

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
- Recast on loans with buy downs must be beyond the buy down term to qualify
- The loan may not be delinquent
- The cost to recast is \$250 per incident (not applicable for properties located in AL, MD, MS, NC, TN, WA, and WV)

RECAST PROCESS

- Borrower contacts the servicing department (949-270-1434) 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 as well as the fee (if applicable, see above state restrictions)
- 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