

You have just agreed to re-mortgage your property. Thank you for your instructions to act on your behalf. We want to make this transaction proceed as smoothly as we can. Therefore, we set out below the answers to your most likely questions.

What Happens Now?

1. How long will it take?

Usually two to three months, but can be much quicker if all parties in the chain are able to move fast

2. Do I need a Survey?

No

3. When do I have to pay your fees?

Our fees are paid shortly before completion.

4. How do I get the mortgage money?

You don't. Mortgage monies are always released to the solicitors by the mortgage lender. We deal with this.

5. What are the searches?

These are forms of questions and answers given by Local Authorities and statutory bodies concerning the property. We will undertake a search at the Local Authority and undertake a drainage and environmental search.

6. What do you mean by "title to the property"?

"Title" is a simple definition which means that the you legally own the property and that all the rights and obligations are specified so that we can confirm to the lender that there is good title for the property

7. What is "completion"?

This is when the re-mortgage is finalised. The mortgage advance will be used to pay off your existing mortgage and any balance after our fees and disbursements have been settled will be paid to you

8. How much are the search fees?

These vary depending on the type of Search applied for and the Local Authority. We will advise you as to the anticipated costs in the service specification at the start of the transaction.

9. To whom do I make the cheques payable?

Osbornes

10. Do I need to come into the office on completion?

No, but it will be necessary for you to attend at the office before completion so that we can discuss all matters relating to the property and obtain your signature to the various deeds and documents.

11. What are cleared funds?

This is the way in which the mortgage advance is paid. Cleared funds are either a personal cheque which has had seven working days to clear, a mortgage lender's cheque which has had four working days to clear or a bank transfer which is immediately cleared funds.

12. How long do the searches take?

Between two and four weeks.

13. Who will keep the deeds?

We will send the deeds to the mortgage lender on completion. The deeds form a security for the mortgage

14. What are "covenants"?

These are obligations that are registered against the property. We will advise you fully as to what these are, if necessary

15. Do I need to make a Will?

Yes, we will advise you on this

16. What is Stamp Duty Land Tax and is it payable?

This is a tax which is imposed by HM Revenue and Customs and is payable within 30 days of completion of a transaction and presently is in the following bands:-

Purchase price – £120,000 to £250,000 1% of total purchase price

Purchase price – £250,001 to £500,000 3% of total purchase price

Purchase price – £500,001 upwards 4% of total purchase price

The property may be exempt from Stamp Duty Land Tax if the purchaser is a first time buyer who will use the property as their main residence.

Stamp Duty Land Tax is not payable on re-mortgages

17. What if I cannot speak to you on the telephone?

You can always leave a message on the voicemail of the solicitor dealing with the matter, we will advise you who that person is at the commencement of transaction, or with the receptionist. We always endeavour to return a telephone within 24 hours. Alternatively, you can always email the solicitors dealing with the matter.

18. What are disbursements?

These are payments that are made to third parties such as Local Authorities, HM Land Registry, HM Revenue and Customs.

19. What do I pay my solicitor to do?

Approve the title to the property on both your behalf and that of any mortgage lender.

20. What are the identification requirements and why are they required?

Unless you are an existing client, we require evidence of identification as to a client's name and address. Separate identification must be supplied for each. We are required to check a client's identity under the Money Laundering Regulations 2003 and on behalf of your lender.

We will be unable to begin work on your file until satisfactory evidence of identification has been received.

We would ask that you now spend some time reading the following entitled "What Happens Now?" This is a more detailed explanation of the whole process and we hope will answer any further questions you may have. If anything is not covered in the following, then please do not hesitate to ask.

What happens now?

At Osbornes, we aim to make your re-mortgage happen as quickly and be as trouble and stress free as possible.

Re-Mortgaging a Property

Most people contact their solicitors or legal advisers when an offer of mortgage has been accepted to start the ball rolling. The first question we are usually asked at this point is "How long will it take?". As a general guide line, the whole process takes some two to three months from when we receive instructions from you. To get to the completion stage, there are quite a few steps and procedures that must be followed satisfactorily.

These are as follows:—

Title Deeds

The first step is to obtain your Title Deeds. These will be retained by your current mortgage provider. It will be necessary for us to obtain the Title Deeds from your current mortgage provider and also obtain the amount that you owe under your current mortgage at that time. Once a completion date has been set, we will obtain an up to date figure for what is owing on the date of completion. In addition, we will obtain a formal copy of the deeds from H M Land Registry. If you have any second mortgages or loans on the property, we will need to know at that stage.

Property Information Forms

We will send these to you at the outset of the matter for completion and return. If you have carried out any extension or building works on the property during your ownership, then we will need to have full details of the same and also copies of the planning consents and building regulations completion certificates (if any) you will have been granted. If your property is leasehold, we will also need to see evidence that your landlord has consented to the works.

