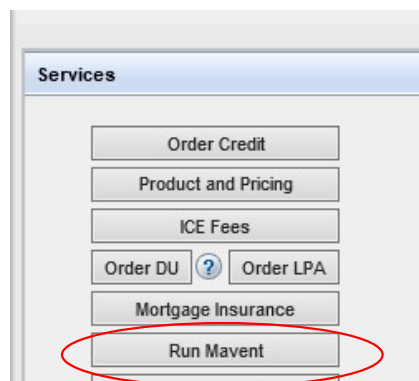
Policy Type ☒ New ☐ Reiss

Submit Cancel

Update Services: Run Mavent

Just like in any other loan application, when a change is made to the loan, you will want to update your services, inclusive of Product and Pricing, ICE Fees, and Running Mavent.

Mavent will need to receive a PASS in order to proceed forward.



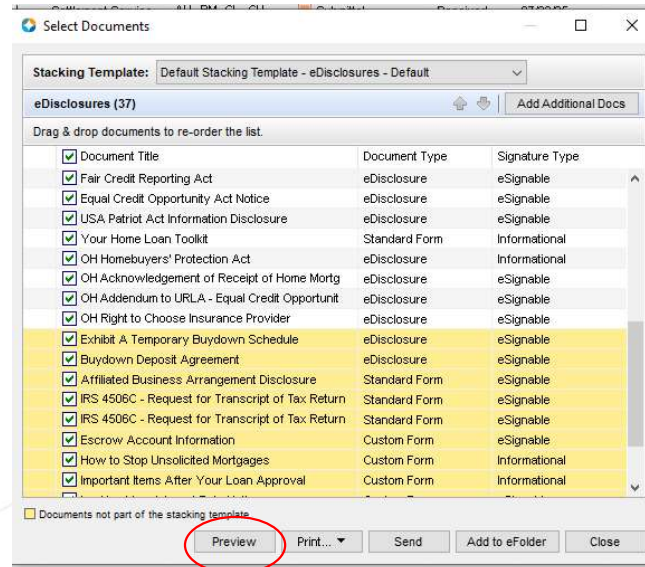
The screenshot shows a 'Services' menu with the following options: Order Credit, Product and Pricing, ICE Fees, Order DU (with a question mark icon), Order LPA, Mortgage Insurance, and Run Mavent. The 'Run Mavent' option is circled in red.

<u>ATR/QM</u>	<u>TILA/RESPA</u>	<u>High Cost</u>	<u>Higher Priced</u>	<u>State Rules</u>	<u>License</u>	<u>NMLS</u>	<u>GSE</u>	<u>Enterprise Rules</u>	<u>HMDA</u>
PASS	Not Processed	PASS ⓘ	PASS	PASS	PASS	PASS	PASS ⓘ	PASS ⓘ	Not Processed

Issuing Loan Estimate or Change In Circumstance

Once you are ready to issue your Change in Circumstance, make sure and preview the disclosure.

The Closing Cost Details, Loan Costs will reflect the buydown fee.



Closing Cost Details

Loan Costs		Other Costs	
A. Origination Charges		E. Taxes and Other Government Fees	
\$11,379		\$0	
% of Loan Amount (Points)		Recording Fees and Other Taxes	
Administrative Fee		Transfer Taxes	
\$1,950		F. Prepays	
\$9,429		\$2,403	
		Homeowner's Insurance Premium (12 months)	
		\$2,000	
		Mortgage Insurance Premium (months)	
		Prepaid Interest (\$80.56 per day for 5 days @7.25 %)	
		\$403	
		Property Taxes (months)	

Buydown Documents in Disclosure Packages

Property Address: 123 test
Columbus, OH 43219

Mortgage Type: Conventional
Loan Amount: \$400,000.00

Note Rate: 7.250 %
Term (MOS): 360

TEMPORARY BUYDOWN SCHEDULE

Bought Down Interest Rate	P&I Payment at Note Rate	Amount Paid by Borrower Payments	Monthly Subsidy	Annual Year Subsidy Payment
5.250 %	\$2,728.71	\$2,208.81	\$519.90	\$6,238.80
6.250 %	\$2,728.71	\$2,462.87	\$265.84	\$3,190.08
0.000 %	\$2,728.71			

Buydown Term: 24
Buydown Payments Applied Total: \$9,428.88

TEMPORARY BUYDOWN AGREEMENT

This Agreement between M/I Financial, LLC, ITS SUCCESSORS AND/OR ASSIGNS and you explains and sets for the terms of the Buydown Plan in connection with a mortgage loan to be secured by the property noted above. It is the intention of the parties that the buydown funds given to the Company will be held in a separate escrow account and that the borrower's monthly payments will be reduced to the amount shown on the above Schedule for the time period indicated, despite the fact that the Mortgage and Note instruments require higher monthly payments.

