

Home Equity Application Guide and Checklist

Whether you want to renovate your home, consolidate your higher interest debt or finance a larger purchase, using the equity you have in your home can give you the flexibility to get started on your plans.

A BMO Banker is here to help by asking questions about your goals and providing the best solution to fit your lending needs. If you're considering a home equity product, this guide will help you understand the process of applying for a home equity loan or line of credit.

Take a look at the following seven steps:

1 Getting started with an Application

To complete your initial loan application, your Banker will:

- Send you a Invitation to complete your application.
- You can then complete the application or work with your banker to complete it together. You will need some of your personal information and details about your property & income. See the checklist below for a full overview.
- Please review the details to ensure there are no questions. Let your banker know if you need funds within 10 calendar days of closing.
- Staying updated on your application is simple. By signing up for eConsent (for all borrowers) in your application, you will be notified via email with any updates to disclosures or any missing information needed to complete the review of the loan for which you're applying.

Information to have available when applying online

- | | |
|---|---|
| <input type="checkbox"/> Name | <input type="checkbox"/> Property Address |
| <input type="checkbox"/> Income | <input type="checkbox"/> Estimated Value |
| <input type="checkbox"/> Social Security Number | <input type="checkbox"/> Requested Amount |



TIP

Expedite the application process by providing all the necessary information and documentation, as detailed in this guide, in your first meeting or at the time of application. Each borrower will need to establish eConsent in order to receive loan notifications electronically and to be eligible to close via electronic video closing with a notary.

2 Review your disclosure

- If you applied for a home equity line of credit (HELOC), you'll receive a guide that explains important information regarding this product and the BMO Home Equity Line of Credit Terms and Conditions.
- If you applied for a home equity loan, we'll send a Loan Estimate within 3 business days. The Loan Estimate provides estimated details about the terms of your loan, including amount, interest rate, applicable fees, projected tax liability, monthly payment and closing costs.
- These are general disclosures, which are not specific to current promotions.

3 Documentation

- Your Banker will explain the documentation requirements from the chart on the next page.
- Gather all your documents and submit directly into your application so your application is processed as quickly as possible. Please include all pages of these documents, even if a page is intentionally left blank on your statements.
- Please inform your banker or processor of any funds needed at closing or special timelines.
- If we need additional information, or if any documents are missing or incomplete, we'll send you a notice outlining what we'll need to complete our review of your loan request. In this instance, your Banker is available to help clarify what you need to do. It is important to provide this information as quickly as possible to avoid delays.
- Once we have all your information, we'll review the documents, evaluate your credit history, verify your employment and income and provide an initial decision.

4 Communication and processing time

- Your Banker will be the main point of contact.
- A BMO Loan Processor will reach out via email or phone call within 3 business days after submitting the completed application.
- An appraisal will be completed for the subject collateral property. You may be contacted to schedule an inspection and, at times, an upgraded appraisal may be required for an interior appraisal product.
- The average number of days to close is 35-45 calendar days.
- Ask your banker about our Fixed Rate Lock Options available to you within a Home Equity Line of Credit.

5 Loan decision

- If approved, you'll receive a commitment letter with loan terms and a request for any remaining documents needed to finalize your application. Keep in mind, this approval is dependent on an appraisal of the property's value and/or title search, which we'll conduct on your behalf.
- Once your approval has been finalized, you will receive an email from our Home Equity Processing Team with the final loan terms. The email will say "Congratulations! Your application has now received the final approval and is ready for closing." This email will contain many important details including loan amount, special program details, amount being advanced and closing method.
- Please read it carefully and respond with any changes. Let your banker know if you need funds within 10 calendar days of closing.
- If we're unable to approve your request, we'll provide a letter offering the opportunity to discuss the reasons for our decision. Your Banker may also be able to explore alternative options to assist you.

6 Closing your loan

Once you have received your email stating "Congratulations! You're cleared to Close!"; there are 2 options to close your loan. A loan closing option will be provided based on whether electronic consent was provided.

- A. If eConsent was provided, you will receive an email to login to your online loan hub to provide dates and times for an electronic video closing with a notary. Your loan closing will be conducted with a Video Notary in your online application. You will receive an email with directions to login to your loan hub to choose your preferred date and three times that fit your schedule. A confirmation for one of your chosen times will be sent within 24hrs of your closing. Your closing documents will also be available for review at that time. The Notary will walk you through the signing of the loan documents.

