



Understanding Mortgage Recasting

Contents

Fast Facts..... 2

General Recast Information..... 4

 What to Expect..... 4

 Recast Requirements 5

Processing a Recast..... 6

 Step One: Contacting the Borrower..... 6

 Step Two: Recast Documentation..... 7

 Step Three: Borrow Returns Documents and Funds 8

 Step Four: Recast Finalization 8

Document Screenshots 10

 Recast Cover Letter 10

 Recast Agreement (Retail and TPO)..... 11

 Recast Agreement (Correspondent) 12

Wire Instructions..... 13

Fast Facts

The essential, recast information can be found in the below bullets. Additional details about the recast process can be found in the subsequent sections.

Recast must be a payment of at least \$10,000, the borrower must pay the \$250 recast fee, and only Conventional loans are eligible.

- **Overview**—mortgage recasting—or a loan recast—is when a borrower makes a large, lump-sum payment toward the principal balance of their mortgage. Following this, the lender re-amortizes the loan based on the new Unpaid Principal Balance (UPB).
- **Impacts**—recasts will impact the following:
 - Reduces monthly principal and interest (P&I) but **not** the interest rate.
 - If the borrower applies enough money to bring the loan below an LTV of 80%, PMI can be removed following the recast. Other escrow items will not be impacted, and a recast does not make the loan eligible for escrow removal altogether.
 - The loan term/length will **not** be impacted.
- **Requirements**—to initiate a recast, the following are required:
 - A borrower must make their first monthly payment before a recast may occur.
 - The current month's payment must be made if this differs from the first monthly payment (i.e., if a recast is initiated in June, June's payment must be made).
 - Funds to be used for a recast must be or have been applied in the same calendar year as the recast.
 - The loan must be conventional; government loans are ineligible for recast.
 - Due to investor guidelines, the recast department has a monthly deadline of when it is able to accept same-month requests.

- **Steps**—the following steps are involved with a recast:
 - First, borrowers must reach out to a recast specialist at recastrequests@uhm.com with the exact amount they would like to apply toward the principal balance (at least \$10,000).
 - Second, after successful contact is made with the customer, a recast specialist gathers and creates the recast documents (the recast package).
 - After the recast package is sent to the borrower, the borrower must return the recast package and funds to UHM.
 - The borrower will be provided with a date to return the funds and documents to UHM when the recast package is sent. If documents and/or funds are received after this date, the recast will need to be pushed back to the following month.
 - It is the borrower's responsibility to locate a notary to have their documents signed and notarized.
 - UHM can accept recast funds via wire transfer or certified cashier's check. Personal checks **cannot** be accepted.
 - Finally, after Servicing has received the signed and notarized recast agreement, recast funds, and recast fees from the borrower, the recast can generally be finalized within two business days. A recast specialist will notify the borrower when the recast has been finalized.

General Recast Information

Recasting a mortgage is a process which does not always arise during the life of a loan. Because of this, it is easy for a customer to have unfamiliarity with the procedures, expectations, and responsibilities of recasting. The following subsections provide helpful information which you can share with the customer to give them a better sense of recast policies and procedures.

What to Expect

When a customer is interested in recasting their mortgage, the following bullets provide helpful information about what to expect from the process:

- The loan term/length will remain the same.
- The interest rate will remain the same.
- Monthly payments (the customer's P&I) will change.
- Escrow will remain the same. However, if the customer applies enough money to remove PMI from the loan, then there will be a change to the escrow.
- Customers may recast as many times as they would like during the life of the loan.
- When recasting, there is a recast fee of \$250.
- To make a recast, a customer may either send a wire by following the provided wire instructions or send a Certified Bank Check. To this, personal checks are not permitted.
- The customer must make their first contractual payment (i.e., first monthly payment) before a recast may be made.
- The customer must make the current month's payment before the recast process can begin.
- The current balance on the recast documents must be equal to the current, unpaid balance in UHM's loan servicing system.
- If additional payments are made between the recast documents being signed and notarized at finalization, then the paperwork must be redone.

Recast Requirements

To successfully recast their mortgage, a customer will need to adhere to the following requirements:

- Applicable recast documents and the funds must be given to UHM Servicing at least 5 business days prior to the end of the month.
 - This deadline is due to investor cutoffs for when recasts may be made.
- The customer must make a principal payment of at least \$10,000
 - Down payment funds cannot be used towards a recast
 - Regarding funds previously applied to the principal, to be considered towards a recast, these funds must have been applied to the loan in the same calendar year that the recast is initiated.
- The customer must pay a \$250 recast fee.
- Retail, TPO, and Correspondent loans may be recast.
- Whereas a recast may be done on FNMA or FHLMC loans, a GNMA loan is ineligible for a recast.
- UHM's Servicing department (i.e., "In-House" Servicing) is only permitted to recast loans serviced by UHM Servicing; loans serviced by Cenlar are ineligible for recast by UHM Servicing.
- A ticket submitted and recast initiated prior to the cutoff date.
 - The below chart represents the cutoff date for when recast tickets will be accepted. For example, if a ticket is submitted in August on or after the 17th of the month, the request will need to be initiated in the following month when the borrower's payment has been made and processed.

