

SRA TRANSPARENCY RULES

(Mortgage)

Fact Sheet on a Mortgage or Remortgage of a residential property

1. What are our charges

Our fees cover all of the work required to complete the mortgage or re-mortgage of your property, including dealing with registration at the Land Registry.

Our fees (also known as profit costs) are normally calculated as a percentage in a range of between 0.2% and 0.4% of the new loan with a minimum fee of £500 plus VAT. In addition, we make a charge of £30 plus VAT for each electronic money transfer in the transaction.

The eventual charge which we make will depend on a number of factors including the following: -

- Whether or not your lender uses its own solicitor on the case. If the lender uses its own solicitors, then we would advise you of that solicitor's charge once we have that information
- Whether or not any unforeseen matters arise in the transaction such as defects in title where we will need to prepare additional documents alongside those of the main transaction.
- Whether or not the matter takes long in time without unforeseen complications arising.
- Whether or not all parties to the transaction are co-operative and there are no unreasonable delays from third parties providing documentation.
- Whether or not any legal indemnity policies are required.
- Whether or not the lender will require a full set of searches or will accept search insurance instead
- Whether or not the property is freehold or leasehold

In addition to our fees, we also have to charge you for disbursements (being costs related to your matter that are payable to third parties) such as the costs of the searches, as well as Land Registry fees.

The costs for searches, as well as Land Registry fees are normally around £250 per transaction although they may sometimes be more or less. The cost of search insurance is normally around

£40 per transaction although it may sometimes be more or less. Where the lender will accept search insurance, then the costs of the other searches would be reduced to around £50 instead.

The cost of Land Registry fees which you pay will depend upon the size of the new loan. You can calculate the amount which you need by visiting the Land Registry website: www.landregistry.gov.uk.

If the property being mortgaged is leasehold then you will have to pay the landlords or managing agents a separate fee for providing leasehold information which we will need to check as part of the conveyancing process. The fee is normally in the range of £100 to £200 but it can be more or less. Additionally, you will have to pay a Notice of Charge fee to the landlords or managing agents on completion. This fee is set out in the lease. Often the fee is between £30 and £50 plus VAT but it can be more or less.

At the end of this note we will be providing **for illustration purposes only** an explanation of what you might have to pay on a £280,000 remortgage.

If you would like a full case specific estimate, please contact one of our conveyancing lawyers who will be able to provide you with the same.

2. How long will my remortgage take?

How long it will take from the issue of your mortgage offer until you complete the mortgage will depend on a number of factors including those set out in section 1 above.

The average process takes between 6-8 weeks although it could take longer.

3. What are the main stages of the conveyancing process?

The precise stages involved in the remortgage of a residential property vary according to the circumstances. However, the key stages will normally be as follows: -

- Take your instructions and give you initial advice
- Receive and advise on mortgage documents including mortgage offer
- Carry out searches
- Arrange search insurance where appropriate
- Obtain further leasehold information and/or planning documentation if required
- Make contact with your existing lenders if applicable
- Arrange for you to sign mortgage documentation
- Arrange for net mortgage advance to be received from your new lender
- Complete remortgage
- Repay the amount due to your existing lender if applicable
- Remit to you the net balance due
- Deal with application for registration of the new mortgage at Land Registry

4. **Illustration**

We set out below a costs estimate for a standard remortgage of a freehold property for a loan of £280,000 with no significant complications and assuming we also act for the lender.

| | |
|--|-------------------------|
| • Profit costs: | £ 700.00* |
| • VAT on profit costs: | £ 140.00 |
| • Electronic money transfer fee including VAT: | £ 72.00 |
| • Search fees: | £ 50.00 |
| | |
| • Search insurance: | £ 40.00 |
| • HM Land Registry fee: | £ 40.00 |
| | |
| Grand total: | <u>£1,042.00</u> |

***This figure is calculated at a rate of 0.25% of the new loan.**

Again, if you would like a case specific estimate for your particular circumstances, please contact one of our conveyancing lawyers.