

REALTOR WORKSHOP - SELLER CONCESSIONS & BUYDOWNS

DON'T CUT THE PRICE. CUT THE RATE.

Three advantages your sellers leave on the table every time they reach for a price reduction: leverage, affordability, and optionality.

Lucy the Lender

Lucy Thornton NMLS #2309294 | EDGE Home Finance Corp NMLS #891464 | Equal Housing Opportunity



lucythelender.com

Your sellers are already giving up money.

72

days on market for the
typical Savannah home,
up from 59 a year ago

40%

of Savannah listings
have already cut
their price

~3%

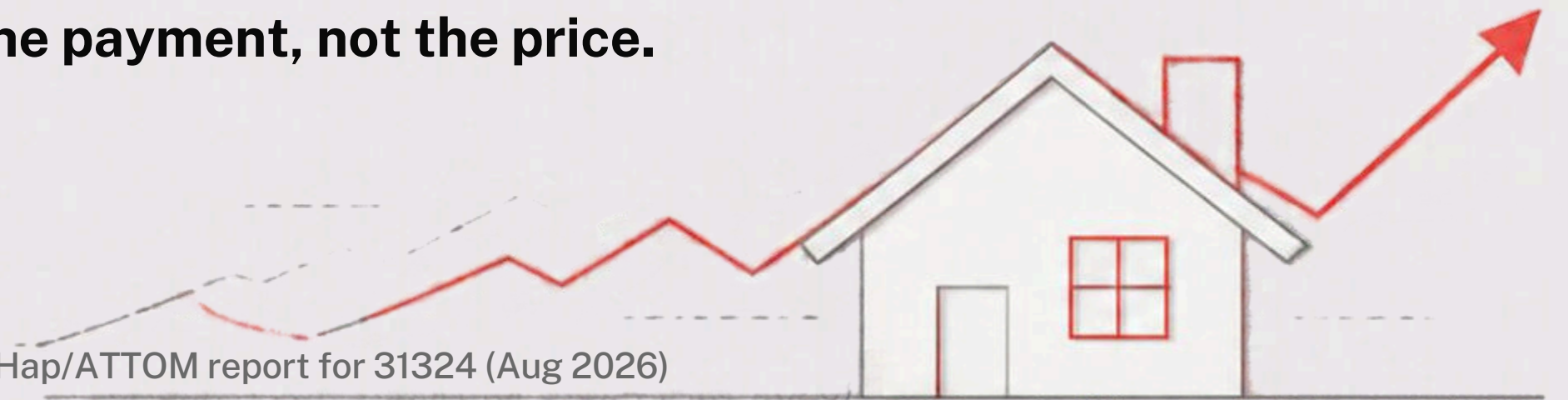
under list is where
the typical Savannah
home sells

-28%

closed sales in
Richmond Hill (31324)
versus last year

The money is moving either way. Make it move the payment, not the price.

Sources: Redfin data via Team 912 Savannah market report (Oct 2026), TopHap/ATTOM report for 31324 (Aug 2026)



THE SELLER'S PROBLEM IS THE BUYER'S POTENTIAL

5.5M

more households can afford a median-priced home when rates drop one point, including 1.6 million renters.

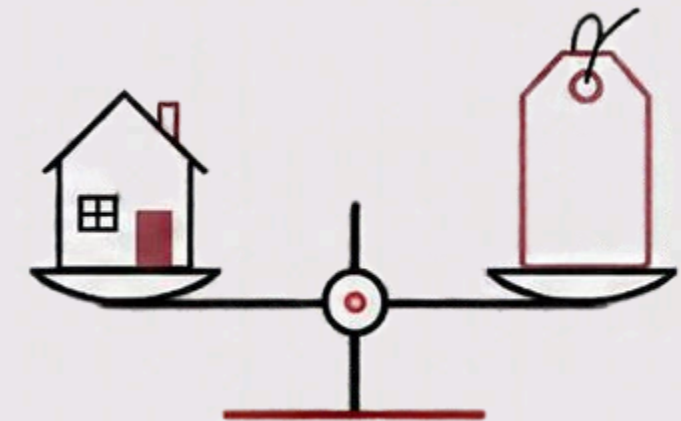
Your seller can't wait on the Fed. A concession brings that rate drop to their own buyer, today.



Source: National Association of REALTORS® research, Dec 2025, modeled on a one-point drop from early-2025 rate levels

ADVANTAGE 1 - LEVERAGE

Same dollars. Two very different results.



