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### WHAT IS THE FIRST STEP I SHOULD TAKE WHEN SEEKING A MORTGAGE?

Shop around!

A mortgage broker can help you to estimate how much you can borrow and s/he will guide you through the application for the lending institution i.e. the bank or building society

Once you know the amount you can spend on your house you should obtain details of properties on the market from auctioneers. Write down the factors that are essential to you in your new home and compare and contrast the properties on the market.

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### WHAT IS INVOLVED IN APPLYING?

. A loan application will involve some or all of the following:-

- loan application forms,
- fire insurance,
- life insurance,
- standing order to Lender,
- valuation.

You will need to decide whether to avail of variable, tracker or fixed interest rates and you should, of course, look for the best interest rate available.

We recommend that you consult an independent mortgage broker who will investigate all of the options available to you.

You will require a salary certificate from your employer. If you are self employed you will have to provide accounts for your business.

If your loan application is successful you will receive a formal "Loan Offer" from the Bank/Building Society. The Offer of Loan will detail the loan amount, interest rate, term of the loan and the initial repayment.

The Bank/ Building Society will forward a copy of the Loan Offer to your Solicitor and your Solicitor will review the documents with you.

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## WHEN I HAVE MADE AN OFFER, WHAT IS THE NEXT STEP?

After making the offer you will need to finalise your mortgage details. This will include arranging details such as your mortgage repayments, the interest rate on the mortgage, mortgage protection etc.

A property valuation will be carried out by a valuer on behalf of the bank or lending institution, where you are receiving your loan from, to ensure the property is worth the amount you wish to borrow.

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## WHAT HAPPENS AFTER THE VALUATION?

Once the valuation is submitted a formal loan offer will be issued to you and your solicitor. Both you and your solicitor will need to read this carefully, sign it and return it to the lending institution.

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## DO I NEED A SOLICITOR- WHAT DO THEY DO?

**Yes!**

As soon as we receive your Loan Offer from your Bank we will establish contact with them. We have the responsibility to deal with the requirements of your Lender to make sure that they have

adequate security. They will ask us to sign a Certificate of Title which is a personal guarantee by us that the title is in order.

If you already have a loan on the property the documents will be held by your Bank/Building Society. We send your written letter of Authority authorising us to take up the Title Documents to the Bank/Building Society. It normally takes two to three weeks before we receive the documents from the Lending institution.

When we get the documents we investigate your title. Depending on the number of factors it can take anything up to 5 weeks to get past this stage.

An area that frequently causes problems is Planning Permission.

If your house was built after 1st of October 1964 we will have to ensure that we have copies of the Planning Permission. It is also necessary to obtain evidence that the Conditions in the Planning Permission have been complied with. This is done by Declaration from an Engineer or Architect who declares that he has inspected the house and the plans on foot of which the Planning Permission was granted and that the house was built in substantial compliance with the Planning Permission.

You may have built an extension, garage or shed since you first built or purchased your house. If so, evidence will have to be produced in the form of an Engineer's Declaration that the extension was either exempt from the requirement to obtain planning permission or, if permission was required, a declaration that the conditions of the planning permission have been complied with.

If your house is served by a septic tank it will be necessary to arrange for an Architect or Engineer to inspect the property and sign a Certificate that the septic tank and the percolation area are located within the boundaries of your property.

Building Regulations came in to force on the 1st of June 1992 imposing rigorous standards for construction, extension and renovation works. From this date there is a legal obligation to comply with the Building Regulations in relation to all new buildings, alterations, extensions or

changes of use. If you have carried out any work since this date an architect's declaration of compliance or exemption in relation to the building regulations is required.

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## WHAT ELSE IS INVOLVED IN THE PROCESS OF GETTING FUNDS?

Once our investigation of title is completed we will arrange for you to sign the acceptance Loan Offer. You will also be required to sign the Deed of Mortgage which will be sent to us by the Lender at this stage. The Acceptance of Loan Offer and other legal documents are returned to the Bank where they will be processed. Once the legal documents are processed and the bank are satisfied that you have complied with all of the conditions on the Loan Offer the loan cheque will be released to us.

From the day that we receive the loan cheque it will take five working days for our bank to clear the funds. If we are required to clear of existing borrowings out of the loan cheque we will request details of the outstanding borrowings from the lending institutions. In some instances banks will not release the details of personal loans to us and it will be necessary for you to obtain the redemption figures for us. We will let you know if this is the case.

We will carry out Searches as soon as the loan cheque clears in order to confirm to the Lender that you have not, e.g. attempted to sell the property to someone else, and remortgaged the property or gone bankrupt.

We then pay off your existing Bank or Building Society and any other borrowings stipulated by your Lender and deduct our agreed fees and outlays. We will then give you a cheque for the net proceeds of loan.

Our work will not yet be completed, however! We will register the new mortgage in the Land Registry or Registry of Deeds and once registration is completed lodge the title documents with your Lending Agency.

## FOR MORE INFORMATION

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