



Sesame Bankhall Legal Services

Lightening the load



It is well-known that moving home is stressful. This is an important step in your life. It is one of the most important steps you can ever take.

Sesame Bankhall Legal Services and your adviser aim to reduce the anxiety.

We provide a complete and comprehensive service. You can ask your adviser to arrange your mortgage, look at family protection products and instruct one of the Sesame Bankhall Legal Services solicitors to handle all the legal matters.

All you have to worry about then, is arranging the removal van!

1. How long will it take to complete the conveyancing work?

All transactions are different. It is possible for new build transactions, with no chain, to be fully completed in four weeks.

Straightforward transactions typically take 8 weeks but this depends on the chain of buyers and sellers, the personalities of the buyers and sellers and their need to secure mortgage finance.

2. Should I have a survey done?

After the exchange of contracts, if anything is found to be wrong with the property the seller is not liable. The buyer will have to pay for any necessary repairs, so a survey is advisable.

If your adviser is arranging a mortgage a valuer will inspect the property on behalf of the lender. It is not advisable to rely on the valuation report alone because it does not consider the condition of the property in detail and offers you limited protection.

It is often possible, for an extra fee, to arrange for the same valuer to carry out a more detailed inspection called a "Home Survey and Valuation Report" or even a full building survey, if the property is very old or needs extensive repairs or alterations.

3. Is a deposit necessary?

When contracts are exchanged, a deposit is paid to the seller's solicitor. The seller's solicitor will often ask for at least 5% of the price. You have to tell your Sesame Bankhall Legal Services solicitor if you have agreed a lesser deposit. Where your purchase is dependent on a sale, your Sesame Bankhall Legal Services solicitor will try to use your buyer's deposit on your related purchase.

If the buyer fails to complete the purchase on time, the seller can keep the deposit as part-compensation and retain the balance up to 10% (although this can get complicated with chains of buyers and sellers)

4. What is "Exchange" and "Completion"?

Two identical contracts are drawn up, one to be signed by the buyer and the other to be signed by the seller. When both sides are ready to commit themselves to buy and sell, the two signed contracts are dated and "exchanged" between the solicitors. At this point the contract becomes binding which means there is no turning

back and the completion date is fixed. This is the date when the keys and deeds are handed over in return for the purchase money and the buyer can move in.

5. Why is a written mortgage offer so important?

Before we commit you to buying the property (by exchanging contracts) we need written confirmation that your lender will provide the funds you require. There are often many conditions in the mortgage offer that need to be satisfied before the funds can be released.

Your adviser will have discussed your mortgage needs with you and will advise you on the best one for you to support your home purchase or remortgage.

6. What is life cover and mortgage protection payment insurance?

Your adviser will explain this and discuss your needs and those of your family with you, and will tell you about the products he can recommend. They can cover your mortgage liabilities in case you become unable to pay your mortgage. These products are designed to protect you and your dependents. If certain conditions are met, they can pay off all or part of your mortgage, when you cannot.

Life cover must be effective (go on risk) from exchange of contracts and some lenders insist on the policies being assigned or deposited with them.

7. What do I do about building insurance?

If a property is not new, the buyer should insure it from exchange of contracts. A brand new property should be insured from completion.

Houses should be insured for the estimated rebuilding cost not their actual value; the market value of a property is more likely than not to be greater than the cost of rebuilding.

Your adviser will explain the insurance that he can offer. Leasehold properties are different and the landlord is likely to arrange the building insurance on a leasehold property.

8. Can I transfer an existing mortgage to my new property?

All secured loans outstanding on a property (business overdraft facility, charges or personal loans) must be paid off out of the sale proceeds unless the lender concerned agrees to secure the loan on your new property. This may take time for the lender to organise so your adviser will have to contact the lender as quickly as possible. When the lender agrees, they should send written confirmation to Sesame Bankhall Legal Services' solicitors.

9. When are estate agents and solicitors fees paid?

If you are selling, Sesame Bankhall Legal Services' solicitors will be sent the estate agent's invoice after exchange of contracts and the invoice will be paid on completion from the proceeds of your house sale. Before completion, you will be required to provide enough funds to settle adviser and solicitor fees, as well as expenses and the stamp duty land tax liability.

10. Why does completion have to take place on a working day?

Banks only transfer money electronically on a working day and therefore completion cannot take place at the weekend or a bank or public holiday. All monies transferred in these transactions must be sent electronically.

