

4. AHFC permits interest rate discounts or buydowns up to a maximum of one percent (1.00%) subject to the following fee schedule. An interest rate buydown is not allowed with a balloon feature loan.

INTEREST RATE	BUYDOWN FEE	
	15 YEAR	30 YEAR
0.125	0.875	0.875
0.250	1.750	1.750
0.375	2.625	2.625
0.500	3.500	3.500
0.625	4.500	4.500
0.750	5.500	5.500
0.875	6.500	6.500
1.000	7.500	7.500

5. Lenders should indicate the discounted rate on the Loan Summary Memorandum (Form MFUND-5) at the time of loan submission or on the Purchase Voucher (Form MFPUR-1) at the time of loan purchase.