

## The House Purchase Process

This guide gives you a summary of the processes and procedures involved in purchasing your new home.

- 1 - Ask for a Mortgage Certificate which will give you a guide as to the maximum amount of mortgage that could be available. Some estate agents may require this before they are prepared to submit your offer to the vendor.
  - The lender will carry out credit checks on all applicants and uses a credit scoring system in assessing the Decision in Principle application.
- 2 - Look at a number of properties and when you have found a suitable one, make an offer to the estate agent or vendor (if no estate agent is involved).
  - Remember any offer made can be amended or withdrawn before exchange of contracts.
  - Likewise, the vendor can accept a higher offer from another prospective purchaser or take the property off the market before exchange of contracts.
- 3 - Instruct a solicitor to act for you. We can recommend a firm if you need help.
- 4 - Once your offer has been accepted, contact us to arrange for the full mortgage application to be submitted to the selected lender.
- 5 - Confirmation of your income will be required in the form of payslips, P60 or bank statements or if you are self-employed, 2 years accounts, an accountant's certificate or your SA302s which are your self assessment tax calculations issued by HMRC.
- 6 - Instructions are given by the lender to carry out an inspection and valuation of the property which can either be a basic valuation for mortgage purposes or a more detailed inspection called a Homebuyer's Report.
- 7 - The valuer's report is received by the lender with comments by the valuer where appropriate.
- 8 - After a final assessment and approval of your application an offer of mortgage is issued. A copy is sent to yourself and copies to your solicitor and your mortgage broker.
- 9 - Once the mortgage offer is issued you should make arrangements to visit your solicitor to discuss the legal issues and proposed dates for the exchange of contracts and completion.

- 10 - The vendor's solicitor sends the draft contracts and plans to your solicitor.
- 11 - Your solicitor proceeds with the legal work carrying out local searches and other enquiries in preparation for transferring or conveying the property into your name, the purchaser. This is known as the conveyancing.
- 12 - When all the searches and enquiries have been carried out, an exchange of contracts date is agreed by both parties' solicitors and you are normally required to leave a 10% or more forfeitable deposit with your own solicitor.
  - In some cases a lower deposit may be agreed.
  - A completion date is agreed.
  - By exchanging contracts both parties are entering into legally binding contracts which means you are obliged to purchase the property and the vendor is obliged to sell you the property.
  - If either of the parties change their minds after this date they could be sued for breach of contract and damages.
  - If you withdraw from the transaction you would lose your deposit and if the vendor changed their minds, they could be sued for breach of contract and any costs or damages you have incurred.
- 13 - The Report on Title (proof of the ownership of property) is sent to the lender by the purchaser's solicitor and the mortgage funds are requested.
- 14 - Finally on the day of completion the house purchase transaction completes, the vendor receives the funds and the keys are handed over to the new purchaser.

The whole house purchase process normally takes between 6 - 8 weeks to complete but this could vary depending on your individual circumstances and any legal issues that may arise.

