



## Recast Process

1. Recasting is when the borrower requests to pay a large curtailment toward the principal balance and the payments are recalculated based on a new balance and a new amortization schedule is created.
2. Recasting is not allowed on the following types of loans: FHA, VA, USDA and some Jumbo loans. Most conventional loans backed by Fannie Mae and Freddie Mac can be recast. Interest only loans are subject to investor approval.
3. If the borrower is inquiring about a recast during loan processing, explain to the borrower that **recasting is not guaranteed, and each investor may have different guidelines and requirements.**
4. Once the loan is closed and funded and the servicing is retained through our sub-servicer (Dovenmuehle Mortgage), the following guidelines and requirements are set in place:
  - There is not a seasoning period requirement
  - The loan payments must be current, with the exception of loans impacted by a natural disaster or participating in a Hardest Hit Funds program
  - A Prepayment Penalty does not exist on the loan, unless the customer meets the terms of the prepayment penalty and is willing to pay the penalty prior to the recast
  - Principal Curtailment amount must be at a minimum of \$10,000 or 10% of the loan amount
  - No late payments reported in the last 12 months
  - \$300.00 recast fee that the borrower is responsible for paying before the recast is completed
5. If a recast is requested by the borrower, below is the process that Dovenmuehle's special loans team requires:
  - Borrower sends a request to recast the loan to:  
[specloansproxy@yourmortgageonline.com](mailto:specloansproxy@yourmortgageonline.com)
  - The special loans team responds to the borrower with a letter of where to send the curtailment and fee
  - Once the curtailment and fee are received by Dovenmuehle, special loans team is alerted and begins to create the recast modification
  - Once the modification has been created and internally audited, it is sent to the borrower to be signed and notarized

- The borrower signs the modification and has it notarized and mails the original back to special loans
- Once the signed and notarized modification is received by special loans, the loan is updated with the new terms
- Special loans signs the modification on behalf of OneTrust/CalCon, and a copy is sent to both the client and the borrower

Wiring Instructions to Dovenmuehle's special loans team for curtailment and recast fee of \$300.00

**Wiring info for Payments**

Bank of America

231 South LaSalle Street, Chicago, IL 60604

026009593

Dovenmuehle Mortgage, Inc., Payment  
Clearing Account

8666116776

Payment Clearing

Borrower Name and Loan # must be referenced

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