

## Residential Mortgages and Re-Mortgaging

This can take the form of either:

- Mortgaging a property for the first time; or
- Replacing one mortgage by another; or
- Equity release

Most mortgages involve a property owner receiving a lump-sum from a lender in exchange for granting the lender a mortgage over the property as security for the loan. The Mortgage Offer will set out the details of the loan and its repayment. The Mortgage Deed (or associated documents) will contain many terms and conditions including provision for interest rates, insurance and care of the property, and re-possession of the property if the regular mortgage payments are not met.

You will know that when you buy a house that you have your conveyancer carry out a wide range of searches against the property - typically local authority, water & drainage, environmental and mining. These can also be required for a stand-alone mortgage or re-mortgage – but not all lenders require the borrower to carry out the same range of searches against the property. Some just want to see an environmental search – yet others will accept a policy of search indemnity from a reputable insurance company. We will work with you and the lender to obtain the required level of enquiry.

If the transaction becomes more complicated or new elements need to be addressed then we will discuss this with you and come to a revised pricing agreement. We will look at the time that will be involved when suggesting a revised price. The hourly charges upon which we would base that discussion, as currently applicable, are set out at the end of this note.

What follows is an example of a costing for a re-mortgage. We have had to make some assumptions in making this calculation, and these are shown below the example. If your re-mortgage falls neatly in to the example then that's great! If not, please ask us to give you a tailored pricing – for which we make no charge.

<b>What we charge as our costs:</b>		
Our work in the conveyancing	£400.00	
To transfer funds by CHAPS on completion	<u>£17.50</u>	£417.50
<b>What we collect from you &amp; pay to others:</b>		
VAT on our costs (at 20%)	£83.50	
HM Land Registry Office Copy Title fee	£6.00	
No-search indemnity policy	£38.00	
Electronic Identity Check fees	14.40	
HM Land Registry priority search fee	£3.00	
HM Land Charges search fees	£4.00	
Bank CHAPS fee to repay existing mortgage	£18.00	
HM Land Registry registration fee	<u>£30.00</u>	<u>£196.90</u>
<b>Total:</b>		<b><u>£614.40</u></b>

The assumptions that we have made in calculating the above:

- The mortgage advance is £175,000.00
- The amount owing on the old mortgage is less than the amount being advanced on the new

- The title is freehold without defects or restrictive covenants or similar burdens
- The title is registered at HM Land Registry - and this is a single re-mortgage of a whole title
- You will own without complicated ownership or trust divisions/arrangements
- There is no solar panel contract or 'roof-space lease' to document/transfer
- The property is not let out or subject to an existing tenancy
- There are two borrowers
- This is a mortgage from a high street lender, such as a bank or building society, for whom we will also act in the transaction
- You provide us with evidence of your identity & address, promptly and fully at the start of the engagement – and then work cooperatively with us
- We receive full and prompt cooperation from the Lenders (both old and new)
- There is limited need to explore or remedy missing certification for the property (FENSA, Part P self-certification, planning or building regulation certificates etc)
- We have to send the money to redeem the old mortgage by electronic CHAPS transfer

### **The work that we would typically do for you on a re-mortgage**

We will:

- Check your title and make sure that it is adequate security for your new lender
- It may be possible to purchase appropriate insurance cover as a (cheaper) alternative - we will tell you which your new lender will allow
- Provide to you a mortgage report which summarises the product that you are obtaining and will alert you to such things as Early Redemption Penalties
- Find out how much has to be repaid to your existing lender and check this with you
- Give you a completion statement which will show all of the costs and expenses. If we need any payment from you then that will be shown on the statement
- Carry out Land Registry and bankruptcy searches
- Obtain the advance from your new lender
- Make the repayment of your existing mortgage and complete the transaction
- After completion we notify the Land Registry of the changes
- Provide you with a copy of the amended title register once we have it
- Report to the new lender.

### **Applicable Hourly Rates**

Partner/Solicitor with a minimum of 4 years' experience:	£250.00
Conveyancing Paralegal:	£165.00
Solicitor Apprentice:	£ 95.00