

Conveyancing factsheet

The conveyancing process

Conveyancing is the term for transferring ownership of a property from one person to another. This process is carried out by a solicitor or licensed conveyancer. Conveyancing may also be required for a remortgage.

Purchase

When the client care letter is completed and returned, the solicitor will write to the vendor's (sellers) solicitor requesting information.

Once certain pieces of information have been received from the vendor's solicitor, the solicitor will review the HIP (Home Information Pack) and make any further enquiries as is necessary.

By now, the offer letter should have arrived from the lender (if buying with a mortgage), which will include any special instructions which must be carried out in order for the transaction to be completed.

A Mortgage Deed will be prepared and sent to you for signing, along with any other information relevant to the searches and enquiries in a special report. You will need to send back the Mortgage Deed (signed) along with the deposit required by your mortgage lender. Completion dates are generally agreed at this time.

Once the parties have exchanged contracts, the purchase must complete (the point of no return!). In other words, the purchase must legally complete. You are also effectively the owner of the property at this stage, so it is essential that you have already purchased buildings insurance - in fact, solicitors are not allowed to let you exchange contracts if it is not in place.

Before completion takes place (the date your client officially becomes the owner of the property) the solicitor will prepare a final account, and complete any last minute searches and checks. On the day the purchase completes, all monies will be handed over to the vendor's solicitor, and you receive the keys to their new home!

The final part of the process is for a new Land Certificate to be produced by the Land Registry. This will show that the new lender has a First Legal Charge over the property, and also confirm that the previous lenders details have been removed. The original of this document will be sent to lender, with a copy going to you. If Stamp Duty has to be paid, the solicitor will settle this on behalf of your client.

Sale

Once an instruction has been received and the client care letter completed and returned, the solicitor will review the home information pack.

The solicitor will also need to establish what will, and will not be sold with the property: fixtures, fittings, etc. Any other paperwork which you have which affects the building itself will also need to be sent to the solicitor: any guarantees for structural work, building extensions, planning permissions, and so on.

After the solicitor has reviewed all of these documents, they will be able to prepare a draft contract, which will be sent to the purchaser's solicitor for consideration.

Once all parties are happy with the results of the above searches and queries, the contracts can be signed and a completion date set.

Exchange of Contracts will follow, and the sale becomes legally binding. Deposit monies will change hands, solicitors accounts will be finalised, and any loans which need to be repaid will have redemption figures calculated.

On completion day, the solicitor will receive the rest of the money from the purchaser's solicitor for the purchase of the property. In return, they will supply them with the Land Certificate. Any outstanding mortgage will be paid off (along with any other loans which are part of the transaction) and the residual balance from the sale proceeds transferred to you.

Re-mortgage

The solicitor will request the property title deeds from the existing lender, and also establish exactly how much is left outstanding on the mortgage. This is known as a redemption statement.

Once the valuation has been completed, and the new lender has agreed the mortgage, they will post to you (and a copy to the solicitor) a formal mortgage offer letter. This will include any special instructions which must be carried out in order for the transaction to be completed.

The solicitor will undertake all appropriate searches (such as Local Authority and Land Registry). Once the mortgage deed has been drawn up, they will send it to you for a signature and return.

A completion date will be agreed. Completion is the day when your new mortgage monies (which will have been sent to us a couple of days before hand) are used (along with any additional funds you are providing yourself) to pay off your old mortgage (and any other debts which are being reduced / settled as part of the transaction).

The final part of the process is for a new Land Certificate to be produced by the Land Registry. This will show that the new lender has a First Legal Charge over your property, and also confirm that the previous lenders details have been removed. The original of this document will be sent to your new lender, with a copy going to you.

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