

# Let us pay for your Closing Costs - And more!

## What is a “Lender Credit?”

A **Lender credit** is *paid to the Borrower* at time of closing on the final closing document known as the “Closing Disclosure (CD).” The most transparent type of Lender Credit is reflected when **the Lender does not charge any “Origination Fees”** in Box A of the initial “Loan Estimate (LE)” and likewise, pays money in the form of credit back to the borrower on the final Closing Disclosure.



**Lender Credits** can be paid on Conventional Loans, but perhaps are effectively best utilized with FHA, VA & Rural Development financing. The amount of the Lender Credit is based on such things as the loan amount, and credit score, etc. Many times these **Lender Credits** can be in excess of:

**\$1,000**

**\$2,000**

**\$3,000**

**\$4,000 and even**

**\$5,000 (or more)**



Indeed, these amounts as shown above, are often credited to offset **all** of the 3<sup>rd</sup> party costs, plus the entire cost of establishing the borrower’s property tax and insurance escrow. As a result, Lender Credits are commonly used by

borrowers to refinance, so that their cost of refinance is nothing – the rate decrease is paid for in day 1 of the refinance with the Lender Credit! But, for those Buyer’s who need, or want the Seller to pay for their closing costs, the Lender Credit option creates new opportunities for negotiating more competitive offers.

- **Lender Credits can eliminate the need for Seller paid costs!**
- **Lender Credits can create a “negative” upfront financing cost scenario for the borrower!**
- **Lender Credits can allow the borrower to finance FHA, VA & RD loans at rates similar to conventional loan rates, from lenders who are charging for the conventional rate.**

Hundreds of people have taken advantage of the “**Lender Credit**” program with me on FHA, VA, RD and even Conventional Loans! “Negative” upfront finance charges prove to be quite popular! If you are unfamiliar with how the program works, and would like to find out more, please feel free to ask me!

**Bob Hein, phone 616-292-6703**

Mortgage Lender, Serving People & Serving their Mortgage Needs since 1987

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