MONTH	DEADLINE
August 2022	8/17/2022
September 2022	9/16/2022
October 2022	10/17/2022
November 2022	11/15/2022
December 2022	12/13/2022
January 2023	1/17/2022
February 2023	2/13/2022
March 2023	3/17/2022
April 2023	4/17/2022
May 2023	5/16/2022
June 2023	6/15/2022
July 2023	7/17/2022
August 2023	8/17/2022
September 2023	9/15/2022
October 2023	10/17/2022
November 2023	11/15/2022
December 2023	12/13/2022

Processing a Recast

There are four steps to a recast. The following subsections provide an overview of how UHM's Servicing department processes a recast of a customer's mortgage.

Step One: Contacting the Borrower

When a customer requests information regarding a recast (which includes the desire to begin the recast process), a ticket must be sent to RecastRequests@uhm.com. This email must be used rather than sending direct requests to a recast specialist.

Tickets must include the following details:

- The customer's last name
- The loan number
- The amount of funds the customer would like to apply for the recast
 - This need not be known at the time of ticket submission, but the amount must be \geq \$10,000.
- Any customer questions about the recast process
 - Having questions upfront allows Servicing to address concerns effectively to ensure customer confidence and satisfaction.

After a ticket is received, a recast specialist will contact the customer to begin the recast process. This contact involves the following items:

- An explanation of the required recast fee (\$250) which must be paid prior to recast finalization.
- A discussion of the desired recast amount (\geq \$10,000)
 - If the customer has confirmed that they will proceed with the recast, a verbal confirmation of the exact recast amount will be acquired, and this amount will be used on the recast documents.
- The date on which the request will be effective and new P&I amount will be active.
- An explanation of documentation.
 - Additional information on this documentation can be found in the "[Step Two: Recast Documentation](#)" subsection.

Step Two: Recast Documentation

After successful contact is made with the customer, Servicing must gather and create documentation to be used for the recast.

Before the recast documents may be started, the mortgage/deed of trust must be located. The deed of trust must have the following:

- Recording data
- Signature from the clerk from the county that has been notarized and stamped.

If the mortgage/deed of trust is not available online or within Encompass, then the title company which the borrower used during the closing process must be used.

The following requirements apply to the mortgage/deed of trust:

- A survivorship deed cannot be used.
- All parties listed on the recorded mortgage/deed of trust must be included on the recast agreement.
 - This provision ensures that each party listed on the mortgage is subject to the binding decisions regarding the mortgage.

If there is an exception or amendment that is needed, then Servicing will consult with UHM's Legal department to verify what, if any, changes are acceptable.

Following this inquiry into the mortgage/deed of trust, the Servicing department must gather the following documentation and send them to the customer:

- An overnight return label which the customer will use to return the signed and notarized recast agreement.
- Wire Instructions
- Reamortization agreement (also known as the "recast document")
- A recast cover letter

See the section "[Document Screenshots](#)" for images of the documents in the above list.

Step Three: Borrow Returns Documents and Funds

After the recast package has been sent to the customer, it is the customer's responsibility to return the recast package and funds to UHM. The borrower must mail the original, physical copy of the signed and notarized recast agreement to UHM at 5492 Renaissance Place, Toledo, OH 43623. A scan of the signed and notarized agreement cannot be accepted to finalize the recast. The signed and notarized documents in the recast package need not be sent together with the recast funds.

UHM cannot proceed with finalizing the recast until the completed package of recast documents has been received by the Servicing Department. The deadline for this is **five business days before the last business day of the month**. If this deadline is either missed or not workable for the customer, two things follow:

- The recast documents will need to be redone; the documents already sent to the customer cannot be reused. These new documents will be effective for the following month.
- If a customer is unable to return the recast documents prior to the deadline of five business days before the last business day of the month, then the borrower will need to contact Servicing to discuss next steps.

Step Four: Recast Finalization

After Servicing has received the signed and notarized recast agreement, recast funds, and recast fees from the customer, the recast can be finalized within two business days.

Recast specialists in the Servicing department will review the signed and notarized documents to ensure that they were signed and notarized appropriately. In addition to this, the recast specialists will review the current mortgage balance to ensure that the recast amount has been applied to the loan properly.

