TRUIST

Trusted Advisor Tips

Information for Correspondent Lenders of Truist Bank
January 28, 2026

Alert	Update	Reminder	TAT	Training Information	Preview

Requirements to Recast a Loan

The purpose of this tip is to provide information when a client is trying to determine if they are eligible for a recast or re-amortization with a principal reduction to the mortgage loan balance. If the loan meets recast requirements, the interest rate and loan term remain the same. Only the monthly principal and interest (P&I) payment is recalculated based on the new lower principal balance over the remaining loan term.

What qualifies for a recast and is there a fee?

- The loan must be a conventional loan, including Key Loans, and have at least one payment made at the original Note amount.
- The recast amount must be at least 10% of the unpaid principal balance. This amount could have been paid over the last 12 months.
  - Regular monthly payments do not count towards the 10%. The recast funds must be funds received over and beyond the regular required monthly payment paid to the principal balance of the loan.
- A recast fee of $250 is required. Some states, including New York, prohibit the fee. In those cases, the borrower will not be charged. If property is located in NC, a different fee based on principal balance applies. Please contact Mortgage Client Services at 800-634-7928 to confirm the fee amount prior to submitting payment.
- A Key or ARM loan is eligible for a loan recast, as long as it is also a conventional mortgage loan and not any type of Government loan.
- *FHA, VA and Rural Housing loans are not eligible for recast*.

Is documentation needed?

Source of funds documentation is required on all recasts, even if funds have already been applied to the loan. A copy of a recent bank statement will satisfy this requirement.

Where can the client submit a request for a recast?

The borrower may mail their written request and source of funds documentation along with principal payment and fee of $250.00 to: Truist Bank
Attn: Recast Team
111 Millport Cir.
Greenville, SC 29607

Wire instructions can be provided upon request. This will eliminate the need to mail any funds.

(continued)

How long does it take?

Please allow 30-60 business days for the modification package to be mailed to the borrower by UPS once all required funds and documentation have been received by the Recast Team.

What happens if not approved?

If not approved, the borrower will receive notification, the returned fee, and the option to have the funds returned or applied to the loan.

For additional information, the client can reach out to Mortgage Client Services at 800-634-7928.