Recast FAQs

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Will a recast lower my monthly mortgage payment?

If your loan is eligible, recasting your loan may be an option to lower your payment as an alternative to refinancing. A recast typically involves making a one-time payment to reduce your loan principal and reamortize your unpaid balance over the remainder of your loan term. In other words, we will recalculate your monthly principal and interest payment based on your reduced loan balance and payoff date. The immediate result of a recast is a reduction in your monthly payment. Long term, a recast can reduce the amount you will pay in interest over the life of your loan. Your interest rate and term will remain the same.

How large does the one-time payment need to be?

A lump sum principal reduction payment of $10,000 or more is required.

If I've made principal reductions over the years that add up to $10,000 or more, do I have to make an additional lump sum payment?

No, an additional lump sum payment is not needed if your previous additional principal payments were $10,000 or more.

I thought I could skip my regular payment this month since I sent in a principal reduction payment. Can you take my regular payment out of that amount?

No, the full amount of your one-time principal reduction payment, which was specified in your Recast Agreement, can only be applied to your principal. You need to continue making your monthly payment on or before your due date until the date your new payment amount becomes effective. Please refer to your Agreement for the date on which you should begin to pay the new monthly payment amount.

When can I start paying the lower monthly payment amount specified in my Recast Agreement?

After you return your signed Recast Agreement and complete the one-time principal reduction payment, you can begin paying the new monthly payment amount on the date specified in the agreement. Typically, we send a billing statement with your new payment amount within five business days of receiving your agreement and funds. You need to continue sending your regular monthly payment until the effective date of your new payment amount, which will be specified in your agreement and billing statement.

How long does the recast process take?

The process can take 15 to 30 days depending on how quickly you return the signed Recast Agreement and one-time principal reduction payment. You will have 15 days from the agreement date to sign and return it to us, or the Recast will not be processed. We must also receive your principal reduction payment within 15 days of the agreement date.

Once we receive your signed agreement and funds, we will process your recast and send you a new billing statement with your new monthly payment amount within 5 business days. The quicker we receive these required items from you, the shorter the overall timeframe will be.

How do I send the funds for the one-time principal reduction payment

Funds may be sent via wire or certified check (cashier's check). If the principal reduction payment is $25,000 or less, we can also accept an electronic payment. The wiring information and address is provided in the step-by-step instructions mailed to you with your Recast Agreement. We do recommend, if you mail certified funds, that you send through a method that includes a tracking number on the envelope.

Will a recast impact my credit score?

We will report the change in your loan balance, but the recast itself is not reported as a loan modification. We do not know how the change in your loan balance may affect your unique credit score, which may be affected by numerous variables unrelated to your loan.

Who needs to sign the Recast Agreement?

Everyone who signed the original loan documents at closing is required to sign the Recast Agreement.

Can I sign the Recast Agreement electronically?

No, you need to sign and return the hard copy mailed to you at the address specified in your Recast Agreement.

My loan has a buydown. Will a recast affect my monthly buydown credit?

If the new monthly principal and interest payment specified in the terms of your recast agreement is greater than your monthly buydown credit, the recast will not change the amount credited to your loan each month. You will continue to receive the credit as specified in your buydown agreement, and it will continue to be displayed on your monthly billing statement. If your new principal and interest payment is less than the monthly buydown credit you are currently receiving, we will apply the full remaining balance of your buydown credit to the principal reduction payment made for your recast and recalculate your new monthly principal and interest payment accordingly. In this case, you will no longer receive buydown credits each month as the remainder will be applied to your loan via your principal reduction payment.