

## RECAST POLICY

### OVERVIEW

A mortgage recast can take place when a borrower makes a large payment on their mortgage and wishes to have it re-amortized for a lower monthly payment without refinancing.

When a mortgage recast takes place, the new balance of the loan is re-amortized over the remaining term at the current interest rate which decreases the monthly principal and interest payment.

### POLICY

At Nations Direct Mortgage, to qualify for a mortgage recast, the following must be met:

- The loan must be serviced by Nations Direct Mortgage
- The loan must be Conventional only
- The borrower must have paid down the mortgage by at least \$25,000 (in addition to their current principal & interest payments)
- The loan must have been seasoned for at least 3 months
- The loan may not be delinquent
- There is no fee to complete the recast

### RECAST PROCESS

- Borrower contacts the servicing department to request a recast
- The servicing department will review the loan to determine if a recast is eligible
- If it is, they will prepare the documentation for the borrower to sign and send electronically
- The borrower must provide the executed documents to process the recast
- The new payment will be effective within 60 days from the start of the process if the executed documentation and fee is returned in a timely manner

Reviewed Date	Summary of Changes	Approved By
06/29/2023	Creation of Policy	Michael Clary, COO
10/30/2023	Changed seasoning from 12 months to 3 months	Michael Clary, COO
04/30/2024	Changed available product type to Conventional Only. Removed cost for processing recast	Michael Clary, COO