If the documents are not signed and notarized properly, the recast specialists will contact the customer to inform them of this. In this call, corrections and next steps will be discussed (these steps can vary case by case).

If the documents are signed and notarized properly and the funds were applied properly, the following will occur:

- If applicable, PMI will be cancelled. This will be effective on the date when all needed materials are received.
- The customer's monthly payment will be updated to reflect the new P&I and escrow.
 - Escrow will only be impacted if PMI is able to be removed. If there is no PMI on the loan or the PMI cannot be removed, neither escrow will not be changed nor updated during the recast.
- A statement request will be generated and sent to the customer via USPS.
- The recast specialists will inform Investor Reporting of the recast. This is done so that the investor can be notified.
- The customer will be notified that the recast has been completed.

Document Screenshots

The following subsections provide visual examples of documents commonly used when recasting a mortgage.

Recast Cover Letter



Loan # 123456 / Doe

Hello,

I've attached your recast agreement. Your signature(s) go on page two, and the notary fills out their field on page three. Page four is for Union Home Mortgage use only.

We have included a FedEx label for overnight return of the signed and notarized documents.

UHM can only accept funds by wire transfer or by certified cashier's check.

The total amount needed for your recast is \$100,250.00. This includes the \$100,000.00 for your recast amount and \$250.00 for your recast fee. Please be sure to include the recast fee of \$250.00 with your wire or certified cashier's check, for a total amount of \$100,250.00. You do not need to send the recast fee separately from the recast amount. We cannot proceed with updating your monthly payment until we receive payment for the \$250.00 recast fee.

Wiring instructions are attached. If your bank has any questions regarding the wire, please have them contact us at 440-671-3272.

If you intend to send a certified cashier's check please let us know, and include the cashier's check in the same return envelope as your signed and notarized documents. The check should be made out to "Union Home Mortgage Corporation".

You may send the signed and notarized documents and wire/certified cashier's check in whichever order you prefer. They may also be sent on the same day- you are not required to send one before the other. However, please keep in mind that we cannot process your recast until approximately two business days after both your signed and notarized documents and payment have been received.

If applicable, PMI will be removed from the loan at the time the recast is completed.

The recast will be effective for May, so you will receive a statement via USPS reflecting the new payment amount after the recast process is finalized.

Thank you.

Union Home Mortgage
5942 Renaissance Place
Toledo, OH 43560
Ph: 1-800-441-3456

Recast Agreement (Retail and TPO)

The Recast Agreement for Retail and TPO loans is a large document. Thus, due to the size, only a few of the screenshots from this document are included.

Loan # 123456 / Doe

AGREEMENT FOR MODIFICATION, RE-AMORTIZATION, OR EXTENSION OF A MORTGAGE

This Agreement for Modification, Reamortization, or Extension of a Mortgage ("Agreement"), made this 13th day of April, 2022, between John Doe and Jane Doe ("Borrower") and Mortgage Electronic Registration Systems, Inc. ("MERS") as nominee for Union Home Mortgage Corp. ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed ("Security Instrument") dated April 13, 2021 and recorded as Instrument Number 2022123456, at page(s) N/A, of the Cuyahoga County Recorder Records (Name of Records) of Cuyahoga County, Ohio, (2) the Note, bearing the same date as, and secured by, (County and State, or other Jurisdiction) the Security Instrument, and (3) prior extensions or modifications of the Note and Security Instrument, if any. The Note and Security Instrument, together with any prior extensions or modifications thereof, are referred to in this Agreement as the "Mortgage," and the Mortgage covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

8241 Dow Circle, Strongsville, Ohio 44136

(Property Address)

the real property described being set forth as follows:

See Exhibit A

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Mortgage):

1. Under the terms of the Mortgage, there remains unpaid as of the first day of the month in which this Agreement is made, the sum of U.S. \$ 150,000.00 of principal, \$ 0.00 of interest thereon, \$ 0.00 of advances made by the Lender thereunder, and U.S. \$ 0.00 of interest on such advances, aggregating a total sum of U.S. \$ 150,000.00 for which amount the Borrower is indebted to the Lender under the Mortgage.
2. Lender has accepted or will hereby accept from the Borrower the sum of U.S. \$ 100,000.00, which is to be applied to the unpaid principal balance (including advances, if any), and the sum of U.S. \$ 0.00, which is to be applied to the delinquent interest due on the principal balance (including advances, if any), each of which amounts shall be applied as of the date of this Agreement.
3. After application of the amounts provided by Borrower as described in paragraph 2, Borrower promises to pay to Lender U.S. \$ 50,000.00 ("Unpaid Principal Balance") plus interest on the Unpaid Principal Balance at the yearly rate of 3.250 % from April, 2022. The interest rate Borrower will pay may change in accordance with the terms of the Mortgage. The amount of the Borrower's monthly payment of principal and interest is U.S. \$ 1,000.00, which amount shall be paid to Lender beginning on the 1st day of Next May, 2022. The amount of Borrower's monthly payment may change in accordance with the terms of the Mortgage. Borrower will continue to make monthly payments on the same day of each succeeding month until principal and interest are paid in full. If on January 1, 2052 ("Maturity Date"), Borrower still owes amounts under the Mortgage as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