Example: a \$350,000 listing, and a seller ready to give up 3% (\$10,500).

Price cut

List drops to \$339,500
That becomes the next comp
Loan drops \$10,500 over 30 years
Buyer barely feels it monthly

Concession

Price holds at \$350,000
Comps and appraisal anchor stay put
\$10,500 goes to rate or closing costs
Buyer feels it every month

Leverage: your seller negotiates terms, not value.

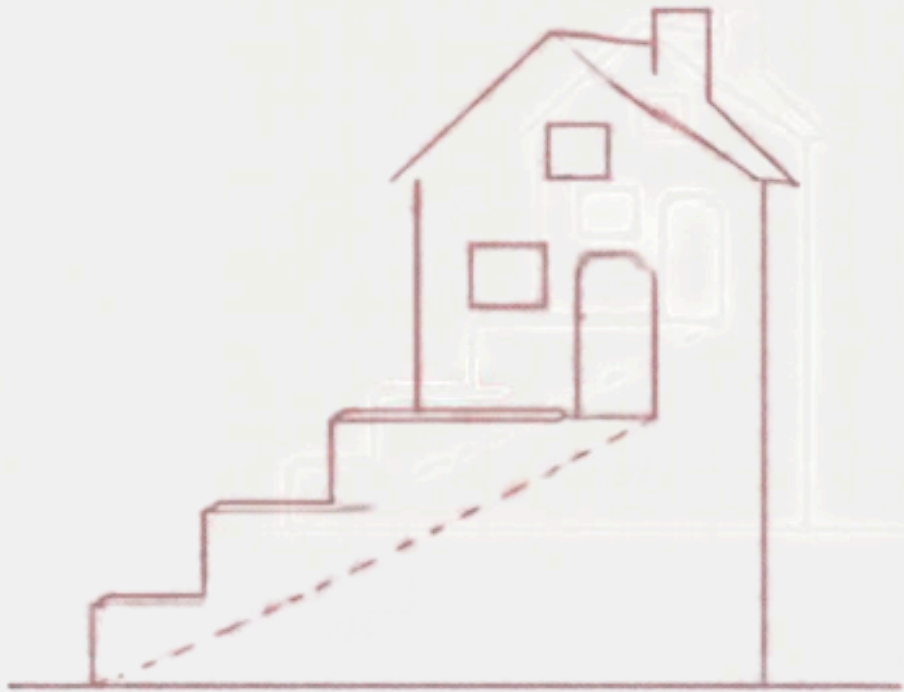
Breathing room in the first two years.



How a 2-1 works

- Seller funds an escrow at closing
- Escrow covers the gap each month
- Buyer qualifies at the full note rate
- A 1-0 is one year, one point, and costs less

Best fit: buyers who want early-year relief while life settles in.



Points: a lower rate for the life of the loan.

1 point = 1% of the loan

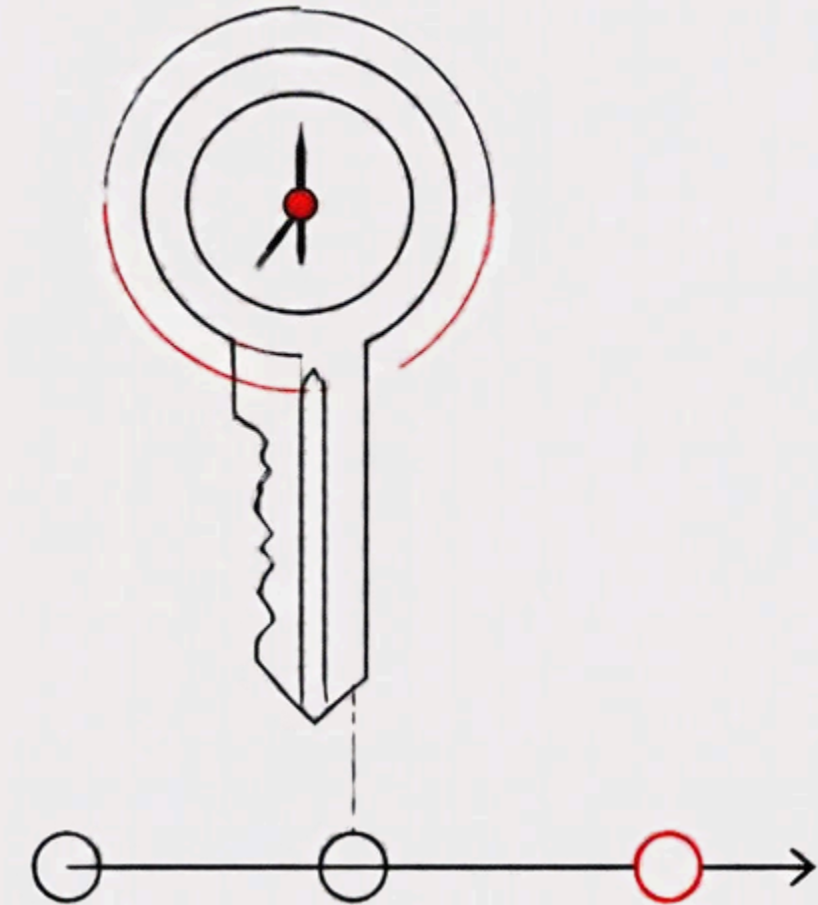
It's prepaid interest at closing. How much rate a point buys changes daily, so I price it live.

