



Heritage Mortgages

A Simplified Guide to Mortgage Legal Work and 'Conveyancing'

Purchasing a house is likely to be one of the biggest financial commitments that most people will make in their lives, and it can be a stressful process. Making sure you have the right professionals (e.g. Solicitors and Mortgage Advisers) can make the whole process a lot easier.

The legal process involved in transferring the ownership of a property from the Seller to the Buyer is called 'Conveyancing' and is usually done by two firms of Solicitors (one for the Buyer and one for the Seller).

Essentially, there are three main stages to the conveyancing process:

1. Pre-exchange of Contracts
2. Exchange of Contracts
3. Completion

Before you 'Exchange of Contracts'

The Buyer's Solicitor and the Seller's Solicitor will exchange their contact details and the Buyer's Solicitor receives a copy of the draft property contract (from the seller's solicitor). A copy of this Contract will be sent to you, the Contract confirms:

- The Seller's Details and your Details
- Details of the Purchase Price agreed
- Which specific Fixtures and Fittings are included in the price
- Details of the seller's Land Registry Title Deeds

As part of their role, your Solicitor will check and negotiate the terms of the contract on your behalf and can raise enquiries to the Seller's Solicitor if there anything is unclear or needs to be explained in more detail, e.g.

- Are there any ongoing disputes over the property with for example the neighbours?
- What are the exact boundaries of the property? Who is responsible for specific fences, hedges etc.?
- Does a public footpath or right of way cross the property?
- Is the property under guarantee with an authority like the National House Building Council (NHBC)?
- Is the house under planning restrictions due to past extensions or for any other reasons?
- If the property is Leasehold, is ground rent up to date and who is the Freeholder?

Your Solicitor also applies for standard legal searches to be carried out (e.g. with Land Registry and the Water Authority) and are typically to check:



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- Any upcoming changes to the locality that may affect the property
- If the property is in a conservation area
- If the building is listed
- If there is a compulsory purchase order affecting the property

At such a time as your mortgage has been formally Offered by your Lender or Bank, your Solicitor will check the Mortgage Offer to make sure it is correct and accurate, then your Solicitor will send you a Mortgage Deed to sign.

Before the next stage (Exchange of Contracts), a completion date is decided upon by both parties. The period between 'Exchange of Contracts' to 'Completion', can be done on the same day or often longer depending on the timescales imposed by the Buyer and Seller.

Exchange of Contracts

After contracts are exchanged, you are legally bound to purchase the property. As such, it is strongly recommended that some form of Buildings Insurance is in place for the property to be purchased.

Your Solicitor will request the non-refundable deposit to provide to the Seller's Solicitors and your Solicitor prepares a transfer document which is sent to be signed by the Buyer.

Next your Solicitor finalises your mortgage arrangements, readying the money for transfer to the buyer upon completion. The final searches and enquiries are carried out by your Solicitor as well as arranging for payment of the Land Registry Fees and any Stamp Duty amounts due.

Completion

On the date of completion (which may be the same day as the Exchange of Contracts), the purchase funds are sent by your Solicitor to the Seller's Solicitor and the sale of the house is completed - you receive the keys and may move in!

Your new mortgage lender will write to you in the next 2 to 3 working days and advise you when the first mortgage payment will be and how much it will be for.

We hope this Simplified Guide To Mortgage Legal Work is useful – if you have any questions please refer to your Solicitors who will be able to provide more information about any aspect of the process.