

# What is a mortgage recast?

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A recast involves making one or more voluntary payments to reduce your loan principal by \$10,000 or more and reamortize your unpaid balance over the remainder of your loan term. In other words, your monthly principal and interest payment will be recalculated based on your reduced loan balance and payoff date.

The immediate result of a recast is a reduction in your monthly mortgage payment. Long term, a recast can reduce the amount you pay in interest over the life of your loan.

While a recast will change your monthly payment, it will not change your interest rate. If your goal is to reduce the interest rate of your loan, reach out to your Loan Officer about refinancing or call us. We'll be happy to connect you to someone who can help.