

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 Harris 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 six steps:

1 Getting started

To complete your initial loan application you will:

- Provide some of your personal information and details about the property. See the checklist to the right for a full overview.
- Grant permission to pull and review your credit report.
- Provide contact information and collect your preferred contact method(s) so we can discuss any additional questions and keep you informed during the process.

Staying up to date on your application is simple with the BMO Harris Digital Loan Hub. You will be able to see the documents required, upload your documents, view your loan status and electronically sign loan disclosures. Your banker will invite you to sign up when you apply.

TIP

Expedite the application process by providing all the necessary information and documentation as early as possible.

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 Harris 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, monthly payment and closing costs.

Information to provide with your application

- | | |
|---|---|
| <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 |

3 Submit your additional documentation

- A BMO Harris loan processor will call you to explain the documentation requirements from the chart on the other side of this page and help make sure your application process is smooth.
- All of the documentation required will also be detailed in your BMO Harris Loan Hub. You may easily upload your documents to our secure site or you may choose to bring them in to a BMO Harris branch. Please include the front and back if two sided, even if they are blank.
- 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 Loan Processor 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 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, we 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. We may also be able to explore alternative options to assist you.

5 Closing your loan

- If you applied for a HELOC, there are no further requirements and we'll contact you to schedule your closing.
- If you applied for a home equity loan, we'll provide a Closing Disclosure at least 3 business days before your scheduled closing.
- We will inform you of anything you need to bring to closing.
- At the closing, you'll meet with a BMO representative to sign your agreement.

6 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 3 – 5 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.

Additional required documents for loan processing

Proof of income and employment

| | |
|--|--|
| All applicants: | <ul style="list-style-type: none"> • Most recent 2 years of your personal IRS tax return documents |
| If you receive a W-2 each year: | <ul style="list-style-type: none"> • Copies of pay stubs (30 days) • Most recent 2 years of your Form W-2 from your employer or year-end paystubs |
| If you are self-employed: | <ul style="list-style-type: none"> • Most recent 2 years of K1 for each of your businesses |
| If you receive Social Security, pension or retirement benefits: | <ul style="list-style-type: none"> • IRS tax return documents, most recent Form 1099-MISC (Miscellaneous Income) from the past year • Copies of retirement award letter(s) • Most recent full bank and/or investment statement(s) |

All applicants

We'll provide a BMO Harris General Authorization Form to obtain your written consent to request additional information and an IRS 4506T 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 validation of income and employment may be required.

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.

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).

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.

Other documents

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



We're here to help.™

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 and services are subject to bank and credit approval. BMO Harris Bank N.A. Member FDIC © 2019 BMO Harris Bank N.A. (5/19)



bmo Harris.com

04/20-0912