

PENGILLYS RE-MORTGAGE GUIDE

1. Introduction

You have asked us to act for you in connection with the re-mortgage of your property and we will be pleased to do so.

The purpose of this Guide is to advise you of the legal aspects of a re-mortgage of which you need to be aware and your obligations to your Lender.

2. Your Existing Mortgage

If you presently have a mortgage with a Bank or Building Society please let us have the name and address of the Lender and your Mortgage Account Number and we will request a redemption statement. You should check with your existing lender to all see whether a penalty will be payable on the redemption

3. Searches

Your new Lender will require us to carry out appropriate searches against the property. Since searches cost a significant amount we will ask you for a cheque to cover this cost before submitting the searches.

4. Identification

Once we receive the result of the searches we will report to you on the mortgage documents.

5. Your Mortgage Offer

Once you receive your mortgage offer you should check it very carefully to ensure it reflects the terms agreed with your lender. Please ask us to clarify any points which are not clear to you. You should read and retain the Mortgage Conditions. As we expect you are aware, if you do not make the payments due under the mortgage or observe the other mortgage terms the Lender may take Court proceedings against you and obtain an Order giving it the right to take possession of your home and to sell it to recover any money owed to it or any other remedy which may be appropriate. Please be aware that if the property is sold and there are insufficient funds to repay the mortgage your lender can pursue you for any balance due.

If your mortgage is an Endowment, Pension or PEP/ISA mortgage it is essential that you maintain your payments to the company with whom you have the investment and that you ensure that the investment provides adequate cover to redeem the mortgage during the term of the mortgage. Such investments rarely guarantee that there will be sufficient funds to pay off the mortgage when they mature and you should therefore monitor the performance of the investment product regularly.

6. Insurance

If your present Lender insures the property but you are not insuring with the new Lender you must ensure that the insurance is effected in accordance with the new Lenders requirements before the completion of the re-mortgage.

7. Occupiers

Please let us know if there is any anyone 18 or over who will occupy the property other than yourself/selves in which case your Lender will require them to sign a document confirming that they agree to postpone whatever rights they may have to stay in the property to those of the Lender to sell the property in the event that you fail to comply with the mortgage terms. The occupier will have to obtain independent legal advice before signing the document.

8. Title Indemnity Insurance

Sometimes investigation of title to the property reveals that there is a defect, for instance the property may have been extended in breach of a restrictive covenant imposed on it. In these circumstances your lender requires that we obtain insurance against any risk. The cost of this insurance is met by a single premium which may have to be paid by you. We will not have allowed for this in any quotation or estimate previously given to you.

9. Completion Date

When arranging a date to pay off your existing mortgage please bear in mind that some Lenders charge interest to the end of the month in which the redemption takes place irrespective of the actual date of redemption. It may therefore be in your interest to complete the re-mortgage at the end of a month. We advise you to check on that point with your existing Lender and to advise us if you wish to complete at the end of the month as suggested. Whatever the actual date of completion you should not cancel your standing order/direct debit payments until **after** completion has taken place.

Following completion of the re-mortgage we will register the Mortgage Deed to the Land Registry and upon its return forward the Deeds to your new Lender where they will be retained until your mortgage is redeemed.

10. Information Required from You

- You will need to complete a Property Information Form before we complete the re-mortgage. We will provide you with this.

Please note that if your existing mortgage was taken out prior to 2 October 1995 you would be eligible for greater financial assistance from the Department for Work and Pensions towards your mortgage payments should you lose your job than you would be if you proceed with the re-mortgage. If you would like further information on this point please either contact us, or the Department for Work and Pensions direct.

Please sign date and return the duplicate copy of this guide to confirm that you have read and understood the contents and that we may act on your instructions (or either one of you if applicable).

Signed:

Please Print Name:

Signed:

Please Print Name:

Dated:

Prepared by:-

PENGILLYS



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