- B. If eConsent was not provided, you will receive a phone call and/or email to provide dates and times to meet a notary in-person for the loan closing. Your loan closing will be conducted in person with one of our Mobile Notary partners. You will be contacted shortly by phone and/or email (please review spam folder) to set the appointment for your closing date, time, and location of your choosing. The Notary will walk you through the signing of the loan documents.
- If there are questions, please reach out to your banker and/or loan processor. **BMO representative will not be present to answer questions when your documents are signed with the notary. Notaries closing your loan cannot answer questions specific to the details of the transaction.**
- If you have any payoffs that are required, you will be asked to provide a complete statement from your credit card company and/or official payoff letter.
Note: Please continue to make all minimum required payments until the funds have been received by the Payee.
- Please review the details to ensure there are no questions.

7 Access to funds

- If applicable, your loan will be disbursed to you following a required waiting period of 3 business days after your loan closing.
- If you've enrolled in BMO Digital Banking, you'll be able to see your loan information reflected when you log in to your account within 7- 10 calendar days.
- If you have a HELOC, you'll receive a welcome package by mail that contains your access checks within 7 - 10 calendar days.
- Along with BMO Digital Banking and HELOC checks, you can access funds at any local BMO Branch.

Additional documents needed for loan processing

Proof of income and employment

If you receive a W-2 each year:	<ul style="list-style-type: none">• (1) Current YTD Paystub (within 30 days of application date) showing all YTD earnings• Two (2) most recent years' W2s (or year-end paystub) from all employers
If you are self-employed:	<ul style="list-style-type: none">• Most recent 2 years' W2s forms if applicable• Most recent 2 years of your personal IRS tax return documents• Most recent 2 years of business tax returns (1120, 1120S or 1065) including all schedules & K1's• If you have rental income, a Schedule of Real Estate Owned and Mortgage Statements on all rental income
If you receive social Security, Annuity, Pension or Retirement benefits:	<ul style="list-style-type: none">• SSI Award Letter OR Most recent Form 1099• Pension/Annuity Benefit Award Letter OR Most Recent Monthly Statement OR Proof of Current Receipt (Bank Statement showing Direct Deposit, etc.) AND 1099-R• Most recent full bank and/or investment statement(s) <p>Assets: ALL Current Asset Statement, all pages which must identify the issuing institution or administrator account owner(s) name, account number, account balance, type of asset, loans or pledged amounts are required to be considered for income qualifications.</p> <p>Please include all pages of these documents, even if a page is intentionally left blank on your statements.</p>

All applicants

We'll provide a BMO General Authorization Form to obtain your written consent to request additional information and a tax transcript to verify your income, as applicable. In addition, we'll ask that you provide the following:

- Property information (purchase price, purchase date, property type)
- Contact information (phone, address, email)
- Personal information (date of birth, marital status, employment status, residential status)

Additional income documents

You may be asked to provide other documents to help show your income, such as disability payments, dividends, bonuses and rental property. Income from child support and alimony may be provided if you want it considered as a basis for repayment of the loan. If **Subject Property is Investment or Second Home**: 2 years' most recently filed federal tax returns (1040's).

Proof of hazard (or homeowners) insurance

Hazard insurance is required on all home equity loans or lines of credit. Proof of insurance includes a policy or certification of coverage, a declarations page or a copy of the master policy from your homeowners association (if applicable). After you have successfully closed on your HELOC or HELOAN, we will require an updated HOI policy that lists BMO as a lienholder. Our Mortgagee Clause is BMO Bank N.A., ISAOA/ATIMA PO Box 961292, Fort Worth TX 76161-0292

Proof of flood insurance

If you live in a Special Flood Hazard Area, you'll need to send us your policy declarations page or a copy of the master policy from your homeowners association (if applicable) that shows you have adequate flood insurance coverage for your home you're requesting to use as collateral. After you have successfully closed on your HELOC or HELOAN, we will require an updated HOI policy that lists BMO as a lienholder. Our Mortgagee Clause is BMO Bank N.A., ISAOA/ATIMA PO Box 961292, Fort Worth TX 76161-0292

Other Documents

If you're paying off any debts outside of BMO Bank, you'll need to provide us the payoff information, including the account number and payment address.



Banker

Phone Number