Mortgage Manfro
Homeownership starts today

YOUR HOME. YOUR NUMBERS. YOUR PLAN.

MORTGAGE MANFRO

THE HOME BUYER KIT

Buy with a plan.
Put your leverage to work.

A practical guide to lower offers, permanent rate buydowns and temporary payment assistance.



TIM MANFRO
Your Mortgage Manfro

01
LOWER OFFER

02
LOWER NOTE RATE

03
EARLY PAYMENT HELP

01 / SEE THE OPPORTUNITY

LOOK BEYOND THE RATE

The whole transaction matters: the house, the payment and your finances.

REFERENCE EXAMPLE: $650,000 PURCHASE | 10% DOWN ($65,000) | $585,000 LOAN

6.75% interest / 7.053% illustrative APR | 30-year fixed | Conventional primary home

EXAMPLE RATE ONLY. NOT A RATE QUOTE. P&I excludes taxes, insurance, MI and HOA.

"Is now a good time to buy?" The better question is whether you can find a home you want, a payment you can afford, and terms that fit your life. A higher rate can coexist with room to negotiate.

WHAT DOES A BUYER'S MARKET MEAN?

When supply and demand give buyers more bargaining power, sellers may be more open to price, credits or other terms. Days on market, competing offers and comparable sales help reveal the balance. Every neighborhood and home is different.

LOCAL SNAPSHOT / SEPTEMBER 2026

Inland Empire: **4.7 months of inventory** and **41 median days on market.** Southern California: 3.9 months and 31 days. These regional figures do not establish that every local market favors buyers. Source: C.A.R. [4]

01 NEGOTIATE THE PRICE

Lower offer: pay less for the home and borrow less.

02 PERMANENT RATE BUYDOWN

Pay an upfront cost to lower your mortgage interest rate. An eligible seller credit may cover it.

03 GET EARLY PAYMENT HELP

Temporary buydown: the seller prepays part of your early mortgage payments.

The reference loan payment starts at $3,794.30 per month.
P&I means principal and interest-the loan payment before property taxes, insurance, mortgage insurance and HOA. Rates and values can move in either direction. Choose a full payment you can handle without depending on appreciation or a future refinance.

02 / STRATEGY ONE

LOWER OFFER. LOWER PAYMENT.

Keep 10% down at each price and see exactly what changes.

REFERENCE EXAMPLE: $650,000 PURCHASE | 10% DOWN ($65,000) | $585,000 LOAN

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Pay less for the home and borrow less. Every $10,000 lower purchase price reduces the loan by $9,000 and the down payment by $1,000. At the same example rate, the P&I savings is about $58.37 per month.

OFFER PRICE	DOWN (10%)	LOAN	MONTHLY P&I	LESS / MONTH
$650,000	$65,000	$585,000	$3,794.30	$0.00
$640,000	$64,000	$576,000	$3,735.93	$58.37
$630,000	$63,000	$567,000	$3,677.55	$116.75
$620,000	$62,000	$558,000	$3,619.18	$175.12
$610,000	$61,000	$549,000	$3,560.80	$233.50
$600,000	$60,000	$540,000	$3,502.43	$291.87

AT $50,000 BELOW THE REFERENCE PRICE

$291.87 less each month in P&I

Plus $5,000 less down.

WHAT ELSE MAY CHANGE?

A lower assessed value may reduce property taxes, and a smaller loan may reduce mortgage-insurance dollars. Neither is automatic: MI pricing, reassessment, local taxes and special assessments matter. Insurance and HOA do not necessarily fall with price. [5]

You cannot change the original price you paid after closing. You may refinance the rate later if you qualify and the benefit outweighs the costs. Your payment must work today. A discount from asking is not automatically instant equity; market value and debt determine equity.

03 / STRATEGY TWO

LOWER THE RATE FOR THE LOAN

Discount points trade an upfront cost for a lower fixed mortgage interest rate.

REFERENCE EXAMPLE: $650,000 PURCHASE | 10% DOWN ($65,000) | $585,000 LOAN

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EXAMPLE RATE ONLY. NOT A RATE QUOTE. P&I excludes taxes, insurance, MI and HOA.

Pay an upfront cost to lower your mortgage interest rate. An eligible seller credit may cover the cost. A permanent buydown lowers the scheduled P&I for that fixed-rate loan; taxes, insurance, MI and HOA may still change. [3]

Illustrative pricing only: **1.25 discount points for each 0.25 percentage-point rate reduction.** Actual pricing and available rates vary; there is no fixed points-to-rate conversion.

