

ashfords

EQUITY RELEASE

Procedure, Progress and Questions Answered



Equity Release - Procedure, Progress and Questions Answered

This sheet aims to answer your questions, explain the stages of the procedure and allow you to see how your equity release scheme is progressing and the stage you are at.

Stage 1: (1 day)

Initially your financial adviser will, with your permission, instruct us to act on your behalf. You may of course instruct us yourself. Upon receiving instructions we will open a file for you. From this time you will have your own unique client reference number which you can use whenever you contact us.

Stage 2: (1 day)

We shall write to you as soon as the file is open, enclosing our Terms of Business letter and a Questionnaire. Our letter is lengthy but we are required by the Law Society to send this to every client at the outset of a matter. Please complete as many questions as you can and return the signed questionnaire to us. Not all of the questions apply to everyone and if you think that a particular question does not apply to you, then you do not have to answer it. You may also be asked to provide us with proof of identity if we have not already been provided with it. We only ask for items that are necessary to comply with our money laundering requirements, and the requirements of the equity release lender.

We will obtain an Official Copy of your title deeds (only if it is a registered title with its own unique title number) from HM Land Registry. This will provide us with details of your property together with details of any mortgage or secured borrowing against your property. The cost of this is £720 including VAT. Based on the information the Official Copy, we may need to ask you to supply details (if applicable) of mortgage account numbers and the location of your deeds. On occasion, mortgages may still be showing on your deeds even if they have been repaid. Your original title deeds will be required if: your property is un-registered, or if it is a Leasehold property, or if the lender intends to retain them after completion of the equity release scheme.

If we have not heard from you within 4-5 days of writing our initial letter to you, we may send you a reminder.

Stage 3:
(Estimated time 10 days)

You will receive a visit from the lender's surveyor who will forward the survey report to the lender prior to an offer being made to you. When the lender has seen the report they may then send you a mortgage offer. We will not have received an offer at this stage. We have no control over the surveyor or lender and only estimate that within 10 days of the surveyors visit, you will receive a copy of the mortgage offer. You must read the offer carefully and if anything is incorrect you must contact your financial adviser immediately.

Stage 4:
(1 day)

We will write to you when we receive our copy of the offer and the paperwork (usually 3-4 days after completion of Stage 3) for you to sign. We will examine our copy of the mortgage offer then report to you regarding the terms of the offer. We normally report to you on the same day as we receive our copy of the mortgage offer.

**Stage 4
(continued):**
(1 day)

We will ask you for any documents that the lender has asked to see or documents relating to any special condition of the offer. We will also ask you to provide a current buildings insurance schedule. It is usual for mortgage lenders to be added to the buildings insurance schedule as having an interest in the property. This means that the lender will usually want their name endorsed on the schedule. We will tell you if your lender requires this. We shall also ask you for any items previously requested if we have not already received them. We will then either forward documents to you to sign or, ask you to make an appointment or, locate a solicitor for you if you have asked us to do so. We can arrange for you to meet with a solicitor at any of our offices.

We may remind you by letter if we do not hear from you within 5 days of sending our report to you.

Stage 5:
(1 day)

Once we have everything from you, we can then prepare the schedule of signed documents for the lender to examine. We cannot send the schedule to the lender until we have everything from you. This is submitted to the lender's solicitors by Special Next Day Delivery. At this time we will also send you a copy of your mortgage redemption statement (if applicable). If we believe that there is likely to be a shortfall between the amount you are borrowing and the amount to repay on your existing secured borrowing, you will be asked to forward the shortfall to us prior to completion.

Stage 6:
(2 days)

The lender's solicitors will receive the schedule and examine it together with the signed documents. They may wish to raise enquiries on the items sent to them and if this is the case, then we aim to deal with their enquiries on the day of receipt, although we may need to contact you depending on the nature of the enquiry. If we are unable to contact you by phone we may have to write to you.

Stage 7:
(5 days)

Only when the lender is happy that all of their requirements have been met will they release the funds to us. This usually (unless enquiries are raised) takes 5 working days from the time they have received the schedule. If we have not heard from them within 5 days we will contact them by letter or telephone to ask that they progress the matter forward. Usually a completion date will be received within 5 working days (unless enquires are raised).

Stage 8:
(same day)

Completion is the day funds are released to us. On that day we will forward the balance of funds to you by your preferred method (as instructed on the questionnaire that you completed). We will forward to you a completion statement and any other relevant paperwork available at that time. Any mortgage or secured borrowing will have been redeemed. It is at this point that you may cancel all direct debit payments for previously secured borrowings upon your property. You must not cancel any mortgage direct debits until completion has been confirmed as any underpayment on your existing mortgage will lead to difficulties with your lender.

Stage 9:
(1 to 3 months)

Post completion is the final stage, whereby the lender registers their charge against your property. The Land Registry will provide us with your amended deeds. If your property was previously un-registered, it will now be registered with its own unique title number. The original title deeds will be returned to us unless the lender wishes to retain these in their possession for safe keeping. We shall forward to you a copy of the completed registration document and any title deeds that have been returned to us. Registration is the final stage and may take up to 3 months.

There is a dedicated Equity Release team on hand to assist you and answer any questions that you may have during the hours of 9.00 am to 5.15 pm Monday to Friday. Details of your case handler can be found in our initial paperwork.