

Pinkerton Leeke & Co Title Transfer Service

NOTES ON MORTGAGE

Terminology:	"Exchange"	Exchange of contracts binds you to proceed with the purchase of the property (not applicable in a remortgage).
	"Completion"	Completion is the day all the purchase monies are paid over (including the mortgage loan) and the mortgage commences.
	"Lender"	The Building Society, Bank or other body which lends you money to enable you to purchase a property or (in the case of a remortgage) to replace the existing loan on your property.
	"Mortgage"	A loan of money by a lender to you to buy a property or to replace an existing loan with the security for repayment being a charge over the property.

The Mortgage Offer: Until you receive a formal written offer of mortgage by the Lender specifying the amount of the loan, the property and the conditions you cannot Exchange.

Insurance: Where you instruct the Lender to insure the property on your behalf there is no delay. When you are arranging the insurance yourself many (not all) Lenders require full details before allowing us to complete and this causes a delay. Where you intend to insure yourself, please deal with this at the *outset* and ensure that your Broker sends us the details immediately. Otherwise delays incur.

Mortgage Conditions: Please read the offer conditions carefully before exchange. Make sure you understand them and can comply with them.

Mortgage Deed: You will be asked by us at some stage to sign the Mortgage Deed. This always refers to the Lender's standard conditions. All Lenders have the following standard conditions, to which you will be bound, when you sign the mortgage:-

1. All loans are either at the outset or after a short fixed period, at a variable rate of interest. The interest rate will go up and come down and you have no control over it. If it goes up you pay more, if it goes down you pay less.
2. Provided you make your monthly repayments each month the Lender will not bother you. However, if you fall more than three months in arrears the Lender has the right to obtain a court order to "*boot you out*" of the property and sell it to recover the loan. If the value of the property has fallen and the sale proceeds do not cover the loan, you remain liable for the shortfall. If there is a surplus you will receive the surplus.
3. You are obliged to insure the property against fire and usual perils to its full reinstatement value and to pay the premium each year. The policy must be in the joint names of yourself and the Lender.
4. You promise to keep the property in good repair.
5. You promise not to let or create any tenancies without the consent of the Lender.

Mortgage Repayments: Your Lender will tell you when your first mortgage payment is due.

