

Key Stages of a Residential Re-Mortgage Transaction

Once we are instructed on the re-mortgage of your property, we will provide you with:

- ✓ **Client Care Letter** – a preliminary letter, which confirms your instructions and sets out the procedure involved and who will be dealing with your case.
- ✓ **Statement of Anticipated Costs** – a statement which sets out all expenses (including our fees) which you are likely to incur during the transaction and any payments required at the outset of the transaction on account of costs and disbursements.
- ✓ **Terms of Business** – our standard terms of business which, together with our Client Care Letter, form the basis upon which our services will be provided to you.
- ✓ **Due Diligence Request** – details of the preliminary documentation required from you in order to confirm your identity. We will also undertake online verification of identity. This is necessary so as to enable us to comply with relevant rules and regulations.

We will then proceed with the following:

- ✓ **Searches** - we will undertake searches at the local authority and other public authorities and registers. The purpose of these searches is to establish whether any onerous information relating to the property is held in any public record. Some lenders will accept a search indemnity insurance instead of undertaking full searches. However, our practice is to undertake full and proper searches, where possible, as we consider this to be a much more prudent approach.
- ✓ **Property Information Forms** – we will send you a 'Property Information Form', 'Fittings and Contents Form', and, if the property is a leasehold, (usually a flat but can apply to some houses) a 'Leasehold Information Form', containing questions in relation to the property. You will need to answer and return these forms to us together with any supporting documentation.
- ✓ **Leasehold Property** – if the property is a leasehold property, then we will obtain a 'Landlord's Information Pack' from the landlord/freeholder of the property. This will outline various details relating the property and the block of which the flat forms part and the landlord's requirements in relation to mortgaging the flat by you. It will also provide information in relation to service charge liability and other payments due to the landlord under the lease.
- ✓ **Mortgage Offer** – we will consider the mortgage offer received from your lender and send you a copy for your approval. We will discuss with you any elements which require clarification and consider any special conditions which need to be complied with.
- ✓ **Mortgage Enquiries** – we will deal with the lender's enquiries and liaise with you in order to comply with any special conditions of the mortgage. If the lender has their own solicitor, we will provide them with all documentation relating to the property, including, title documentation, searches (or search indemnity insurance), buildings insurance, service charge accounts (if the property is leasehold), copies of the ASTs (if the property is tenanted) and the Property Information Forms.

- ✓ **Certificate of Title** – if we are also acting for the lender, we will prepare our Report to the lender and submit a 'Certificate of Title' together with a request for release of the funds for completion.
- ✓ **Mortgage Deed** - we will send you the 'Mortgage Deed' and any other relevant documents for you to sign.
- ✓ **Mortgage Redemption Statement** - if applicable, we will contact any lender that holds an existing charge over your property and request a 'Redemption Statement'. This will confirm the amount required to pay off your existing loan and obtain a release of the existing charge on the property.
- ✓ **Completion Account** – we will prepare a 'Completion Account' calculating the amount available to you from your re-mortgage (or the shortfall, if any) after repayment of any existing loan on the property and the expenses of the re-mortgage.
- ✓ **Completion** – just before completion, we will carry out some further pre-completion searches, ensure that all the lender's final requirements have been complied with and request release of the mortgage funds to us. Once received, we will make all relevant payments and forward any surplus funds to you.
- ✓ **Land Registry** – we will prepare and submit an application to the Land Registry in order to register the new charge against the property. We will also take steps to remove any existing charge from the register.
- ✓ **Post Completion** – once the new mortgage has been registered, we will send a copy of the new title to you and to the bank. If the property is leasehold, then we may also need to give notice to your landlord of the new charge.
- ✓ **Timescales** – a transaction which proceeds without undue complications is generally thought to take around four to six weeks to complete. In respect of timescales for a re-mortgage on a freehold property, much depends on when we receive the results of our search and all other necessary documents requested in the property information forms. If the re-mortgage relates to a leasehold property, the same applies as above but also includes being in receipt of the management pack from the Landlord. We will of course advise you as we go along, when you are in a position to complete the re-mortgage.

Please note that the above procedure is intended as a guide to a standard residential re-mortgage transaction. The procedure may vary depending on the type of property, the lender's requirements, and if any unexpected complications are encountered.

PROTOPAPAS LLP