INTEREST	ILLUS. APR*	POINT COST	MONTHLY P&I	LESS / MONTH
6.75%	7.053%	$0.00	$3,794.30	$0.00
6.50%	6.797%	$7,312.50	$3,697.60	$96.70
6.25%	6.540%	$14,625.00	$3,601.95	$192.35
6.00%	6.284%	$21,937.50	$3,507.37	$286.93
5.75%	6.027%	$29,250.00	$3,413.90	$380.40
5.50%	5.772%	$36,562.50	$3,321.57	$472.73

6.25% example: $14,625 in points / $192.35 monthly P&I savings = about **76 months** to recover the points through payment savings if you pay them yourself. Also compare balances, your time horizon and other uses of funds.

THE CREDIT HAS TO COVER YOUR PRIORITIES

The general 6% cap is $39,000 if the appraisal supports $650,000. Using $36,562.50 for the 5.50% illustration leaves only $2,437.50 under the cap for other eligible costs. Fewer points may preserve more cash-to-close help. [1]

*Illustrative APRs assume a borrower-paid 1% origination charge, annual borrower-paid mortgage insurance of 0.30% of the initial loan amount until scheduled 78% loan-to-value, and no other APR finance charges. Seller-paid discount points are excluded. Actual fees, MI, cancellation dates and APRs vary.

04 / STRATEGY THREE

HELP WITH THE EARLY PAYMENTS

The seller prepays part of your early mortgage payments.

REFERENCE EXAMPLE: $650,000 PURCHASE | 10% DOWN ($65,000) | $585,000 LOAN

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EXAMPLE RATE ONLY. NOT A RATE QUOTE. P&I excludes taxes, insurance, MI and HOA.

A temporary buydown lowers your mortgage payment for the first few years because the seller pays part of it for you. The seller sets money aside at closing to cover the difference. Your actual mortgage interest rate stays the same. You must qualify for the full payment from the beginning. [2]

For example, with a 2/1 buydown, you pay $3,051.64 per month in P&I during Year 1 instead of $3,794.30. The seller-paid help covers the $742.66 difference each month. The options below show what happens in each year.

1/1 BUYDOWN

Payment calculated as if your rate were 1 percentage point lower for the first two years.

COST TO THE SELLER
$9,129.60

Year 1 Payment
$3,413.90/mo P&I
Save $380.40 per month

Year 2 Payment
$3,413.90/mo P&I
Save $380.40 per month

Year 3 and After
$3,794.30/mo P&I
Full regular payment

2/1 BUYDOWN

Payment calculated as if your rate were 2 percentage points lower in Year 1, then 1 lower in Year 2.

COST TO THE SELLER
$13,476.72

Year 1 Payment
$3,051.64/mo P&I
Save $742.66 per month

Year 2 Payment
$3,413.90/mo P&I
Save $380.40 per month

Year 3 and After
$3,794.30/mo P&I
Full regular payment

3/2/1 BUYDOWN

Payment calculated as if your rate were 3 percentage points lower in Year 1, then 2 lower, then 1 lower.

COST TO THE SELLER
$26,497.56

Year 1 Payment
$2,709.23/mo P&I
Save $1,085.07 per month

Year 2 Payment
$3,051.64/mo P&I
Save $742.66 per month

Year 3 Payment
$3,413.90/mo P&I
Save $380.40 per month

Year 4 and After
$3,794.30/mo P&I
Full regular payment

Cost to the seller equals the total monthly payment savings over the years with seller-paid help. Other closing costs and any extra buydown fee are additional.

SELL OR REFINANCE BEFORE THE SELLER-PAID HELP ENDS?

Unused seller-paid money follows your written agreement. It may reduce your loan payoff; other permitted treatment can apply. Confirm the terms before closing. A future refinance is not assured. [2]

05 / PUT IT TOGETHER

ONE OFFER. ONE CREDIT BUDGET.

Price, permanent points and temporary help may fit together.

REFERENCE EXAMPLE: $650,000 PURCHASE | 10% DOWN ($65,000) | $585,000 LOAN

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Conventional primary/second-home caps generally are **3% above 90% LTV; 6% at 75.01%-90%; 9% at 75% or less.** Investment: generally 2%. Limits use the lower of price or appraisal. Other programs and overlays differ. [1]

Main example: 10% down = 90% LTV. $650,000 × 6% = $39,000.
Credits need seller agreement and eligible costs; they cannot fund the down payment or reserves. Closing costs and buydowns share the applicable limit. [1]

COMBINED EXAMPLE: NEGOTIATE TO $640,000

Updated scenario: $640,000 price | 10% down ($64,000) | $576,000 loan.
New fixed mortgage rate: 6.25% interest / 6.540% illustrative APR. Credit cap: **$38,400.** Appraisal assumed to support the price; rates remain examples only.