Title

This expression includes a lot of things and it is our job to advise your mortgage provider on the title. The first thing we usually do is obtain "Searches". There are a number of different searches that need to be carried out and the results of these searches must be available before the re-mortgage can be completed. The searches are usually as follows:—

Local Search

This is a form of enquiries and replies given by the Local Authority relating to the property. This information is obtained from registers kept by the Local Authority. Generally, the Local Search will provide information on matters relating to your property only. These matters will deal with the planning history of the property, information concerning roads and footpaths, improvement grants that may have been paid for the property, road schemes that may affect the property and various other matters. It usually takes the Local Authority two to three weeks to complete the search after it is received and the approximate cost of the Local Search is £180-275 depending on the Local Authority concerned.

Drainage Search

This search is carried out with the local water authority and gives information as to whether or not the drainage systems serving the property are connected to the publicly adopted systems. If a drainage system is adopted, this means that the repair and maintenance costs of such system is borne by the water company. If the property is not connected to an adopted drainage system, then, as a purchaser, you need to know what existing or potential liability there may be in respect of such private systems. A drainage search takes approximately two to three weeks to be completed and the costs of such search is presently approximately £45.

Environmental Search

This search gives information as to whether or not the property is affected by any environmental factors. It will highlight whether the property is affected by subsidence, flooding, contaminated land or radon gas or is located near to a telecom mast amongst other things. The majority of environmental factors can be covered by insurance. We will advise you on this at the time.

Insurance

We will need to see a copy of your buildings insurance policy schedule and full policy wording. Your new mortgage provider requires us to check the buildings insurance covers all risks and is that there is a current policy in place. If your property is leasehold, we will obtain this from your landlord. Your new mortgage provider may not release the mortgage funds to us without evidence that the Property is insured.

When you instruct us to act for you in connection with the re-mortgage of your property we will ask you to let us have a payment of £350 so that we can apply for the above mentioned searches. This payment can be made by a cheque made payable to the firm, cash or by debit/credit card. We cannot apply for searches until we have received payment on account.

When the above mentioned matters have been dealt with, it will be then that we will report to you on the Mortgage. This is usually by way of a written report, but it may be necessary for you to call at the office in order to discuss the matter fully and hopefully sign the Mortgage Deed in readiness for completion. The report will advise on the terms and conditions of your mortgage offer.

It is now at that this stage that possible completion dates are discussed.

Once a completion date has been set, it is necessary for us to obtain certain further searches and to obtain the release of the mortgage advance monies from your new mortgage provider. We will also request an up to date redemption statement from your current mortgage provider.

We will prepare what is called a cash statement which will show the financial position and will confirm whether monies are required from/due to you. Please note that if you are required to make a payment, a personal cheque will require seven working days to clear. If there is not sufficient time before completion to allow for your cheque to be cleared, then we will ask that you arrange with your bankers to make a bank transfer directly to us. This is to ensure that on the completion date, we are in possession of cleared funds. As solicitors, we are governed by the rules of the Law Society and we must therefore ensure that all monies we receive on our client's behalf are cleared funds in time for completion.

On the day of completion, we will wait for the re-mortgage monies to come in from your new mortgage provider and arrange with our bankers to make a bank transfer, which is commonly called a CHAPS or Telegraphic Transfer, to your current mortgage provider's bank to discharge the mortgage.

It is not necessary for you to attend at our office on the day of completion. We always try to telephone you on the completion date to confirm that completion has occurred. Two or three days after completion has taken place, you should be advised by your new mortgage provider about the start of your mortgage payments and we will also confirm that legal completion has occurred.

We will then apply to register your new mortgage deed with the Land Registry. This registration can take between four and six weeks to be completed. After the registration is completed, the Title Deeds to your property will be forwarded to your new mortgage provider who will keep the Deeds during the time that you still have an outstanding mortgage on the property. We will, of course, forward to you a copy of the completed registration for your own information.

Re-Mortgaging a Flat or Leasehold Property

In addition to the procedure for re-mortgaging a property set out above, if you are re-mortgaging a flat or leasehold property we will also need to check the lease and service charge and ground rent account on behalf of your new mortgage provider. At the outset of the matter we will forward our standard enquiries of the freeholder/landlord. There may be a charge for this information and you will have to meet the cost of this. We will advise you of the costs at that time.

It is usual in flats or leasehold properties for the landlord to insure the whole building or block. If this is the case, we will obtain a copy of the insurance from your landlord.

The information supplied by the freeholder/landlord will also provide details as to whether any future major works will be required and it may be possible to obtain details of what this would cost.

Once the re-mortgage has been completed you may need to serve notice on your landlord that you have transferred your mortgage. We will check your lease and advise you as to whether this is required. Your landlord will usually charge a fee for dealing with the notice of approx. £30 plus VAT.