



## 2:1 LPC Buydown

A transaction with Lender Paid Compensation (LPC) is eligible for a rate buydown applying a 2:1 ratio. Discount points are payable to Acra Lending. Buydown cannot exceed the LPC on the file. Rate buydown cannot be below PAR rate.

Request for 2:1 LPC Buydown must be documented on the AE Synopsis at the time of submission or documented on a Re-Work Request Form if an underwriting decision has been made.

Both the LPC and the discount points for the buydown will be disclosed.

## ULA Screen

Underwriter to drop down the Loan Discount percentage requested at the \*Rate Buydown Only section on the Origination Charge/Credit Panel.

Underwriter must check the “Buydown of LPC (2:1)” check box which will override the standard 3:1 Buydown calculation.

Example of Loan Discount of 1.5% (using LPC for Rate Buydown at 2:1) is below.

Origination Charge/Credit		
UW		
Broker Fee % / \$		0.00
Broker Flat Fee		
Underwriting Fee	1,295.00	1,295.00
Loan Discount	1.500% ▾	* Rate Buydown ONLY
Buydown of LPC (2:1)	<input checked="" type="checkbox"/>	
Loan Discount	0.000	* Lock Extension
Rate Buyup	▾	
CSC Percentage		0.00

Once data entered per above, Underwriter to run Pricer. The pricing section will reflect the Lender Paid Comp rate adjustment as well as the rate buydown adjustment and applicable discount points.

In the example below, rate would have been 7.999% with 1.5% LPC to broker. With the 2:1 LPC buydown, rate now 7.249% with 1.50% fee to borrower for .75% rate buydown and broker receives 1.5% LPC.



## Price Loan

Pricing Last Updated: 8/30/2022: 9:31:03

Rate Add Ons	Rate	Fee
Start	6.999	
Income	0.000	
ITIN		
NonPerm Res Alien		
Loan Amount	0.000	
Property Type	0.000	
Occupancy	0.000	
Loan Program	0.000	
Condo SF/SO FL		
Rural		
Interest Only	0.000	
Credit Analysis	0.000	
Property Listed		
Fix_Keep		
Prepayment Penalty	0.000	
Cash Out	0.250	
Special Pricing	0.000	
Adult Care Facility		
Impound Waiver		
Short Term Rental		
Trust Vesting		
CEMA		
<b>Off Sheet Adjustments</b>		
<b>CSC Add-On Fee</b>		<b>0.000</b>
Lender Paid	0.750	
Retail		0.000
Buydown	-0.750	1.500
Lock Extension		0.000
Buyup		0.000
LTV/Grade Adjustment		
<b>Add Ons Sum</b>	<b>0.250</b>	
<b>Final</b>	<b>7.249</b>	<b>1.500</b>




The Loan Approval will reflect the buydown Discount Points AND the Lender Paid Box will be marked.


Loan Information	
Loan Program:	Fixed Rate
Doc Type:	12-Mths Bank
Loan Purpose:	Refinance
Refinance Type:	Cash-Out/Other
Occupancy:	Primary Residence
Non-TRID:	<input type="checkbox"/>
Note Rate:	7.249 %
Discount Point:	1.500 %
Lender Paid:	<input checked="" type="checkbox"/>
Acra Lending Fee:	% + \$1,295

**Warning validations in Byte Pro will fire if:**

Buydown is higher than the LPC:

	Warning	The Loan Discount (Rate Buydown) is higher than the LPC on this file. Please reach out to your Manager if you have any questions.
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Lender Paid checkbox isn't marked but the "Buydown of LPC (2:1)" checkbox is marked:

	Warning	The Buydown of LPC (2:1) checkbox cannot be marked since this is NOT a LPC file. Please reach out to your Manager if you have any questions.
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