It can help them qualify

Points lower the note rate itself, so qualifying gets easier. A temporary buydown can't do that.

Watch the breakeven

Buyers who stay past breakeven win big. Refinance early, and part of the seller's money goes unused.



VA tip Market-normal points the seller pays sit outside VA's 4% concession cap. Points beyond the norm count against it.

One credit. Four ways to spend it.



Closing costs

Less cash to close
for the buyer

Temporary buydown

Relief in the first
one to two years

Discount points

A lower rate for the
life of the loan

Prepays

Taxes, insurance,
and escrow setup

Write it flexible

“Seller to contribute up to \$___ toward buyer’s closing costs, prepaids, and/or rate buydown.”

Then let the lender price the mix that does the most for this buyer.

ADVANTAGE 3 · OPTIONALITY · SELLER-PAID MI

Let the seller pay the mortgage insurance.



Conventional

The seller pays a single-premium MI up front. The buyer has **no monthly MI** at all.

Counts toward the concession cap.

FHA

The seller can cover the upfront MIP, so it isn't paid in cash or rolled into the loan.

Annual MIP still applies. Fits inside the 6%.

VA

No monthly MI to begin with. The seller can pay the VA funding fee instead.

Counts toward VA's 4%.

Best fit: a conventional buyer putting less than 20% down who plans to stay.

THE HONEST CONS

Where concessions can bite.



Caps are real

Every loan type limits seller money. Go over, and you're renegotiating at the closing table.

Temporary means temporary

The payment steps up after the buydown ends. Set that expectation on day one.

Points pay off slowly

Refinance before breakeven, and part of the seller's money is wasted.

The appraisal still rules

A concession won't fix an overpriced house. Value has to support the contract price.

Same net to the seller

A \$10,500 concession costs the same as a \$10,500 cut. The win is what the buyer gets.

The fix: call early

Buydown cost moves with the market. Price it with me before you write it.

CONCESSION LIMITS BY LOAN TYPE



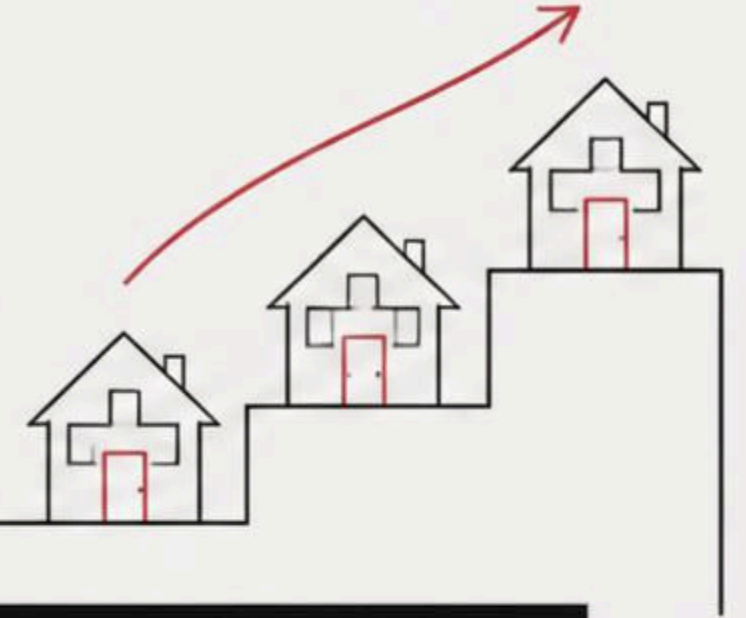
Know the cap before you write the offer.

