

Mortgages made **simple.**

Five steps to a smoother
mortgage process.



BMO



Five steps to a smoother mortgage process:

Making it easier to understand



1 Prequalification*

You need to:

- **Speak** with a BMO Mortgage Banker
- **Share** information about your income, savings, investments, credit history and debts

BMO will:

- **Discuss** products, interest rate options and closing costs
- **Identify** the product(s) that best fits your financial needs and goals
- **Schedule** an appointment for the application interview
- **Identify** required documentation and the amount of the deposit needed to process your application
- **Provide** you with a prequalification* letter and loan amount

TIP

When you choose BMO for your mortgage financing needs, you'll have the resources and assistance that comes with an experienced financial lender and professional mortgage banker. We'll walk you through each step and help you understand the process.



2 Application

You need to:

- **Provide** basic information to your banker, including your Social Security number, income, loan amount, property address and value of the property to be mortgaged
- **Select** a product
- **Receive** and review the Loan Estimate sent by BMO, which provides our good faith estimate of your interest rate, monthly payments, closing costs and any other items to help you decide if this loan is right for you
- **Complete** your mortgage application – this will include information about your employment history, income, savings, investments, debts and the property you wish to purchase or refinance

- **Confirm** your preferred method for communication and receipt of documentation
- **Review** the Consumer Financial Protection Bureau (CFPB) Tool Kit that we send you, and review and sign the application documentation
- **Provide** your intent to proceed and submit your application and deposit (your intent to proceed must be received before your application deposit will be accepted)

BMO will:

- **Identify** any additional documentation that may be required to render a credit decision
- **Deliver** your application to the processing team

TIP

While we will provide you with a Loan Estimate based on preliminary information, we will need additional information to further process your request, including:

- Contact information for your realtor and attorney (if applicable)
- Documentation about your income, such as salary, earnings and wages (for example W-2s, alimony, investment income, social security)
- Most recent two years' federal income tax returns
- If employed, verification of employment
- Most recent three months' bank and investment statements—all pages
- Purchase contract and any and all addendums for the property you are buying



BMO will:

- **Identify** any additional information needed to process your application and decision as well as the documentation to be received
- **Order** the appraisal and the commitment certificate
 - The appraisal must be performed by a licensed appraiser
- **Send** you a copy of the commitment certificate

TIP

Once the appraisal is complete, you will move into the next step of the process, the appraisal appointment. We will contact you as agreed. Promptly provide all required documentation.

3 Processing

Additional documentation
process the loan and render a credit
decision as well as confirm how and when it will

Appraisal, flood certification, title
insurance and private mortgage insurance

Appraisal will be completed by a state-
licensed and/or certified appraiser

Copy of the appraisal



4 Underwriting

BMO will:

- **Review** all employment, income, savings, investments and debt
- **Compare** the information you've provided to your application to determine that sufficient income and funds are available for down payment, closing costs and reserves
- **Review** your credit report to determine outstanding debt, payment history and your current credit score
- **Review** your appraisal to confirm the market value and determine if the property represents sufficient collateral for the loan
- **Determine** that qualification requirements are met to approve the loan
- **Deliver** the Commitment Letter and identify any closing conditions, if your loan is approved
- **Provide** updated regulatory disclosures

You need to:

- **Secure** and provide evidence of homeowners (or "hazard") insurance and flood insurance (if required) for the property being purchased or refinanced
- **Review, sign and return** any applicable documents or disclosures that are provided to you by BMO

TIP

Review your Commitment Letter, updated regulatory disclosures (if applicable) and appraisal. Identify any conditions required for closing. Your loan can be scheduled for closing once BMO has received all required information.



5 Closing

BMO will:

- **Review** and confirm all loan terms and closing conditions
- **Schedule** the closing with the title company at a convenient date, time and location
- **Order** pay-off letters, subordinations, releases, etc. and clear all closing conditions
- **Send** your Closing Disclosure for your review at least three business days prior to closing
- **Prepare** and deliver the closing documents to the title company, coordinate final figures for closing and wire the loan proceeds to the title company
- **Provide** information on final funds needed for closing and the method of payment required

You need to:

- **Attend** the closing at the BMO branch or title company as scheduled and sign all mortgage and legal documents
- **Provide** final funds for closing if required, which will be detailed in the Closing Disclosure

TIPS

- When you attend the closing, bring a legal form of identification (driver's license, state I.D., passport, etc.) and the necessary final funds in the form of a cashier's check or secured funds
- Confirm with your Mortgage Banker or the title company if funds will need to be wired from your bank to the title company's bank
- Compare the Closing Disclosure to the Loan Estimate
- Contact your Mortgage Banker in advance of the closing if you have any questions



Talk with us
1-888-482-3781



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

This information is not intended to be tax or legal advice. This information cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. This information is being used to support the promotion or marketing of the planning strategies discussed herein. BMO Bank N.A. and its affiliates do not provide legal or tax advice to clients. You should review your particular circumstances with your independent legal and tax advisors.

The Consumer Financial Protection Bureau offers additional home buying resources. You may visit www.consumerfinance.gov/owning-a-home/loan-options/ for more information.

*Prequalification is an initial determination on whether you would qualify for a mortgage loan with BMO. Prequalification provides you with an estimate of how much you can borrow to buy a home, but does not commit BMO to lend money to you or commit you to borrow money from us. You must submit additional information, complete a full application and pay the application deposit to be considered for a mortgage loan. Prequalification may not be available for all loans or customers.

Accounts are subject to approval and are provided in the United States by BMO Bank N.A. Member FDIC

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