

Orbis Mortgage Specialist Team

Step by Step - Mortgage Application Process

- 1) The full application is submitted to the Teddy Kyres BMO Mortgage Specialist Team
- 2) Within 24 hours you will receive information pertaining to your application and a financial plan for your purchase.
- 3) Once the application is approved (within 48-72 hours typically), we will call you to discuss:
 - a. Missing documentation needed to complete your approval
 - b. Different Mortgage Terms and Mortgages Rates available
- 4) We will then book an appointment to sign all the documents needed to complete the application. We will go over:
 - a. Which branch/address that we will finalize the mortgage at
 - b. Time and date for the appointment at the branch
- 5) We will email you and your agent (if necessary) your final approval letter with no conditions specifying the rate and conditions of the mortgage.
- 6) Once all documentation has been satisfied, we will forward the mortgage documents to the notary of your choice

FAQ

Q) *How much are the closing costs for the mortgage?*

- A) Closing costs vary depending on the mortgage but there are 3 things you need to know:
- 1) Notary fees cost between \$1000-\$2000. It all depends on the complexity of the file and the notary. Notary fees are negotiable
 - 2) Welcome tax: For a new purchase, each city imposes its welcome tax. The amounts vary between 1% to 2% of the value of the purchase.
 - 3) CMHC tax on insurance premium: This is only for insured files (less than 20% downpayment). The insurer (usually CMHC or Genworth) imposes a premium that gets added to your mortgage. The premium is also taxed at 9% which must be given at notary signing. This is the same for all financial institutions across Canada.



We typically estimate that everyone should have an extra 1.5% of the value of the property put aside besides the downpayment to pay for all these closing fees.

Q) *When are the documents sent to the notary?*

A) Typically, we send documents 2-3 weeks before signing and after you have signed all the documentation in the branch. Each notary works differently and requests it at different times. There are sometimes unique circumstances that can delay signing the documents, however, we work closely with the client to ensure that we are always within the requested delay.

Q) *What is the best rate on the market?*

A) Rates vary depending on product and term. We try to tailor the product and rate to the best of the clients needs which we review when preparing a financial plan for the client. An example would be a client who will only live in a property for 2 years often does not need a 5 year fixed mortgage or vice versa. Every client is different and has unique needs. We have extremely competitive rates for each product, it is just important we get the correct product for the client. A client can save money and the rate is just one aspect of the mortgage.

Q) *How long is the rate or approval good for?*

A) All rates have different approval dates and we can request exceptions at our pricing desk. Typically rates are guaranteed for 90 days from the application date; however, in order to give the client the best rate on the market, we have many rates that are only guaranteed for 30, 60 or 90 days. On pre-approvals, rates are typically guaranteed for 90 days. If a longer rate guarantee is requested, we have guaranteed some rates up to 36 months from the application date, therefore, everything is possible. Rates will fluctuate depending with the length of the guarantee. Our team will discuss what guarantee is best for your individual situation.

Being approved for an application (such as a Pre-Approved Mortgage) approvals are typically good for 180 days from the application date, however, the rate would only be guaranteed for 90 days.

Q) *How long will it take to get approved?*

A) If the application is submitted in full and there are no problems, we can have an approval within 24-48 hours. External factors will affect this from time to time (ex. incomplete applications, missing documentation or full property evaluations). We know that there is often a time delay on the financing request (ex. 7 or 10 days) and we understand the need to get it done within that time frame. Usually there are no problems and everything gets finalized much before the end of the financing delay. Our team works directly with the Real Estate Brokers to ensure everything is smooth and the delays are respected.

Q) *Is insurance necessary?*

- A) It all depends on what type of insurance. There are 3 different types of insurance:
- 1) Fire Insurance: this is related to the property and is mandatory. Your notary will need confirmation that your property is insured before notarizing your purchase. For a condo, it is not necessary, however, I recommend insuring your goods.
 - 2) Life, Disability, Job Loss and Critical Illness insurance related to the Mortgage: This protection is not necessary however I recommend it in the right circumstances. Each person is different and has different needs. Typically, most people do protect themselves and family from their mortgage by taking some insurance. At BMO we do offer 4 different types of insurance related to the mortgage. Please ask our team which insurance is best for your situation.
 - 3) Mortgage Insurance (CMHC): This is obligatory when putting less than 20% down on a purchase. The government has put in place rules that financial institutions must insure all mortgages when a client has a downpayment of less than 20% down. The cost depends on the financing amount and the downpayment, we are able to give you details if necessary.

If you have any other specific questions or concerns, feel free to call us anytime at 514-313-0108.

Please fill out the attached application on the excel template and return it either by email or fax to us. Once we receive the application, if we have any specific questions, one of our loan processors will call you with missing information. With a completed application we estimate an answer within 48 business hours. At the same time, we will need these specific documents if they apply to you:

Salaried Employee:

- 1) Copy of latest pay slip with employer name
- 2) Last 2 T4's or letter of employment
- 3) If you own rental properties personally, the T776 (Statement of Rentals) from your Federal tax return the T1 General for each property.
- 4) Bank statements/investment statements for your investments (RRSP, Mutual Funds, Bank Accounts) dated within the last 90 days
- 5) Full Accepted offer including all annexes (for new purchases)
- 6) 2 pieces of ID

Self-Employed:

- 1) Full T1 general 2015+2016 (personal federal tax return)
- 2) Notice of Assessment 2015+2016 for the Federal and Provincial Governments (reflecting that there is no money owed, if something was owed, just a proof of payment)
- 3) Financial Statements of your company
- 4) Bank statements/investment statements for your investments (RRSP, Mutual Funds, Bank Accounts) dated within the last 90 days
- 5) Full Accepted offer including all annexes (for new purchases)
- 6) 2 pieces of ID

New Immigrant (Issued a permanent resident card):

- 1) A copy of your permanent resident card (front and back)
- 2) A second ID (passport or drivers license)



- 3) Bank statements/investment statements for your investments (RRSP, Mutual Funds, Bank Accounts) dated within the last 90 days
- 4) Full Accepted offer including all annexes (for new purchases)

Non-resident:

- 1) A copy of your Passport
- 2) Entry visa
- 3) Study / Work permit
- 4) A second ID (passport or drivers license)
- 5) Bank statements/investment statements for your investments (RRSP, Mutual Funds, Bank Accounts) dated within the last 90 days
- 6) Employment Letter
- 7) Full Accepted offer including all annexes (for new purchases)

If you have any specific questions, feel free to call us at anytime and we will be able to assist you. Once the file is approved, we will book a time to go through specific questions you have pertaining to the product, rate or mortgage process.

In the meantime, you can always follow us on Twitter, Facebook, Instagram or LinkedIn for up to date information on the Real Estate Market.