

## AN OUTLINE OF THE LEGAL FORMALITIES WHEN YOU MOVE HOME

### **Before signing and exchanging contracts (you can change your mind and pull out of your sale or purchase up to this stage)**

#### ON YOUR SALE

1. We obtain the deeds or Land Registry Title Number from you or your Mortgage Lender and then download electronic title information
2. We obtain from you evidence of identity and address as required by the Money Laundering Regulations
3. We contact the Estate Agent (if any) for full details of the transaction including the price, the Buyer and his or her solicitor/conveyancer. If there is no Estate Agent involved we will ask you for this information.
4. We ask you to complete a Property Information Questionnaire and Fixtures Fittings and Contents Form
5. We prepare a sale contract and send this to your Buyer's solicitor/conveyancer together with title information and other legally required documents
6. We deal with any additional enquiries raised by the Buyer's solicitor/conveyancer
7. We ascertain whether the Buyer has received his or her mortgage offer if one is needed and check on the progress of other parties in the chain of transactions
8. We arrange for you to sign the contract when received approved by the Buyer's solicitor/conveyancer

#### ON YOUR PURCHASE

1. We receive your instructions to act and details of the property you are buying and any estate agent involved
2. We send you our usual information package and request appropriate evidence of identity and address as required by the Money Laundering Regulations
3. We receive a draft contract, title information and other required documents from the Seller's solicitor/conveyancer
4. We send off a Local Authority search and any other necessary searches. Search results can take 2 or 3 weeks to come through

5. We raise any necessary additional enquiries with the Seller's solicitor/conveyancer concerning such matters as planning, building regulations, guarantees and boundaries as well as any specific enquiries advised to us by your surveyor (if any) or mortgage lender
6. We receive a copy of your mortgage offer, if you require one, and check the conditions in the offer to ensure that they can be complied with
7. When all searches and enquiries are complete we send you a written Report on the Contract and invite you to sign up ready to exchange
8. At the same time we prepare a Stamp Duty Land Tax return for you to sign

The solicitor/conveyancer acting for the other party will be undertaking similar procedures for their clients as will those involved further up or down the chain of transactions

### **Preparing for exchange of contracts**

When all of the above matters are completed, and if the other parties in the chain are ready as well, you will be in a position to exchange contracts. This will bind you, your Buyer and your Seller to proceed with the transaction.

At this stage we will have to ask you for cleared funds for the deposit on your purchase. Traditionally this will be 10% of the purchase price but could be less if you are getting a mortgage for more than 90% of the purchase price. The deposit will count towards the total price you have agreed to pay for the property on completion. However, if you have a related sale it is often possible to use the deposit we will receive on that transaction as all or part of the deposit on your purchase so that you do not have to provide a full deposit or even any deposit at all. We will let you know if we do need any deposit from you.

You will also be talking to your Seller and your Buyer to try to agree a date which suits all parties for completion. The completion date is when everyone in the chain moves and is also when the rest of the purchase price is paid. The agreed date is inserted as a specific binding provision in the contract at the point of exchange of contracts. Financial penalties are payable by each party in default if, having agreed this date, they are not able to complete on the appointed day.

For this reason we usually advise a minimum of 10 to 14 days between exchange of contracts and completion in order to allow time to make the pre-completion title searches, draw down the mortgage funds and deal with the land registry transfer deed: if we try to push things through more quickly there is an increased risk of your being unable to complete on time and suffering financial penalties for breach of contract

### **After exchange and before completion**

You will now have a moving date and you should make arrangements with your Seller and your Buyer to have the meters read and the phone transferred etc on the completion date

We continue with the legal work as follows:

#### **ON YOUR SALE**

1. We approve the legal transfer document prepared by your Buyer's solicitor/conveyancer
2. We reply to any final queries arising from the title searches on your present property
3. We obtain redemption statements from your present mortgage lender

#### **ON YOUR PURCHASE**

1. We prepare the final legal documents, Transfer Deed and Mortgage Deed
2. We submit our electronic title searches and bankruptcy search
3. We prepare a Certificate of Title for your new mortgage lender and apply for the mortgage funds in time for completion (most lenders state that they require at least 5 working days notice)
4. We prepare our invoice and a Cash Statement and ask you for any additional funds which we will need. Any funds will need to be in our Clients Account as cleared funds by the completion date (preferably the day before)
5. A few days prior to completion we ask you to call in to our office to sign the Transfer Deeds and Mortgage Deed and any other necessary documents (if this is difficult for you it may sometimes be possible to deal with this by post but that might risk a delay with possible financial consequences)

## COMPLETION DAY AND AFTER

You should not need to see us on the day of completion although we will keep in contact so that you are aware of the movement of funds through the banking system. We should have your mortgage funds and any money due from you in our Clients Account the day before completion. If you do not have a sale we can simply send the funds off by electronic CHAPS payment from a terminal in our office and the keys to your new home should be available for you to collect from the selling estate agent by around 11am. This assumes that there is no breakdown in the CHAPS system operated by the major clearing banks.

If you have a related sale we will need to await receipt of the sale funds by CHAPS from your Buyer's solicitor/conveyancer before we can send the money off on your purchase. Depending upon the speed of the CHAPS system on the day and the length of the conveyancing chain it is likely that the funds on your purchase should be in the Clients Account of the Seller's solicitor/conveyancer by about 1pm. Once this happens the keys will be released to you so that you can start moving in.

After legal completion has taken place we will submit the Stamp Duty Land Tax return, pay any SDLT due and then lodge the Land Registry application. As soon as we receive the Title Information Document from the Land Registry we will send you a copy and also send you any documents relating to your purchase which your mortgage lender does not want sent to him.

*This is a short summary of the legal processes involved and is intended to give you some understanding of what we are doing for you. If you require any other information or an update please email or telephone us during our normal business hours. If you want to call and see us you will be most welcome but we would ask that you make a prior appointment to avoid disappointment.*