11. How do I get the keys to my new house?

Unless special arrangements are made, maybe with your financial adviser, the keys are handed over on completion. Usually the Estate Agent has been given the keys. If none of this is convenient, you can make an arrangement with your buyer or the seller directly. It is important that the arrangements about keys is understood by buyers and sellers.

12. What is Title Indemnity Insurance?

Your adviser can arrange a policy of insurance that covers the buyer and lender if minor issues are identified on the title, or Local Authority consents are unclear.

13. What are searches?

(a) What is a Local Authority search?

This is an investigation to find out any important information affecting the property, which may be on the Council's records. For instance, it may reveal that an extension on the property has been in breach of Building Regulations or the Council does not maintain the nearest road.

Lenders tend to insist on satisfactory local authority searches.

The local authority search will not give information about proposals affecting neighbouring property and if you have concerns contact the Local Authority Planning Officer for advice.

(b) Bankruptcy search

The lender will insist that a search is made to ascertain if you are, or have ever been bankrupt.

(c) Environment search

This is to check the status of the land on which the property is built, for contamination and other environmental matters which may have occurred.

(d) Water search

This ascertains whether drainage for the property is either publicly or privately owned and the location of the nearest public sewers and water supply.

(e) Land Registry Fees (on purchase)

The Land Registry keeps the official records of who owns what land in England and Wales. Solicitors register details of the house purchase and mortgage after completion, so records are kept up to date.

(f) Land Registry Search (on purchase)

To ensure the property is what you are expecting Sesame Bankhall Legal Services' solicitors will check the title to the property issued by the Land Registry. Just prior to completion we have to double-check that nothing has changed on the title.

(g) Mining search

Especially in areas where coal mining has taken place it is best to check with British Coal about the date of last mining in the area, whether there has been any subsidence damage claims affecting the property and whether more mining is planned.

(h) Stamp Duty Land Tax (on purchase)

The Government taxes the purchaser of property at different rates depending on the value of the property.

(i) Mortgage Redemption Fee

Under section 8 above, we talked about paying off mortgages. Usually, except as described in section 8, a seller will have to pay the lender all of the mortgage monies outstanding. Many lenders charge a fee for paying off (redeeming) the mortgage early. Your adviser will have taken this into account when advising you.

(j) Bank fees and other fees

We have to send fees to the bank electronically and banks and solicitors will charge for this service.

14. What is money laundering?

When money is obtained from the proceeds of crime, criminals may try to conceal it by converting in to other assets such as property. To combat criminals, Governments around the world insist that all valuable property transactions and money transfers have to be checked. To combat fraud in property transactions lenders, advisers and solicitors have to check who the buyer and seller are by verifying their identities and ensure that the source of their funds has not been gained illicitly.

Your adviser has checked this and to save you doing it again he will ensure that your lender and Sesame Bankhall Legal Services' solicitors have what they need to allow your property transaction to proceed without you having to disclose these matters a number of times.

15. What is property fraud?

Fraud is theft by telling lies or letting somebody believe something is true when it is not, and property fraud takes many forms. Your adviser, the lender and solicitor are working together seamlessly to make sure that you do not become a victim of property fraud.

16. Joint Tenants, Tenants in Common and protecting assets

It is important, especially for unmarried partners to consider what happens to their assets in the unfortunate event of the death of one of them.

If they buy property as joint tenants, their partner will inherit the property on death. That will not suit all circumstances. If they buy as tenants in common their share of the property passes to whomever they nominate under their will or under the rules of intestacy, if no will exists.

Even with married couples the wishes of the couple may require them to organise their property purchase to suit their circumstances.

No one wants to consider these issues, but they should. Your financial adviser can assist with making a will and helping you to decide the best way to organise your property purchase to suit your circumstances. Your adviser can save families inheritance tax liabilities and even advise couples who plan to marry about the tax free gifts that can be given to couples by wedding guests!

Ask your adviser to keep a close eye on your family's assets; if anything untoward happens, the adviser can reduce the stress caused to loved ones at difficult times by advance planning.



Sesame Bankhall Legal Services is a trading style of Sesame Services Limited a company registered in England and Wales with company number 02338540 and registered office at Pixham End, Dorking, Surrey PH4 1QA.