

PHH Mortgage Correspondent Lending **Mortgage Loan Recast**

PHH Recast Eligibility

An account must meet the following criteria to be eligible for a recast (also known as a principal reduction modification).

- The loan must be current.
- FHA, VA, USDA, GNMA and Non-Agency accounts are not eligible for a recast
- HELOC and Commercial accounts are not eligible
- The account must not be active in an interest only payment period
- Negatively amortizing ARM loans are not eligible
- If the investor guidelines do not allow recast, the account is not eligible
- Loans with an active buydown schedule are only eligible for recast once the buydown schedule is complete

Recast Request

On eligible loans, borrower needs to make a principal curtailment of at least \$5,000 (Some [investors](#) require higher amount) and place a verbal/written request for recast through the call center team (CustomerCare@mortgagefamily.com) within 180 days of the payment being made. (Some investors need the request within 45 days)

Recast Process

Once the payment and request for recast are made, the ARM team prepares and mails an agreement with the new payment information to the customer within ten business days of receiving the customer's request.

The agreement provides 30 days for the customer to sign and return the agreement. The ARM team adjusts the monthly mortgage payment within ten business days of receiving the signed agreement and applicable fee. A copy of an executed agreement is sent to the customer.

Note: Recast does not change any of the loan terms (interest rate, maturity) except recalculating the P&I payment based on the curtailment.

Recast Fee

To complete the recast process a fee of \$250 is charged to the borrower based on the State fee matrix. The fee is supposed to be sent in the form of a check or money order while returning the signed agreement.

Client should refer to the Principal Curtailment terms and conditions for details regarding fees applicable to certain principal paydown amounts made within 180 days of purchase.

If you have any questions, please contact your Correspondent Specialist, Sales Executive / Correspondent Sales Representative, or contact us via the support line at 1-800-929-4744.

Thank you for your continued business.