

# How to Buy in this Market!



With a full shift in power from a seller's market to a buyer's market, both sellers and buyers need to reevaluate the best approach to a transaction. The examples below illustrate how a simple seller credit towards the buyer's Interest Rate can produce significant monthly savings for the buyer.

	Traditional Financing	Price Reduction	Rate Reduction
<b>Sales Price</b>	\$780,000	\$759,558	\$780,000
<b>Down Payment %</b>	20%	20%	20%
<b>Loan Amount</b>	\$624,000	\$607,647	\$624,000
<b>Program</b>	30 Year Fixed	30 Year Fixed	30 Year Fixed
<b>Rate / APR</b>	6.375% / 6.618%	6.375% / 6.625%	4.625% / 4.844%
<b>Term</b>	Amortized	Amortized	Amortized
<b>Payment</b>	\$4,807.95	\$4,705.92	\$4,123.23
<b>Income to Qualify</b>	\$128,211.95	\$125,491.28	\$109,952.82
<b>Monthly Savings</b>		\$102.03	\$684.72

In this example we used 3.276 in points or \$20,442 to buy down the interest rate from 6.375% to 4.625% resulting in a net savings of \$684.72 per month.

Also, the points are a tax deduction in the year the property is purchased for the buyer. Please consult your CPA for specific information.

This example is to show you the power of reducing Rate versus Price. Let's meet and discuss how this strategy can help you finance or sell the home of your dreams!

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