

# MORTGAGE MEMO

Please note that the lender always reserves the right to vary or withdraw your mortgage offer at any time before completion of your purchase.

The European Mortgage Credit Directive requires mortgage lenders to allow for a reflection period of 7 days from the date the offer is received by the customer in case you want to change your mind.

If you instruct us to request your mortgage advance before the reflection period has expired, we and the lender will treat that as acknowledgement by you that you wish to proceed with the mortgage on the terms as stated in the offer and that you are waiving the reflection period.

## In respect of Lender's funds please note:

- On the completion day we will send cleared funds by Bank Telegraphic Transfer to the Seller's Solicitor to effect completion and allow keys to be released to you. A cheque (i.e. uncleared funds) would not be accepted. Accordingly, if your Lender releases mortgage funds by cheque, we will ask for the cheque to arrive 3 working days before to ensure it is cleared by the completion date. Do please note that the Lender will charge interest from the date of despatch.
- If your Lender releases the mortgage advance by Bank Telegraphic Transfer we will request that funds are sent (and arrive) on the day before completion. This avoids the problem of funds arriving late on the completion day which would cause havoc in the arrangements. In practice the telegraphing of funds is by no means an instant process particularly on favourite moving days such as Fridays, month end days and the days before a public holiday.

## When a written Mortgage Offer is made to you

- All Lenders have different administrative arrangements. Accordingly, when you receive your mortgage offer, please check immediately:
- to see if there are requirements for immediate action on your part such as the need to send to the Lender a signed acceptance of the offer or signed Direct Debit Mandate Forms. Failure to deal with these promptly may delay availability of funds.
- for any deductions the Lender proposes to make from the total lending when forwarding funds to us. These may include a telegraph transfer fee or (if you are borrowing a high percentage of the value of the property) a quite expensive fee variously called 'Mortgage Indemnity Fee' / 'Mortgage Guarantee Premium' / or 'High percentage loan to Value Fee.' If there is such a deduction do remember to recalculate your overall expenditure appropriately.

## Mortgage of Life/Endowment Policies etc

Many homeowners arrange life / endowment policies or pension policies or other financial investment products as vehicles for producing funds to pay off the mortgage in due course. This

is normally considered advisable especially where the mortgage is 'interest only' and does not required payment of part of the capital on a monthly basis.

In the past most Lenders (Banks or Building Societies) required that the policies be deposited with a Lender as a condition of the mortgage and frequently took a separate assignment or mortgage on the policy as well as the main mortgage over the property itself.

Few lenders now insist on the deposit of the policy(ies) and even fewer require a policy mortgage. However, you should check with your Lender (either direct or through your IFA/Broker) to ensure that the Lender will not require you to deposit or mortgage any such policies and, if not, simply keep the documents safely. However if there is a requirement please arrange to forward the policy(ies) to ourselves as soon as possible as we would not be able to complete without it/them.

We will in any event double check the position when we have a copy of your mortgage offer.

### Mortgage Transfer

If you have an existing mortgage that you do NOT intend repaying in full on completion of your sale (and may need to be "transferred" to this new property you intend to buy) please provide details. In any event please discuss your proposals with your old and new Lenders. "Transfer" as such is not possible. A new charge or mortgage would be needed on the new property and additional costs will be incurred. The most frequent example of this situation would be in respect of a mortgage or charge securing a business overdraft facility which you wish to retain after your move.