Loan type	Seller can contribute	Seller-paid buydown counts?
VA	4% of the VA appraised value in concessions. Normal closing costs and market-normal points sit outside the 4%.	Yes, toward the 4%
FHA	6% of the lower of price or appraised value	Yes, toward the 6%
Conventional	3%, 6%, or 9%, tiered by the buyer's equity	Yes, toward the tier
Investment	2% on conventional investment property	Temporary buydowns generally not allowed

Sources: VA Lender's Handbook (VA Pamphlet 26-7); HUD Handbook 4000.1; Fannie Mae Selling Guide B3-4.1-02 and B2-1.4-04. Individual lenders may set tighter limits.

THE 2-1 BY THE NUMBERS

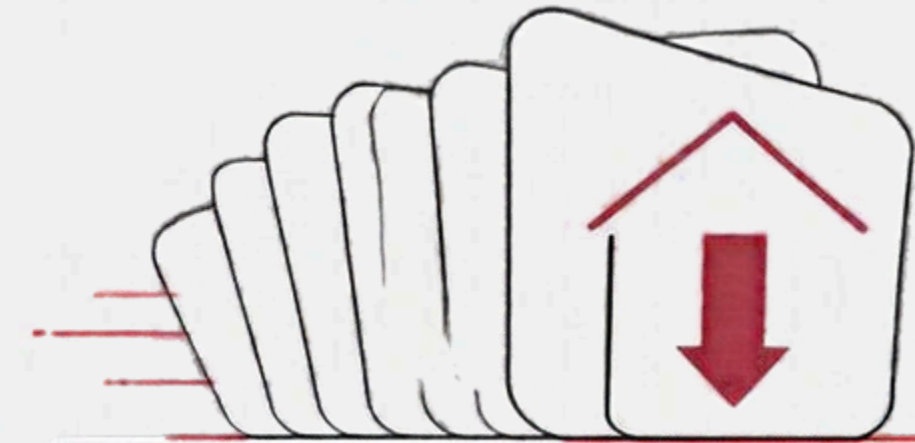
\$300K, \$400K, \$500K: what a 2-1 really does.



Purchase price	\$300,000	\$400,000	\$500,000
Loan amount (5% down)	\$285,000	\$380,000	\$475,000
Year 1 payment at 5.40%	\$1,600	\$2,134	\$2,667
Year 2 payment at 6.40%	\$1,783	\$2,377	\$2,971
Year 3+ payment at 7.40%	\$1,973	\$2,631	\$3,289
Monthly savings, year 1 / year 2	\$373 / \$191	\$497 / \$254	\$622 / \$318
Seller cost of the 2-1 (about 2.25%)	\$6,762	\$9,016	\$11,270
Same dollars as a price cut saves	\$44/mo	\$59/mo	\$74/mo

Illustration only, not a rate quote: 30-year fixed conventional, 5% down, 7.40% note rate (Freddie Mac weekly average, Oct 15, 2026). Principal and interest only; excludes taxes, insurance and MI. Actual pricing, payments and eligibility vary.

PLUG AND PLAY · STEAL THIS!!!!



Six swipes. One lower payment.

1 / 6 · Swipe →

DON'T ASK THE SELLER FOR A LOWER PRICE. ASK FOR THIS INSTEAD

You could

Save \$500/mo

2 / 6

\$12K OFF THE PRICE SAVES ABOUT \$80/MO.

On a \$350K home with 5% down

3 / 6

SAME \$12K. MORE SAVINGS.

Price Cut	\$80/mo.	Every month
2-1 Buydown	\$500/mo.	yr 1, then \$300 yr 2
Permanent	\$230/mo.	per whole loan

The seller pays up front to lower your rate for the first two years.

4 / 6

BEFORE YOU MAKE AN OFFER, ASK YOUR AGENT:

How can we use the sellers money to buy my rate down?

5 / 6

WE'LL DO THE MATH FOR YOU.

Set up yourself up for success before you start shopping!

6 / 6

ASK ME HOW.

[Your name] · [Your brokerage]

For Financing: Lucy Thornton NMLS #2309294

TEXT ME YOUR LISTING PRICE. I'LL FILL IN THE SAVINGS.

(912) 420-2664

BEFORE THE NEXT PRICE CUT, **CALL YOUR LENDER.**

Leverage

Protect the price and the comps.

Affordability

Lower the rate the buyer actually feels.

Optionality

One credit, spent where it helps most.

Lucy the Lender

Lucy Thornton · (912) 420-2664 · lucy.thornton@edgehomefinance.com



lucythelender.com