THE PARTIES AGREE TO THE FOLLOWING:

1. The funds will be held by the Company in an escrow account in a financial institution that is supervised by a Federal or State agency. If your mortgage is assigned to another investor, you hereby authorize us to transfer the Buydown Account to that investor. The handling of the funds in this type account should assure the availability of the funds and preclude the possibility that you will be forced to make the payments on the Note prior to the scheduled termination of the escrow. However, if for some reason, the escrow payments are not forthcoming, it will be your responsibility to make the total payments set forth in the Note. Each month, we will take the amount indicated in the column headed "Monthly Subsidy Payments" from the money being held and apply it to your mortgage payment. You therefore will only be required to pay the appropriate amount listed in the column "Amount Paid by Borrower." Once the buydown funds have been depleted you will be required to pay the monthly payment due in the Note.

2. The buydown funds, or any portion thereof, are not refundable to anyone. Your only interest in the funds is to have them applied to payment due under the Note along with payments made by you, except as otherwise provided for in this Agreement.

3. The buydown funds may not be used to pay past due payments on your mortgage.

BUYDOWN DEPOSIT AGREEMENT

THIS AGREEMENT is made between M/I Financial, LLC hereafter called "Mortgagee," and Alice Firstimer

hereafter called "Borrowers." The Borrowers have obtained a residential mortgage loan from Mortgagee, and a sum of money, called the "buydown deposit" has been paid to and received by Mortgagee to hold and administer in accordance with this Agreement. In consideration of said loan, and the mutual agreements and undertakings recited in all of the loan documents, and set forth herein, the parties agree as follows:

1. The total sum of money paid to Mortgagee as a buydown deposit is **NINE THOUSAND FOUR HUNDRED TWENTY EIGHT AND 88/100** ***** Dollars (**\$9,428.88**) of which **NINE THOUSAND FOUR HUNDRED TWENTY EIGHT AND 88/100** ***** Dollars (**\$9,428.88**) have been contributed by the builder, seller, lender, borrower or other allowable contributor, herein referred to as the "Contributor." This money is to be applied and paid by Mortgagee, on a periodic basis, toward monthly payments under the mortgage for the first months of the mortgage loan. Each monthly payment from the buydown deposit will pay only a part of the interest portion of the total mortgage payment, and Borrowers will be required to pay the balance of each mortgage payment as it comes due. A schedule showing the application of the buydown deposit is attached as "Exhibit A" to this Agreement.
2. Mortgagee agrees that it will apply the buydown deposit according to the Schedule, as and when Borrowers pay their portion of each scheduled monthly payment, or as otherwise set forth in this Agreement. Payments will be made from the buydown deposit fund directly to the holder of the mortgage, or to its servicing agent.
3. Mortgagee agrees to hold the buydown deposit funds in an escrow account with a financial institution which is supervised by a Federal or State agency.
4. Borrowers agree that their only interest in the buydown deposit funds is to have them applied as shown on the Schedule to periodic monthly payments, or to the unpaid loan balance as otherwise set forth herein.
5. In the event of foreclosure of the mortgage, any unexpended funds left in the buydown deposit shall be paid to the holder of the mortgage to apply against the unpaid mortgage debt. In the event of foreclosure, the claim for mortgage insurance benefits must be reduced by the amount remaining in the buydown escrow account.
6. If the Borrowers sell the mortgaged property and the mortgage loan is assumed, any balance of funds in the buydown deposit may be applied in accordance with this Agreement for the benefit of the new owners and mortgagees.
7. In the event that the mortgage loan is prepaid in full prior to exhaustion of the buydown deposit funds, any remaining and undistributed sums in the buydown deposit fund must be credited to the unpaid mortgage balance, or if the loan program allows, may revert to the borrower or to the mortgagee if the mortgagee is the Contributor.
8. The funds in the buydown deposit may not be used to pay past due payments on the mortgage loan.
9. If payments are not made to the holder of the mortgage from the buydown deposit for any reason whatever, Borrowers will be responsible for making the total monthly mortgage payment called for under the documents. Borrowers further agree and understand that after the buydown deposit has been fully expended, Borrowers will be responsible for and obligated to pay the full monthly mortgage payments, as set forth in the loan documents, as they fall due thereafter. Mortgagee has advised Borrowers that full monthly mortgage payments will be due commencing with the payment due on the first day of **November 2025** and the parties agree that the holder of the mortgage is under no obligation to give any further notice or reminder to Borrowers.
10. The funds in the buydown escrow account will be transferred by the mortgagee or its servicing agent in the event a subsequent transfer of servicing occurs.

The Buydown
Disclosure
Documents that
appear in your
disclosures.



M/I FINANCIAL, LLC
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M/I TITLE AGENCY



M/I TITLE, LLC



M/I FINANCIAL, LLC
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TransOhio Residential Title



M/I FINANCIAL, LLC
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