HOW TO: LOWER MY MONTHLY PAYMENT AFTER CLOSING WITHOUT REFINANCING

WHAT IS A RECAST/RE-AMORTIZATION?

We offer a recast/re-amortization feature on all of our Conventional, First Mortgage Loans.* This feature allows you to make a post-closing principal reduction and have your monthly payment lowered (i.e. recast) as if you had put the funds down from the beginning of the loan.

Example: Buyer purchases a home for $250,000 and puts down $12,500 at closing. One year after closing - Buyer elects to reduce loan balance by an additional $100,000. The remaining loan balance of $137,500 would be recast over the remaining life of the loan - lowering the monthly payment as if the funds had been put down from the beginning of the loan.

USE CASES FOR RECAST FEATURE:

Buyer has an existing home with a large amount of equity but will not close on the property until after the purchase of a new home. This equity can be applied after closing so as not to lose the benefit of a lower monthly payment.

Buyer receives a large inheritance or settlement after closing.

Buyer receives a large bonus or stock option payout.

REQUIREMENTS FOR RECAST/RE-AMORTIZATION ELIGIBILITY ARE:

- Loan must be current on all monthly payments. ***Any*** late payments would disqualify the loan for recast eligibility.
- The principal reduction must be at least $10,000 or more to have the loan recast. You are welcome to make a principal reduction for a lesser amount if you wish, but the loan could not be recast with a lesser principal reduction.
- You must have made at least (3) mortgage payments before you are eligible to apply for the recast.
- The cost to complete the recast is generally between $150 - $250. This is what FNMA/Freddie Mac charges to modify the note/paperwork and refile your loan terms.
- The revised payment will not go into effect until (2) months after the recast modification has been approved
- You will retain your existing interest rate and terms of loan (i.e. 30 Year, 15 Year, etc.)
- You can recast your loan as many times as you wish. Please be aware that the recast fee will be assessed each time.
- The loan balance would have to be paid to a 78% loan-to-value (LTV) or more to trigger the immediate elimination of any PMI that the loan may carry.

There are no prepayment penalties, balloons, or negative amortization on any of the loans we offer.

*note this benefit applies to Conventional Loans only - USDA/FHA/VA/Jumbo loans are not eligible for this option due to Federal restrictions.

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