

Ken MacDonald & Co

Lawyers and Estate Agents

Finance

Whether is it your first mortgage, re-mortgaging or discharging an existing mortgage, either as part of a larger conveyance or a piece of work in its own right, we at Ken MacDonald & Co can guide you through this process. We provide our own brand of personal service, otherwise lacking in the faceless industry of finance.

Obtaining a mortgage, more commonly called a standard security in Scotland, does not merely involve submitting an application to a lender and awaiting the release of the funds for the date you require. A solicitor must be involved and is at the heart of the whole process.

When an application is submitted it is commonly sent to the lenders mortgage department. It is not dealt with locally. On receipt it is split into sections to be processed. Two areas are looked into, you the applicant and the property in question. Only when all sections are satisfied will the application then be sent to their underwriters to make a final decision. This process can take weeks to complete and is renowned for delays. The lenders operate to their timescale and priority and not yours. It is not uncommon for a section to come to a stop simply because they await a further item or information. However, they often do not inform you of this. We would therefore recommend that you liaise with your financial advisor or mortgage agent on a daily basis until such time as you receive your formal written offer of loan.

Once the underwriters approve your application, a written offer of loan will be issued to you. Please ensure you read through it carefully and follow the instructions immediately. At the same time that the offer is issued, instructions are sent to a solicitor to carry out the work on behalf of the bank.

Often in residential purchases this is the solicitor acting for the purchaser. It is not uncommon however, for the lender to instruct another solicitor. Our experience is that this simply complicates delays and incurs additional expense for the client as it involves further work, risk and responsibility to their own solicitor. This should therefore be avoided where possible and taken into account when selecting your mortgage product.

On receipt of instructions the solicitors can then and only then commence the work required. A standard security will be prepared and sent to you for signing. A state for settlement can then be prepared showing the exact sum due from you and a report completed and sent to the lenders confirming everything is in order and requesting the release of the funds. There is often an interval between the lenders receiving this report and their releasing the funds. This interval varies from lender to lender as does the nature and requirements of their instructions. It takes time to carry out this work, so the sooner the solicitor receives the instructions the

quicker matters can progress. A delay in receiving instructions often leads to a delay in settlement: a delay out with the solicitor's control.

A standard security is the document the purchaser signs to legally grant security over the title in favour of the lender in return for the funds. This deed is recorded in Edinburgh along with the title and is the document the lender will rely on to repossess your home in the event of default. Post settlement the solicitor remains liable to the lender in terms of the security, the title and the contents of his report.

For our service we charge a fair and reasonable fee for the work involved. Factors such as the sum involved, timescale, whether or not is part of a larger transaction or stand alone, the nature of the lenders, whether or not we are the sole agents involved and the complexity of the instructions received are all taken into account.

Throughout the process our priority is you. We liaise with you and not a salesperson at a bank or financial advisor. We do not take commission from anyone else but you. We are accountable only to you. We are therefore your only true independent advisor throughout the whole process.

the complex made easy...

Ken Macdonald & Co 9 Kenneth Street Stornoway Isle of Lewis HS1 2DP
Tel: 01851 704040 Fax: 01851 705083
enquiries@kenmacdonaldlawyers.co.uk www.kenmacdonaldproperties.co.uk