Lower My Payment

04/04/2025 12:04 pm EDT

We love making homeowners happy—and what better way than to help you save money over the life of your loan?

If you are looking to reduce the amount of your monthly mortgage payment, options may be available for your mortgage. Browse our FAQs below and reach out to us with any questions. We are eager to serve you!

If you are having trouble making your mortgage payments due to financial hardship, options may be available to you. See our **Financial Hardship** FAQs for information about mortgage assistance programs and how to contact our Mortgage Assistance Team. As your mortgage partner, we are eager to help you stay in your home.

Terminating Mortgage Insurance

Can I cancel my Mortgage Insurance?

If Mortgage Insurance was required for your loan at closing, you might be wondering how long you will need to continue paying this extra expense. The short answer: it depends. Options to remove the mortgage insurance requirement from a loan vary based on factors such as investor, loan type, payment history, property type, age of the loan, and Loan-to-Value (LTV) ratio.

As your mortgage partner for life, we're here to help you navigate mortgage insurance requirements for your loan. Below, we walk through general eligibility guidelines for cancelling mortgage insurance and, for eligible loans, the process for submitting a request to Customer Care. We are eager to serve you, so please contact us with additional questions.

Are all loans eligible for mortgage insurance removal?

No, not all loans are eligible. Government-backed loans including FHA, USDA (RHS) and VA loans do not allow mortgage insurance cancellation. It is required for the life of the loan.

If you have a conventional loan, you may be eligible to remove the Private Mortgage Insurance (PMI) requirement if you have been paying your monthly mortgage payments on schedule and your mortgage has reached the required loan balance. Please continue reading to learn about other eligibility requirements that may apply to your conventional loan.

- **For fixed-rate loans:** the required loan balance is based on the initial amortization schedule.
- **For adjustable-rate loans:** the required loan balance is based on the amortization schedule then in effect.

Two paths to PMI removal for conventional loans:

Automatic termination: If you are not behind on any payments, your PMI will automatically terminate when the principal balance of the loan is scheduled to reach 78% of the original property value.

If your loan is *not* current when the principal balance of the loan is scheduled to reach 78% of the original property value, PMI will automatically terminate on the first of the month following the date on which your loan becomes current.

Request early PMI cancellation: You may be able to cancel your PMI before your loan satisfies the requirements for automatic termination.

To qualify, any loan must meet the following basic criteria:

1. No payments are currently past due.
2. You have a good payment history, meaning no payments have been 30+ days past due in the past 12 months or 60+ days past due in the past 24 months.
3. The principal balance of your loan must have reached the required percentage of either the **original value** OR **current value** of the property—known as the Loan-to-Value percentage:

   Original Value:

   You may request cancellation based on the original value of the property based on one of the following:

   You may be eligible when your principal balance reaches **80%** of the original property value – meaning either the contract sales price or appraised value of your home at closing, whichever is lower (or, if you have refinanced, the appraised value at the time you refinanced).

   Your original amortization schedule shows the date on which the principal balance is first scheduled to reach 80% of the original property value—log into your account and go to My Loan to see the amortization schedule. Alternatively, you may choose to make one or more additional payments to your principle to achieve the 80% LTV requirement ahead of schedule.

   Current Value:

   Depending on the owner of your mortgage loan and any applicable state laws, your loan may satisfy the LTV requirement at any time based on the current value of your property – **see table below**.

   In all cases, the LTV must be verified by a property valuation based on an inspection of both the interior and exterior of the property. Customer Care will provide you with the estimated cost of the appraisal, collect the amount from you, and order the appraisal on a mutually agreeable date.

   Eligibility based on current property value:

Age of loan	Property Type	LTV Percentage
Loans <2 years old Substantial improvements must have been made since the origination date which increased the property value.	Single-Family Principal Residence or Second Home	Fannie Mae: 80% Freddie Mac: 80%
	Two to Four Family Principal Residence One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65%
Loans 2-5 years old	Single-Family Principal Residence or Second Home	75% or less
	Two to Four Family Principal Residence One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65%
Loans 5+ years old	Single-Family Principal Residence or Second Home	80% or less
	Two to Four Family Principal Residence One to Four Family Investment Properties	Fannie Mae: 70% Freddie Mac: 65%

The internet shows the value of my home has increased. Does this change the LTV?