Recast Agreement (Correspondent)

The Recast Agreement for correspondent loans is a large document. Thus, due to the size, only a few of the screenshots from this document are included.

Loan # 123456 / Doe

AGREEMENT FOR MODIFICATION, RE-AMORTIZATION, OR EXTENSION OF A MORTGAGE

This Agreement for Modification, Reamortization, or Extension of a Mortgage ("Agreement"), made this 13th day of April, 2022, between John Doe and Jane Doe ("Borrower") and Mortgage Electronic Registration Systems, Inc. ("MERS") as nominee for Original Mortgage Company, LLC, as nominee for Union Home Mortgage Corp. ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust, or Security Deed ("Security Instrument") dated April 13, 2021 and recorded as Instrument Number 2022123456, at page(s) N/A, of the Cuyahoga County Recorder Records of Cuyahoga County, Ohio, (2) the Note, bearing the same date as, and secured by, the Security Instrument, and (3) prior extensions or modifications of the Note and Security Instrument, if any. The Note and Security Instrument, together with any prior extensions or modifications thereof, are referred to in this Agreement as the "Mortgage," and the Mortgage covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

8241 Dow Circle, Strongsville, Ohio 44136
(Property Address)

the real property described being set forth as follows:

See Exhibit A

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Mortgage):

1. Under the terms of the Mortgage, there remains unpaid as of the first day of the month in which this Agreement is made, the sum of U.S. \$ 150,000.00 of principal, \$ 0.00 of interest thereon, \$ 0.00 of advances made by the Lender thereunder, and U.S. \$ 0.00 of interest on such advances, aggregating a total sum of U.S. \$ 150,000.00 for which amount the Borrower is indebted to the Lender under the Mortgage.
2. Lender has accepted or will hereby accept from the Borrower the sum of U.S. \$ 100,000.00, which is to be applied to the unpaid principal balance (including advances, if any), and the sum of U.S. \$ 0.00, which is to be applied to the delinquent interest due on the principal balance (including advances, if any), each of which amounts shall be applied as of the date of this Agreement.
3. After application of the amounts provided by Borrower as described in paragraph 2, Borrower promises to pay to Lender U.S. \$ 50,000.00 ("Unpaid Principal Balance") plus interest on the Unpaid Principal Balance at the yearly rate of 3.250 % from April 1, 2022. The interest rate Borrower will pay may change in accordance with the terms of the Mortgage. The amount of the Borrower's monthly payment of principal and interest is U.S. \$ 1,000.00, which amount shall be paid to Lender beginning on the 1st day May, 2022. The amount of Borrower's monthly payment may change in accordance with the terms of the Mortgage. Borrower will continue to make monthly payments on the same day of each succeeding month until principal and interest are paid in full. If on January 1, 2052 ("Maturity Date"), Borrower still owes amounts under the Mortgage as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

Wire Instructions

The document for recast wire instructions is a two-page document.



Payoffs may be wired using the following information:

Beneficiary Name: **Union Home Mortgage Corp.**

Receiving Bank: **Merchants Bank of Indiana**

Bank Address: **11590 N Meridian St STE 120**

Carmel, IN 46032-6955

Account Number: **4878501**

Bank Routing Number: **074909153**

Information Required with Wire:

Recast- 123456

John Doe and Jane Doe

**8241 Dow Circle,
Strongsville, OH 44136**

Wires must be received by 3pm EST. If a wire is received after 3pm EST, it will not be processed until the next business day and additional interest will be required.

If you have any questions regarding these wiring instructions, please contact Servicing Department at 1-800-441-3456 ext. 8036.



It is important that you update your mailing address with us to receive release documentation and any applicable refund checks.

If your address needs to be updated, please fill out the form below. You may include this with the payoff check or email it to uhmservicing@unionhomemortgage.com.

Loan Number: _____

Borrowers: _____

New Address: _____

New Phone Number: _____

Borrower Signature: _____

Borrower Signature: _____

Union Home Mortgage
5942 Renaissance Place
Toledo, OH 43623
Ph: 1-800-441-3456
Fax: 419-434-1313