Recasting: The Payment Cut Nobody Mentions

Lower your payment without touching your rate.

WHAT A RECAST IS

You make a lump sum principal payment and the servicer re computes your monthly payment over the remaining term at your existing rate. Small flat fee, no appraisal, no new loan.

WHEN IT BEATS A REFINANCE

When your current rate is better than today's market, a refinance would trade up your rate just to lower the balance. A recast keeps the great rate and still cuts the payment.

THE CLASSIC USE

You buy the new house before the old one sells, then recast with the sale proceeds. Payment drops to where it would have been with the bigger down payment all along.

QUICK FACTS

- **Keeps your existing rate**
- **Small fee, no appraisal or closing**
- **Usually needs a meaningful lump sum**
- **Most conventional loans allow it; government loans usually do not**
- **Extra principal alone lowers term, not payment; recast lowers payment**

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YOUR MORTGAGE GUIDE
Travis Saling
Take The Rate · NMLS #299683
(619) 393-3869 · travis@taketherate.com · taketherate.com

Scan to ask if your loan can be recast