

THE HOME EQUITY PROCESS

If you need to finance a major purchase, home repair, or unexpected expense, using the equity in your home could be an alternative to using other higher-interest financing options. We offer low rates and easy, in-house processing. Talk to a Horizon Bank loan advisor about finding the right loan plan for your financial needs!

To assist with the process, we have put together a guide of the steps involved, as well as a list of requested documents.

ORIGINATION

Visit a loan advisor to determine the best loan to fit your financial needs, and submit the application. You may also apply online at www.horizonbank.com.

PROCESSING

During processing, we will communicate what type of appraisal, title and additional documentation we will need to evaluate your loan. The quicker we receive the requested documentation, the quicker your loan can move through this stage.

UNDERWRITING

An underwriter will review your loan to evaluate its approval. Additional supporting documents may be needed.

CLEAR TO CLOSE

The Clear to Close indicates that all processing and underwriting conditions have been met, and your loan is approved! Bank regulations may require that you receive your closing documentation 3-7 days before your closing may be scheduled.

CLOSING & FUNDING

During closing and funding, you will sign all the necessary documents to finalize your loan, and the 3-day right of rescission period will begin. Once the rescission period expires, the funds are yours. Congratulations!

Special Reminder About Property Tax Time

If you apply for a loan and intend to close within 30 days of property taxes being due, we will need proof that your property taxes are being escrowed on your first mortgage or proof that your taxes have been paid.



HOME EQUITY LOAN / LINE APPLICATION CHECKLIST

Annual Income:

- Wages: Most recent paystubs and most recent W-2
- SSI, Disability, Investment, Pension Income: Award Letters, 1099's, or direct deposit statements (3 consecutive months)
- Self-Employed, Rental or Other Income: Federal Personal Tax returns for the past two years
 - Self-employed borrowers must provide two years Federal Business Tax returns including all schedules and K-1's
 - Rental income verification: also requires copies of recent mortgage statements
 - Verification of any other income: provide documentation to support three year continuance. Example: Child support, alimony, etc.

Current Obligations:

- Child support and/or alimony obligations – if applicable

Employment and residence history for all borrowers for the last two years

Existing mortgage information with name of company, outstanding balance, payment and escrow

- Current mortgage statement required

IF NO ESCROW – Verification of all monthly property expenses required:

- Real estate taxes (from tax bill, website, HUD)
- Homeowners insurance (declarations page with annual premium and expiration date)
- Homeowners Association dues (if applicable – annual statement or letter)
- Flood insurance (if applicable – from homeowners insurance information)

Certificate of Trust document(s) are required if property is titled in a trust

- Do not send the trust documents

Debt Consolidation Information (when appropriate):

- Copies of all recent statements past 30 days for accounts to be consolidated
- Statements must include account holder name, current amount, full account number and address to mail payoff

Other documents may be requested upon further review of your file.

All documentation should be received within 10 calendar days of application.

