

UNDERSTANDING RECASTS

What is a Recast?

A recast is when you apply an additional sum of money to substantially reduce the unpaid principal balance of your loan, and as a result can lower your monthly payment.

Recasting Is Simple

If your loan is eligible, we will recalculate your monthly payment based on the lower principal balance, using the original terms (interest rate and length of term) of your mortgage loan.

By re-amortizing the loan on the new loan balance, your monthly payment will be lower!

Consider Your Options Before Requesting A Recast

- If your main goal is to reduce your monthly payments rather than pay your loan off faster, then a recast could be a good option for you.
- If your main goal is to limit the amount of interest you pay by paying off your loan sooner, then a recast may not be a good fit for you.

Is My Loan Eligible for a Recast?

Below are a few of the eligibility requirements your loan must meet in order to be reviewed to be re-amortized:

- Principal reduction of at least \$5,000 (over and beyond the loan's original amortization schedule).
- Senior Lien (1st mortgage).
- Conventional mortgage. (FHA, VA, and USDA (RHS) loans are not eligible for this program)
- Your monthly mortgage payment must be current with no outstanding amounts due.
- Your request must be at least 90 days prior to any scheduled adjustable-rate payment changes.
- The first principal and interest payment must be made at the original amount agreed to in the Security Instrument or Note.

Is There A Fee For Requesting A Recast?

New American Funding charges a Fee of \$300.00 to process a Mortgage Loan Recast.

How Do I Get Started Requesting A Recast?

To begin the recast modification process, your loan must be current, and you must send in the total amount of principal reduction funds (in addition to the \$300 recast fee) no later than the 20th of any given month. The effective date of your recast could be delayed if your payment is not received by that date. Please send your principal reduction using the instruction found below.

What Happens Next?

- Once your principal reduction payment has been made and Recast Fee received, you will receive a Mortgage Loan Recast Agreement, which will include the new monthly P & I payment amount.
- You should then execute, notarize, and return the Mortgage Loan Recast Agreement.
- Your new monthly mortgage payment amount will begin on the effective date specified on the Mortgage Loan Recast Agreement.

How Do I Send In My Principal Reduction Payment?

If the payment is being made via check

it must be sent as certified funds to the mailing address below:

New American Funding ATTN:
Loan Administration
8201 North FM 620, Suite 120
Austin, TX 78726

If the payment is being sent via wire:

Please use the wiring instructions below and notify us when the funds have been sent.

Account Title:	New American Funding, Wire Clearing
Account Number:	112382756
ABA:	021000021
Financial Institution:	Chase Bank
Address:	4 New York Plaza, New York, NY 10004
Required Information:	Borrower First & Last Name Loan Number Telephone Number Reason for Funds being sent (Recast)

NOTE: If you have already sent in the total amount of principal reduction funds, please disregard the instructions above.

Once we have received the total amount of funds required to move forward, we will send the Recast Modification Agreement and a copy of the agreement for your records to the mailing address on file for your execution. A Prepaid FedEx shipping label will be included for your convenience in order to return the executed agreement to New American Funding.

If private mortgage insurance is being removed as part of the modification, please keep in mind that the removal process follows a separate timeline from the modification and may include additional fees.