

CROSSMANS MTA

SOLICITORS LLP

Remortgage



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INTRODUCTION

This guide contains some very important information about the procedures and implications of obtaining a new mortgage. Please read it carefully.

WHAT WE DO

Before we are able to complete your remortgage we must consider the following:

(a) Title Deeds

We must apply for your title deeds from your current lender to make sure that your title deeds are in order. We will check your ownership details to see if there are any restrictions or matters affecting the property, as we may need to let your new lender know about them. Please ensure we have your mortgage account number as soon as possible, since without this we cannot get your deeds.

(b) Your Existing Mortgage

We will also apply for a redemption statement from your current lender at the same time. You must ensure that your new mortgage will cover your current mortgage and/or any penalties that may be included, plus your legal fees and expenses (where you are responsible for these). We will send you a copy of the statement for you to check, as soon as possible.

(c) Searches

1. We may have to undertake a Water Search to check the drainage arrangements of the property.
2. We will have to undertake a search of the bankruptcy registers to ensure you are not bankrupt or have any judgements against you.
3. We will also have to undertake a land registry search to ensure that no entries have been entered against the property since you bought.
4. We must do a local search and check the result is clear. Even though searches were done when you purchased they have to be redone and updated. This will show up obligations of a public nature which are enforceable against home owners, e.g. road widening, compulsory purchase orders, tree preservation orders etc. Occasionally these factors can affect the value of the property and need reporting to your new lender.

(d) Planning

It is unlikely that we will have the opportunity to actually see the property. We must rely on you to tell us if there have been any extensions or changes to the property. We then check that the necessary permissions were obtained. Changes may often require planning permission, and most alterations require building regulation authority as well. You must also tell us if, since April 2002, you have replaced your boiler, or any doors and windows. Even these changes now require building regulations, or a special certificate. In respect of windows this is called a 'F.E.N.S.A.' certificate.

We will also check that the changes have not breached any of the restrictions, which may affect your property.

We shall assume that you intend to use the property as a private residence for your own occupation. If you have any other use in mind please let us know.

(e) Your new Mortgage Offer

We must make sure you have a mortgage offer and check that it does not contain any unacceptable conditions. Also any conditions imposed by your new lender will have to be satisfied. This can take many forms. One example would be a requirement that the new lender has received an employer's reference.

You will receive a written offer directly from the Cambridge Building Society. We must also receive written instructions from them before being able to proceed. We should receive this at the same time as you.

(f) Buildings Insurance

If the Building Society is arranging your insurance you need not worry about insurance but please make sure you return any necessary forms to the Building Society quickly. Also with most leasehold properties the landlord effects insurance. If however, you are arranging your own insurance, you should give us full details of the policy at an early stage. It will be left to you to start the insurance, unless you instruct us otherwise.

(g) Life Assurance

If you are obtaining an endowment mortgage or top up, you will need to make sure that your life policy is capable of starting at completion of your remortgage. You should give us full details of the life policy as soon as possible. You should make sure that you have "Acceptance Details" from the life company at an early stage. This often causes delays and is something we advise you to pay particular attention to early on.

(h) Other Occupants

You must let us know if anyone else will be living at the property with you since the new lender will need notifying and a Form of Consent will need signing. This may entail the occupier going to another firm of solicitors for independent advice. This only applies to people 18 years or over. It will apply to adult children who live with you. The form of consent that has to be signed to ensure that the occupant is aware that the mortgage is going on their home, and that if the mortgage was not paid they may be forced to leave the property if the lender forecloses and sell the property. You will find a specimen Form of Consent at the back of this guide. See Appendix 1.

You will not be allowed to rent out the property, unless your lender has agreed to this in writing, or you are having a buy to let mortgage.

(i) Identity and Money laundering ****IMPORTANT****

These days the law insists that we verify your identity and address. I am unable to start the work until we have seen and checked the appropriate documentation. Please read the information in Appendix 2 which sets out what you need to produce.

