



Interest Rate Float Down Program



What's a "float down" program?

These programs protect borrowers if interest rates drop after locking in with a lender. If rates drop, you may be eligible to decrease your interest rate also. This gives the buyer the best of both worlds; it keeps the loan in process for an on-time closing and provides the opportunity to take advantage of lower rates.

How does it work?

If market interest rates decline by 0.25% after you lock we can lower your rate (float down) by 0.125%! We incur a cost of .125% to execute a float down. That number remains constant. For example, if rates decline by 0.375%, we'll lower your rate by 0.25%. For every further 0.125% market decline, we'll lower your rate another 0.125%, which means lower monthly payments.

Who's eligible?*

Your interest rate can only float down once per loan and is available to borrowers whose closing date is at least 7 days away.

How are "market interest rates" measured?

We use a public interest rate average for transparency (Freddie Mac's Primary Mortgage Market Survey). Their survey data is released every Thursday. Once your rate is locked at Tomo the first rate to measure will be from the next survey which is the Thursday after your original rate lock. If any of the subsequent weekly survey rates are at least 0.25% lower than your first measure you're eligible for a lower rate.

** Does not apply to brokered and non-qualified mortgage loans*

Process

- 1 Rates drop after you lock**
Don't worry, there's options!
- 2 Check if you're eligible**
Using Freddie Mac's survey or contacting your loan advisor
- 3 Get a lower rate**
Eligible borrowers will receive an interest rate float down