



Correspondent Request for Use of Discount Points

Process

Submit the information below in support of using discount points. See below for some definitions

Please complete the following:

Correspondent Name _____

CWL Loan Number _____

Borrower Name _____

Property Address _____

Lock Date _____

Interest Rate _____

Discount points _____

Par Rate _____

Buy-down Percent (Minimum 10% Benefit to borrower required) _____

Definitions

Par Rate is defined as the interest rate that applies if no discount points are paid. This will be higher than the discounted rate. i.e., CWL's rate plus your compensation/margin needed to make on the loan.

Buy-down Percent is defined as the amount of reduction to the interest rate (Par Rate minus Interest Rate) divided by Discount points, then multiplied by 100. i.e., Par rate is 3.5%, discounted rate is 3% and points charged is 1.5%. $(3.5-3.0) / 1.5 * 100 = 33.33\%$.