Estimated property values presented on the internet are only estimates and are not accepted as a replacement for an appraisal that is specific to your property. If your loan is less than two years old, it is required that 1) substantial improvements made to the property have increased the property value and 2) an appraisal supports the increase in property value that has resulted from the improvements.

Substantial improvements increase the value of the property and typically include renovations that substantially improve marketability and extend the useful life of the property. Generally, substantial improvements add livable square footage such as a bedroom or bathroom. Improvements that upgrade existing functionality but do not add livable square footage may not be considered substantial improvements—for example, new countertops, tile or carpet, adding solar panels, adding a pool, etc. In addition, the improvements must conform to local zoning and building codes, and the valuation must state the specific nature, extent and cost of the improvements and their effect on current market value.

How can I request early cancellation of PMI?

In accordance with the Homeowners Protection Act, we will cancel PMI after receiving a request from a borrower, and when all cancellation requirements have been met.

As a first step, please contact us to initiate your request. Depending on the owner of your mortgage loan, we may be able to receive your request verbally (by phone). If required by the owner of your loan, we will ask you to send a request to us by email or mail to: PO Box 4638, Englewood, CO 80155. Please include your loan number with your request.

What can I expect after submitting the request?

After you submit your request to cancel PMI, we'll send you a packet of information detailing the eligibility criteria, process, and other pertinent information.

Next, here's what will happen:

- Within five business days of receiving your request to cancel PMI, we will determine whether your loan may be eligible based on requirements specific to your loan and notify you by mail as follows:
  - Your loan is not eligible and why;
  - Your loan is eligible and does not require an updated home value appraisal;
  - An optional principal reduction payment is required to lower the principal balance to 80% of the original property value (details and instructions will be provided); or
  - An updated property valuation or appraisal is required to confirm eligibility for PMI cancellation.

- If an updated property valuation or appraisal is required, please contact Customer Care by phone, email, or secured message if you wish to proceed. If an appraisal is required, please note:
  - The appraisal must be ordered through Customer Care. We will provide you with the estimated cost, collect the amount from you, and order the appraisal.
  - The appraiser will contact you directly to schedule the appraisal on a mutually agreeable date and time. The appraisal must be completed within 90 days of your request to cancel your PMI.
  - The appraisal will be sent directly to us for evaluation. If applicable, we will evaluate any Substantial Improvements made to the property (as provided by you).

- If the appraisal does not satisfy the Loan-to-Value ratio requirement for your loan, we will notify you by mail.

- If your loan does satisfy the requirements for PMI cancellation (including sufficient equity), within two business days we will terminate your PMI and notify you in writing. At that point, no further premiums, payments, or fees will be due in connection with PMI and we will adjust your monthly payment accordingly. We will send you an updated billing statement reflecting your new monthly payment amount.

We adhere to the Homeowners Protection Act (HPA), state laws, and investor requirements.

Additional FAQs:

Can I request PMI cancellation if my loan is new?

If your loan is eligible, PMI cancellation may be requested at as soon as your Loan-to-Value (LTV) ratio reaches 80% of the original value, even if your loan is less than two years old. Note, original value means the lesser of the original appraisal value or purchase price.

My loan is eligible for PMI removal but does not meet the LTV requirement based on original property value. If the property value has increased, can I have it re-appraised and request PMI removal based on the new value?

Depending on the owner of your mortgage loan and applicable state laws, you may be eligible to request PMI cancellation based on the current value of your property. If your mortgage loan qualifies for cancellation based on the current value, the following additional requirements must be met:

1. If the loan is between two and five years old, the loan-to-value (LTV) ratio must be 75% or less.
2. If the loan is greater than five years old, the LTV must be 80% or less.
3. If the loan closed less than two years ago, the LTV must be 80% or less and evidence of substantial improvements* made since the origination date must be provided.
4. If the property is secured by a 1–4 unit investment property or a 2-4 unit principal residence, the LTV ratio must be 70% or less and the loan must be greater than two years old.