Also, if you are putting any cash or money into this matter we must know where this money came from.

PREPARING FOR COMPLETION

Once all the searches are back, the new mortgage offer is received, and all conditions satisfied, we are then ready to prepare to complete the swap from your old mortgage to the new one. This is called completion. The things to be done at this stage are as follows.

Signing the Mortgage Deed

Before we can apply for your mortgage monies you will need to sign the Mortgage Deed, you may have to call into the office to do this, as most lenders require a solicitor to witness your signature. We appreciate this may be inconvenient and require taking time off work, but we are bound by the Lender's rules. We will let you know when the mortgage is ready for signing.

Applying for your Mortgage Monies

Once we have received your Mortgage Offer, and have satisfied any special conditions contained in the Offer, received clear results to the searches undertaken, and you have signed the Mortgage Deed we will then be in a position to request your mortgage monies from your new lender. At this stage we will then set a completion date and request a redemption figure from your current lender for the same date as the completion date. Your new lender may at this point require further things to be done which may delay completion until these points are satisfied. These can be references still awaited, or bank mandates forms not completed etc.

Completion Date

This is the date: -

- Your current mortgage will be paid.
- Your new mortgage will begin.

It is worth checking with both your old lender and your new lender, whether there is a "good" time to complete. For example, some lenders charge interest monthly and not on a day by day basis. Completing at the beginning of a month in these cases may mean paying both the old and the new mortgage in one month. The repayment arrangements of your new mortgage also have an effect on the amount of your first monthly payment, on the new loan. So that you know how much your first payment will be, please check the dates we give you for completion with the Building Society and let us know if you want it changed. An earlier date will be unlikely, but we can always delay the date (provided we have enough notice from you).

Completion cannot take place at weekends or bank holidays, since the banks are not open then (and neither are we!).

Money Issues

Balance

We will let you have a completion statement as soon as possible. This will show whether we will be sending you money back, or whether you will be getting a balance back.

If we need money from you

You must ensure that any balance owed by you is available for the agreed date. We will need cleared funds - so allow time for this. Our bank needs four clear working days for clearance of personal

cheques. All cheques are made payable to Crossmans MTA. There is a list at the end of this guide (sheet A) that tells you how and when to pay. Appendix 3.

If we need to send you money

If you are receiving money back, you must let us know how you want to receive the money, and Appendix at the end of this Guide will give you various options.

After Completion

Once the new mortgage is in place, and the old mortgage redeemed, we will register the new lenders interest in your property with the land registry. We will in due course send you a copy of the new entries for your records. We used to get 'deeds' back from the land registry and then send them, along with other important deeds and documents to the Lender for safe -keeping. There is now however a system of 'dematerialisation' of deeds. This means that the Land Registry retain the title information, and we now only get copies of the entries on your title. Lenders no longer wish to keep any of the other deeds, or paperwork. They are refusing to hold any documents in a move to reduce their storage costs. We will therefore send to you these deeds and documents, and it is very important you keep them safely as they will be needed when you come to sell.

GENERAL INFORMATION

Wills

Now is a very good time to consider making a Will if you do not already have one. You may need to come into the office to sign the Mortgage Deed anyway - so why not make a back-to-back appointment with Louis Browne, our Wills expert and kill two birds with one stone! You will find our fees very competitive. He can also advise on tax planning and ways of protecting capital investments.

Other Services We Offer

Appendix 3 contains details of the other services you can obtain from Crossmans MTA. You will see we cover the complete range of legal services and would be happy to help you with any other issues you may have.

Appendix 1: Money Laundering and ID requirements

IDENTIFICATION REQUIREMENTS

RECENT LEGISLATION

We must confirm your identity at the very outset of a transaction.

Please could you arrange to come and see our secretary as soon as possible for a 5 minute appointment bringing with you the necessary documentary evidence. Examples of what we are allowed to accept are set out below: -

WE REQUIRE

Firstly Personal Identification containing a current photograph.