USE OF SELLER CREDIT	ILLUSTRATIVE COST
Permanent points: 6.75% to 6.25% (2.50 points)	$14,400.00
2/1 seller-paid help, using the new 6.25% mortgage interest rate	$12,945.60
Other eligible seller-paid costs (assumed)	$8,000.00
TOTAL ALLOCATED	$35,345.60
UNALLOCATED ROOM UNDER THE CAP	$3,054.40

YOUR BORROWER P&I PORTION

Year 1 Payment: **$2,833.57** (save $712.96/mo).
Year 2 Payment: **$3,180.69** (save $365.84/mo).
Year 3 and After: **$3,546.53**; full regular P&I payment.

Savings above compare the reduced borrower portion with the new $3,546.53 regular P&I. This example needs lender approval, eligible actual costs and seller agreement. The down payment and uncovered costs remain yours; unused credit room is not cash back.

P&I excludes taxes, insurance, MI and HOA. Your full payment is higher. APR assumptions appear on pages 4 and 8.

06 / THE LONGER VIEW

WHAT COULD YOUR HOME BE WORTH?

Illustration assuming 3% annual appreciation.

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3%

ANNUAL GROWTH ASSUMPTION

We are using **3% annual appreciation** for this example. It is an assumption for illustration-not California's historical average or a prediction for the home you choose. Your purchase still needs to work today.

If a **$650,000 home** grew by 3% each year, its illustrated value would be:

TIME OWNED	ILLUSTRATED HOME VALUE	INCREASE FROM $650,000
3 years	$710,273	$60,273
6 years	$776,134	$126,134
9 years	$848,103	$198,103

Formula: $650,000 × (1.03)^years. These values assume steady growth and **are not a forecast, equity balance or profit.** Appreciation applies to the home's full value, not just your down payment. Local results vary; values can fall. At 0% growth the value remains $650,000.

Historical background: FHFA's California price index via FRED. [9] The 3% illustration rate is a chosen assumption.

YOU CAN'T CHANGE THE PRICE YOU ALREADY PAID.

You may refinance the rate later if you qualify and the benefit outweighs the costs. It is an option to evaluate when it makes sense, not a promise. Choose a comfortable full payment now.

HOW COULD A SELLER'S MARKET CHANGE THE DEAL?

If rates fall, some buyers waiting on the sidelines may return. If demand then outpaces the homes available, competition could push prices higher and reduce or eliminate seller-credit offers on competitive listings. That is a seller's market: sellers have more negotiating power because buyers are competing for limited supply. A rate drop alone does not guarantee that shift; local inventory and demand still matter.

Your budget: full P&I + property taxes + insurance + MI/HOA + maintenance and reserves.

07 / YOUR NEXT MOVE

LET'S BUILD YOUR BUYING PLAN

Already approved, just starting, or picking things back up? Start here.

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1

TELL US WHAT WORKS

Target areas, timing, comfortable full payment and cash-to-close budget.

2

REFRESH OR START THE APPROVAL

Update income, credit, available funds and remaining documents.

3

REVIEW THE HOME WITH YOUR REALTOR

Check comparable sales, seller priorities, insurance, appraisal and HOA.

4

COMPARE OFFERS, THEN DECIDE

Review price, credits, inspections and the long-term payment together.

LET'S RUN YOUR NUMBERS

909-837-8777

mortgagemanfro.com

TRUSTED SOURCES / CLICK TO READ

[1] Fannie Mae: seller-credit limits

[2] Fannie Mae: temporary buydowns

[3] CFPB: discount points and lender credits

[4] C.A.R.: September 2026 housing report

[5] California BOE: property reassessment

[6] IRS: home mortgage interest deduction

[7] CFPB: mortgage insurance cancellation

[8] CFPB: mortgage advertising disclosures

[9] FHFA: California price history, via FRED

EXAMPLE ASSUMPTIONS & IMPORTANT DETAILS

Example only: $650,000 purchase, $65,000 down (10%), $585,000 conventional loan, primary residence, 360 monthly payments. At 6.75% fixed interest / 7.053% illustrative Annual Percentage Rate (APR), monthly principal and interest is $3,794.30. P&I excludes taxes, homeowners insurance, mortgage insurance and HOA; your actual payment will be higher. Not a current rate quote or approval.

Illustrative APRs assume a borrower-paid 1% origination charge, annual borrower-paid mortgage insurance of 0.30% of the initial loan amount until scheduled 78% loan-to-value, and no other APR finance charges. Seller-paid discount points are excluded. Actual fees, MI, cancellation dates and APRs vary.

Calculations use 360-month amortization. Monthly P&I is rounded to cents first; total seller costs use those monthly savings × 12. Permanent point costs follow the illustration on page 4. Temporary help does not change the mortgage interest rate. Home-value illustrations assume 3% annual appreciation, not California's historical average. Guidelines reviewed November 11, 2026.

Educational examples only. Rates, credits, program eligibility, fees and approval depend on your situation and current lender guidelines. No guarantee of appreciation, a future refinance or savings. Consult your tax professional about potential deductions. Potential interest deductions generally require itemizing and meeting tax rules. [6]

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