In all cases the LTV must be verified by a property valuation, which may be based on an inspection of both the interior and exterior of the property. Customer Care will provide you with the estimated cost of the valuation, collect the amount from you, and order the valuation.

*** Substantial improvements** increase the property value and typically include renovations that substantially improve marketability and extend the useful life of the property. Generally, substantial improvements add livable square footage such as a bedroom or bathroom. Improvements that upgrade existing functionality but do not add livable square footage may not be considered substantial improvements—for example, new countertops, tile or carpet, adding solar panels, adding a pool, etc. In addition, the improvements must conform to local zoning and building codes, and the valuation must state the specific nature, extent and cost of the improvements and their effect on current market value.

How will I know how much of a principal reduction needs to be made to have my PMI removed?

You can contact us and we will advise the amount necessary. Typically, the principal must be reduced to 80% of the original value of the property, meaning the sale price when you purchased the property or the appraised value at the time of purchase—whichever is lower.

How do I make a principal reduction payment?

Typically, principal reduction payments are made via a certified check or wire. If the principal reduction payment is $25,000 or less, we can also accept an electronic payment. If you choose wire funds, please call us to request the banking information for the wire. If you choose to mail a check, we recommend sending with a tracking number. Our mailing address is below:

Attn: Cashiering
10800 E Geddes Ave, Suite 100
Englewood CO 80112

How long does the process take to remove PMI?

Once your request to cancel PMI is approved, and once we receive your principal reduction payment to lower the LTV to 80% (if applicable), PMI will be removed within five business days.

If we need to order an appraisal, the timeline is dependent on how quickly the appraisal is scheduled and on how quickly we receive the appraisal results. Appraisals may take up to 60 days to be completed. Once we receive the results, the process to review the results and update your account takes five business days.

Mortgage Recast Overview

If you want to lower your monthly mortgage payment and have the means to make additional payments toward your loan principal, a **mortgage recast** might be a great option for you. Learn what a recast involves, how it can help you save now and long term, eligibility requirements, and the process from start to finish.

What is a recast?

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 <u>not</u> 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 help.

Are all mortgages eligible for recast?

No, not all loan types are eligible. Under the current government rules, recast is not an option for USDA (RHS), VA and FHA loans.

To qualify for a recast, the following must apply:

- Conventional loan (other types including USDA (RHS), VA, and FHA do not qualify).

- Loan must be in first lien position.
- Currently up to date on payments, meaning no payments are past due.
- Good payment history: No payments have been 30+ days past due in the past 12 months or 60+ days past due in the past 24 months.
- Principal reduction payment(s) of $10,000 or more since closing. This includes payments made to your principal in addition to regular monthly payments due to reduce the amount owed on your mortgage. Please note, a $300 processing fee may also apply, as allowed by law.

How can I get started?

Here's a rundown of the process and what to expect:

1. **Contact us to initiate the recast request**, specifying the amount of your principal reduction payment(s).

2. **We'll confirm whether your loan is eligible based on the above requirements and notify you as follows within two business days:**
    - If your loan is not eligible, we will mail you a letter notifying you of requirement(s) not met.
    - If your loan is eligible, we will mail you a package with a Recast Agreement detailing your anticipated new loan balance, reamortization, and the modified terms of your loan along with step-by-step instructions for completing your recast.
    - If applicable, we will reassess whether mortgage insurance will still be required based on the terms of your Recast Agreement. If, after the recast, your Loan-to-Value ratio satisfies the automatic termination requirement for your loan and all other requirements are met, we will notify you and initiate the process.

3. **Within 15 days of the Recast Agreement date, you will need to:**
    - Return a signed and notarized copy of the Agreement; and,
    - Wire or mail certified funds (i.e., cashiers check) covering the full amount due to complete your recast, including the principal reduction payment and $300 processing fee as applicable. Electronic payments can be made for principal reduction payments of $25,000 or less. Please refer to your recast package for your specific payment details and instructions.

