

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 Blend Application

To complete your initial loan application, your Banker will:

- Send you a Blend 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.
- Staying updated on your application is simple. By signing up for eConsent in your Blend 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 for.

Information to have available when applying in BLEND

- | | |
|---|---|
| <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 time of application.

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. Not specific to current promotions.

3 Documentation

- Your Banker will explain the documentation requirements from the chart on the other side of this page.
- Gather all your documents and submit directly into the Blend 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.
- 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 the completed application.
- Average days to close, 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, your Banker will contact you to share the good news and schedule your closing.
- If we're unable to approve your request, we'll provide a letter offering the opportunity to discuss reasons for our decision. Your Banker may also be able to explore alternative options to assist you.

Continued

6 Closing your loan

- Your Banker or Centralized team will inform you of anything you need prior to closing.
- Your banker or a member from the Centralized team will contact you to schedule your closing.
- If you applied for a home equity loan and you chose eDelivery, we'll provide a Closing Disclosure at least 3 business days before your scheduled closing. If you chose not to utilize eDelivery, you will receive the closing disclosure 6 days before closing via mail.
- Let your banker or Centralized Team member know if you need funds within 10 calendar days of closing

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.

Documents needed for loan processing

Proof of income and employment

If they receive a W-2 each year:

- 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 they are self-employed:

- 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
- Most recent 2 years of your W2 forms (if applicable)
- If Rental Income will need Schedule of Real Estate Owned (link to form below) and Mortgage Statements on all rental income

If they receive Social Security, pension or retirement benefits:

- SSI Award Letter OR Most recent Form 1099
- Pension 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)

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 consider for income qualifications.

All applicants

We'll provide a BMO General Authorization Form to obtain your written consent to request additional information and an IRS 4506-C 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, mail, email)
- Personal information (date of birth, marital status, employment status, residential status)

Additional income documents

Borrowers may be asked to provide other documents to help show their income, such as disability payments, dividends, bonuses and rental property. Income from child support and alimony may be provided if they want it considered as a basis for repayment of the loan.

If Subject Property is 2nd Home or Investment: 2 Years Most Recent 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 their homeowner's association (if applicable).

Proof of flood insurance

If the borrowers are in a Special Flood Hazard Area, Borrowers will need to send us your policy declarations page or a copy of the master policy from their homeowners association (if applicable) that shows they have adequate flood insurance coverage for their home they requesting to use as collateral.

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 _____

This is an overview of the general steps to the home equity application process. This is not a complete description of the home equity application process, and there may be other requirements that apply.

Banking products are subject to approval and are provided in the United States by BMO Bank N.A. Member FDIC(11/23)

Classification: External

