

Price Cut *or* Buydown?

THE SAME DOLLARS, BOTH WAYS

One path barely moves the payment.
The other moves it three times further,
permanently, for the full 30 years.

SELLER GIVES

\$30–40_K

Identical cost either way
Price reduction or closing credit

RATE MOVES

6.625 → 5.625%

A full point, permanent
Not a 2-1 temporary buydown

PAYMENT RELIEF

2.7–3.0_×

Versus an equal price cut
Across all three price points

THE COMPARISON

30-YR FIXED · 20% DOWN · 780 FICO

HOME PRICE	SELLER GIVES	A · PRICE CUT	B · RATE BUYDOWN	ADVANTAGE
\$800,000 Today \$4,098/mo	\$30,000	\$770,000 · 6.625% / 6.673% APR \$3,944 /mo saves \$154/mo	\$800,000 · 5.625% / 5.669% APR \$3,684 /mo saves \$414/mo	2.7× more relief
\$1,000,000 Today \$5,122/mo	\$35,000	\$965,000 · 6.625% / 6.663% APR \$4,943 /mo saves \$179/mo	\$1,000,000 · 5.625% / 5.659% APR \$4,605 /mo saves \$517/mo	2.9× more relief
\$1,200,000 Today \$6,147/mo	\$40,000	\$1,160,000 · 6.625% / 6.657% APR \$5,942 /mo saves \$205/mo	\$1,200,000 · 5.625% / 5.654% APR \$5,526 /mo saves \$621/mo	3.0× more relief

KEY SIGNAL

The same seller dollars move the buyer's payment **nearly three times further** as a permanent rate buydown than as a price cut — and the seller keeps the higher number on the closed comp.

IF THE LISTING IS SITTING

Bring this to the next price-reduction conversation. The seller lets go of the **same dollars either way** and the buyer's payment drops almost three times further.

IF THE BUYER IS ON THE FENCE

Write at full price and **ask for the credit, not the discount**. Sellers say yes to credits faster, and the buyer keeps the lower payment for 30 years.

READ THIS

These examples assume **20% down and a 780 credit score**. Most buyers have neither. With less down, a lower score, a condo or townhome, or a second home, the pricing moves — sometimes a lot. Every file prices differently. Send the scenario and get real numbers back the same day.

Get a custom worksheet

Send the address or the scenario — price, down payment, credit score — and you will have real numbers for your seller or your buyer the same day. No cost, no obligation.

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For real estate professional and consumer education use. This is an illustration only and is not a commitment to lend, a rate lock, or an offer of credit. Payment examples assume a single-family, owner-occupied primary residence, 30-year fixed conventional financing (\$800,000 and \$1,000,000 examples) and 30-year fixed jumbo financing (\$1,200,000 example), 20% down payment / 80% loan-to-value, 780 credit score, full documentation, impounds waived, and approximately \$3,000 in estimated lender and third-party charges included in the Annual Percentage Rate (APR). Monthly figures shown are principal and interest only and **do not include** property taxes, homeowners insurance, mortgage insurance, or HOA dues; your total monthly payment will be higher. The buydown is a permanent discount-point buydown for the life of the loan, not a temporary 2-1 or 3-2-1 buydown, and requires 4.376, 4.376 and 4.125 discount points respectively; any remaining seller credit is applied to allowable closing costs and prepaid items and may not be applied toward the down payment. Interested-party contributions are limited by program guidelines (generally 6% of the purchase price at 80% LTV for conventional financing) and may not exceed actual costs. Pricing is based on lender rate sheets dated July 27, 2026 and is subject to change without notice. Not all applicants will qualify; rate, points, and terms depend on credit score, loan amount, occupancy, property type, debt-to-income ratio, and other factors. Consult a tax advisor regarding the deductibility of discount points.