4. **Once we receive the signed Recast Agreement and funds, we will:**
    - Process your payment and, if applicable, post the principal reduction to your loan.
    - Update our systems to reflect your new payment amount.
    - Send you a new billing statement that reflects your new payment amount; please note, until your new payment amount goes into effect, you must continue paying the current amount due each month. Please refer to your Recast Agreement for the date on which you should begin to pay the new monthly payment amount.

- Send you a secured message to let you know the process is complete and provide your new payment amount and effective date.

- If your loan is set up for autopay, your recurring draft will be adjusted automatically. If you use a third-party bill pay service or your financial institution's bill pay function, you will need to change your payment settings to the new amount due.

Recast FAQs

Will a recast lower my monthly mortgage payment?

If your loan is eligible, recasting your loan may be an option to lower your payment as an alternative to refinancing. A recast typically involves making a one-time payment to reduce your loan principal and reamortize your unpaid balance over the remainder of your loan term. In other words, we will recalculate your monthly principal and interest payment based on your reduced loan balance and payoff date. The immediate result of a recast is a reduction in your monthly payment. Long term, a recast can reduce the amount you will pay in interest over the life of your loan. Your interest rate and term will remain the same.

How large does the one-time payment need to be?

A lump sum principal reduction payment of $10,000 or more is required.

If I've made principal reductions over the years that add up to $10,000 or more, do I have to make an additional lump sum payment?

No, an additional lump sum payment is not needed if your previous additional principal payments were $10,000 or more.

I thought I could skip my regular payment this month since I sent in a principal reduction payment. Can you take my regular payment out of that amount?

No, the full amount of your one-time principal reduction payment, which was specified in your Recast Agreement, can only be applied to your principal. You need to continue making your monthly payment on or before your due date until the date your new payment amount becomes effective. Please refer to your Agreement for the date on which you should begin to pay the new monthly payment amount.

When can I start paying the lower monthly payment amount specified in my Recast Agreement?

After you return your signed Recast Agreement and complete the one-time principal reduction payment, you can begin paying the new monthly payment amount on the date specified in the agreement. Typically, we send a billing statement with your new payment amount within five business days of receiving your agreement and funds. You need to continue sending your regular monthly payment until the effective date of your new payment amount, which will be specified in your agreement and billing statement.

How long does the recast process take?

The process can take 15 to 30 days depending on how quickly you return the signed Recast Agreement and one-time principal reduction payment. You will have 15 days from the agreement date to sign and return it to us, or the Recast will not be processed. We must also receive your principal reduction payment within 15 days of the agreement date. Once we receive your signed agreement and funds, we will process your recast and send you a new billing statement with your new monthly payment amount within 5 business days. The quicker we receive these required items from you, the shorter the overall timeframe will be.

How do I send the funds for the one-time principal reduction payment

Funds may be sent via wire or certified check (cashier's check). If the principal reduction payment is $25,000 or less, we can also accept an electronic payment. The wiring information and address is provided in the step-by-step instructions mailed to you with your Recast Agreement. We do recommend, if you mail certified funds, that you send through a method that includes a tracking number on the envelope.

Will a recast impact my credit score?

We will report the change in your loan balance, but the recast itself is not reported as a loan modification. We do not know how the change in your loan balance may affect your unique credit score, which may be affected by numerous variables unrelated to your loan.

Who needs to sign the Recast Agreement?

Everyone who signed the original loan documents at closing is required to sign the Recast Agreement.

Can I sign the Recast Agreement electronically?

No, you need to sign and return the hard copy mailed to you at the address specified in your Recast Agreement.

My loan has a buydown. Will a recast affect my monthly buydown credit?

If the new monthly principal and interest payment specified in the terms of your recast agreement is greater than your monthly buydown credit, the recast will not change the amount credited to your loan each month. You will continue to receive the credit as specified in your buydown agreement, and it will continue to be displayed on your monthly billing statement. If your new principal and interest payment is less than the monthly buydown credit you are currently receiving, we will apply the full remaining balance of your buydown credit to the principal reduction payment made for your recast and recalculate your new monthly principal and interest payment accordingly. In this case, you will no longer receive buydown credits each month as the remainder will be applied to your loan via your principal reduction payment.