One of the following:-

- Current signed passport or
- Photo-card driving license or
- National Identity card containing photograph

If you have none of the above please contact us.

-AND-

Secondly Evidence of your address - Two of the following:

(These must be different from the documents above)

We can accept any two of the following: -

- Confirmation from an electoral register search that a person of that name lives at that address.
- A recent utility bill or statement, or a certificate from a utilities supplier confirming an arrangement to pay for services on pre-payment terms (we do not accept mobile telephone bills as they can be sent to different addresses)
- Local Council Tax bill for current year.
- Current full UK driving licence, (old style provisional driving licences cannot be accepted).
- Bank or Building Society or credit union statement or passbook containing current address.
- A recent original mortgage statement from a recognised lender.
- Solicitor's letter confirming recent house purchase or land registry confirmation of address.
- Local Council or Housing Association rent card or Tenancy Agreement.
- Benefit book or original notification letter from Benefits Agency confirming the right to benefit.
- EEA member state identity card.
- Inland Revenue self-assessment statement or tax demand.
- House or motor insurance certificate.
- Record of any home visit made; and
- An entry confirming name and address in a local or national telephone directory.

3. We also need your National Insurance number.

Please do not send these items through the post. Please arrange to come and see our secretary as soon as possible for a 5 minute appointment, during which we will take copies of the relevant identification, with you retaining the originals.

IF YOU CANNOT COME INTO OUR OFFICE

If you are unable to come and bring your identification with you, you must take the relevant documents to another person local to you and ask them to certify: -

1. That the copies are true copies of the original and
2. That the photograph on the photographic evidence is a true likeness of you

You may take these to: -

- A UK solicitor
- An Accountant
- A Doctor
- A high street Bank Manager

We will need their name and address. Take this form with you.

IF YOU ARE OUTSIDE THE UK THE NECESSARY EVIDENCE CAN BE CERTIFIED BY: -

- An Embassy Consulate or High Commission of the Country of issue
- A qualified lawyer or notary or
- In the case of international students, the Registrar of a UK higher education institution.

Appendix 2: Monies Due

HOW AND WHEN TO PAY

1. We need cleared funds the day before completion at the latest.
2. Cheques or drafts are made payable to Crossmans MTA.
3. Personal cheques are only acceptable if there is four working days between receipt and completion.
4. A banker's draft or a cheque drawn on a building society is only acceptable if there is two working days between receipt and completion.
5. If there is insufficient time you must use the following option:

A direct credit into Crossmans MTA client account. Details of the account are:

Barclays Bank plc, 99 Hatton Gardens, London EC1N 8DN
 Sort Code : 20-37-75
 Account Number : 63850161
 Account Name : Crossmans MTA Client Account

The bank will make a small charge for this.

IT IS IMPORTANT THAT WE ARE ABLE TO SEND ALL MONIES IN THE MORNING ON THE DAY OF COMPLETION. FAILURE TO SEND MONIES FIRST THING CAN RESULT IN YOU BEING IN BREACH OF CONTRACT AND FINANCIAL PENALTIES CAN BE CHARGED.

Monies due to you

HOW TO GET YOUR MONEY

When there are monies owed to you on completion of your matter we will, unless instructed otherwise, send you the balance due by way of a cheque shortly after completion. There are other ways in which we can deal with these monies as follows:

1. You can collect a cheque in person on the day of completion. This would be in the afternoon so as to guarantee we are in receipt of the monies.
2. We can send a cheque direct to your bank/building society provided you supply us with your bank/building society's address and your account number.
3. We can transmit monies directly into your bank account which would then be cleared funds on the day of completion. The bank will make a charge of £29.38 for this service and you will need to provide us with your bank's address, your sort code, account number and the name in which the account is held.

Please make sure you let us know what you want to do as soon as possible.

MTA Services

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