

R E V I E W O F F O R M S

THE APPROVAL OF MORTGAGE AND STATEMENT OF DISCLOSURE - a five part form. This form summarizes the terms and conditions agreed upon by the client and the Royal Bank for the repayment of the mortgage debt.

- One copy is mailed to the client from the Mortgage Operations Department (which is Part 2).
- Three copies are forwarded to your Law Firm for distribution:
 - One copy for the Lawyer's records (Part 5).
 - One copy for the client's records (Part 1).
 - One copy to be signed by the clients and returned to the Mortgage Operations Centre (Part 3).
- The fourth copy is retained by Mortgage Operations (Part 4) pending receipt of the signed copy.

Some highlights of the Approval of Mortgage and Statement of Disclosure you should be familiar with.

- A. The names shown on the Statement of Disclosure have been prepared as requested by the clients during their interview with a Personal Banking Officer. This is how the title to the property should be registered.
- B. Mortgage Type - the mortgage charge document should coincide with the mortgage type.

C. The interest rate accorded the clients is valid for a specific length of time. Ninety days for a construction mortgage, sixty days for all other types. If funds are not advanced by this date a notice to extend the interest rate a further thirty days at a time will be advised to the lawyer.

Should interest rates decline before the advance of funds, the clients interest rate will automatically reduce on the Royal Banks' on-line mortgage system. There is no need to amend the interest rate and the payments to reflect the lower amount.

Should interest rates increase after the expiry date of the interest rate, the mortgage document must reflect the increase in rate and payment.

D. The Principal Amount is the amount borrowed by the client. (For CMHC mortgages the premium when added to the advance is included in this amount.)

E. Charges associated with this advance are reflected in these two columns. Column (b) is what should be paid from the proceeds of the mortgage.

F. The interest rate is stated here.

G. The monthly payment amount is indicated here. The due date of a monthly payment is identified as the Interest Adjustment Date. This date can be any day of the month; however, this date identifies the repayment terms of the mortgage and is the date associated with the prepayment privileges allowed on the mortgage.

- H. Provided the clients mortgage repayment is in good standing during the term selected, the balance at maturity is stated.
- I. The term and amortization are stated.
- J. The liability the borrower faces if the repayment of the mortgage is not met in accordance with the terms outlined.
- K. The language requested by the clients that the documents be prepared in.
- L. The address stated when a client wishes to write a complaint.
- M. Clients signatures are required on Part 3 of this form; to be returned with the final documentation.
- N. Details of the mortgage are addressed to the lawyer here.
- O. The Closing Date is identified here.
- P. Any special conditions for the Disbursement of Funds will be identified here.

REPORT ON TITLE

The Law Firm is to complete the particulars of this form in its entirety. The Lawyer is required to sign and provide a printed name on the Report on Title confirming that the Royal Banks' title is a good and marketable title.

REQUEST FOR FUNDS

Our operating procedures require 2 business days for funds requested. The Request for Funds should be completed, dated and signed by the lawyer acting on behalf of the clients.

This request can be faxed directly to Mortgage Operations. The original can be sent with the final documentation. The advancing clerk at Mortgage Operations will prepare a settlement or credit a trust account directly in favour of the clients the funds that have been approved for them.

In return for the funds advanced, the Royal Bank requires -

- A registered first mortgage on the property being financed
- A clear Report on Title with no exceptions
- A confirmation of Fire Insurance and
- Confirmation of taxes paid on the property

STANDARD INSTRUCTIONS TO LAWYER

On the reverse of this form certain procedures are required in order to provide a clear Report on Title.

2. - Title Search -

Complete all searches necessary to establish that our clients will have a good and marketable title to the property. A copy is not required by the Royal Bank.

3. - Taxes -

Obtain a Certificate OR Receipt showing taxes have been paid to date. Send a copy to the bank.

4. Obtain a survey prepared by a land surveyor. A copy is not required by the bank.

5. Ensure fire insurance for the amount of the mortgage is obtained. A copy is required by the bank.

MORTGAGE CHARGE DOCUMENT

■ Our Mortgage Charge Document is prepared with the first page completed except for the clients names, so that you may type the name(s) as it is found on the title to the property. This document may be identified by the fourteen digit reference number on the top right hand corner.

The standard mortgage charge document may then be separated and the first 3 pages may be replaced by the typed first page already prepared. The document may then be numbered correctly in the bottom right hand corner. Schedule "A" requires the legal description as it is outlined in the search of title.

■ The Affidavit of Status is to be completed as it pertains to the mortgagors.

The appropriate blocks should be marked with an 'X' to meet the requirements of the marital status of the mortgagors.

■ The Affidavit of Witness must be signed by a Notary Public.

■ The document must be registered at the Registry of Deeds and a registered copy is to be returned to Mortgage Operations as part of the final documentation.