

## Helping to simplify conveyancing legal jargon

A few key words that may be used by the legal teams that you might not understand, we hope that this list will help.



### A - Abstract Title

Summarises details of the title deeds and other documents that prove the seller's right to sell a property and any mortgages or claims that relate to the property, normally only discussed when the property is unregistered.

### Advance

The sum of money being provided by the mortgage provider to purchase the property.

### B - Brine Search

A search to establish if a property might have a chance of structural damage from brine as a result of disused workings near the property.

### Buildings/Home Contents Insurance

Insurance to cover the cost of repairing damage to the structure of your property usually including garages, sheds, fences, pipes, cables and drains.

### Buildings Regulations Approval

Approval by the local authority on the minimum standards for design, construction, materials and alteration which apply to virtually all buildings/extensions and internal work performed at the property.

### C - Certifying a document

Certify a document as a true copy of the original by getting it signed and dated by a professional person, like a solicitor. When you apply for something like a bank account or mortgage, you may be asked to provide documents that are certified as true copies of the original.

### Chain

Where a seller is buying another property there is a sequence of linked purchases known as a chain.

### Chaps Transfer

On completion the balance of the purchase price is paid by a same day transfer of funds between solicitors' client accounts by electronic transfer. CHAPS means Clearing House Automated Payment System.

### CLC

The [CLC](#) are the specialist property law regulator. We are a firm regulated by the CLC, however, our qualified staff are a mix of those holding qualifying certificates from the Law Society, CLC and ILEX.

### Completion

The moment when the buyer becomes the new owner of the seller's house and ownership changes legally.

### Completion Statement

A written document that shows all of the receipts and payments due in relation to the purchase / sale.

### Contract pack

The set of documents sent by the sellers conveyancing solicitor so the legal title over the property can be confirmed.

### Conveyancing

The legal work which includes the preparation of documents needed to buy and sell properties.

### Covenants

Legal obligations contained in a Deed to do or not do something.

### D - Deeds

The official documents confirming who owns a property, these are held by the lender if the property is mortgaged until all outstanding amounts are paid.

### Deposit

The money that the buyer's solicitors hand over to the seller's solicitors upon exchange of contracts. This is normally 10% of the purchase price but can be lower by agreement of the parties.

### Disbursements

These are the charges made by third parties that include Local authority, water and drainage, environmental and mining searches as well as stamp duty and Land Registry fees.

### E - Easement

An easement is a right that a person or people may have to use land that they do not own in a certain way, or to prevent the owner of that land from using it in a certain way. Common examples are rights of way and a right of light.

### Equity

Usually means the difference between the value of a property and the amount owed to the mortgage lender. Most properties will have equity in the property, i.e. money left over if they sold, however, there are also the instances where the property is in negative equity and the seller owes more money than the property is being sold for.

### Exchange

The formal exchanging of the two parts of the contract between the seller and buyer Conveyancers where they become legally bound to complete on an agreed date.

### F - Fixtures, fittings and contents form

A standard form completed by the seller which details all items in the property which they have agreed to leave as part of the sale price. This is attached to the contract.

### Freedom

Owning the freehold on a property means owning the building and the land outright.

### I - Indemnity Policy

An Indemnity policy is an insurance policy used by Conveyancers to try and move a file to exchange where the defect cannot be solved. It is always best practice to try and resolve any issue of missing or lack of documents prior to taking an Indemnity policy out and should always be the last resort. Common use of a policy is where windows have been replaced without the work being performed by someone registered with FENSA and therefore the relevant building regulations certificate cannot be provided. A common myth is that you can obtain a policy for work that has been done and does have a certificate but that the certificate has been lost, this is not correct, you can only indemnify something that is missing or hasn't been performed correctly.

### L - Land charges search

A search at the Land Charges Registry to establish if the seller has any bankruptcy proceedings due or if the property is unregistered to find out if there are any mortgages or interests registered against the property.

### Lease

Where a property is leasehold, the lease is the document giving the lessee the rights to possession of the property for the lease term and setting out all rights and obligations.

The Lease will also confirm the term that property is allowed to be used for and also the ground rent and service charge obligations (if required).

### Leasehold

Where the property is leased from the freeholder (or landlord) for a fixed number of years for and there is a payment of annual ground rent. When a property is leasehold you are in effect only buying a term of years to reside at the property and will own the property but not the land that it resides on.

### Legal Transfer

This is the document which actually transfers the legal title to the property from one person to another and is signed before completion. (TR1)

### Lessee

Where a property is leasehold the lessee is the current owner of the leasehold property until the leasehold term comes to an end.

### Lessor

This is the landlord or freeholder who owns the freehold title and is entitled to the ground rent under the lease until the end of the lease term.

### Local Authority Search

Specific information about a property which is requested from the Local Council. This is often now performed using a search company. It includes whether the road serving the property should be maintained by the council and whether there have been any planning permission or building regulation applications on the property.

### M - Mining Search

A search to check whether the property may be affected by past coal mining activity beneath it which could result in subsidence.

### Mortgage Deed

The official legal document that the buyer signs to formalise the mortgage agreement.

### Mortgage Offer

Also known as an 'offer of advance' is given by the mortgage lender to a borrower to confirm that they will lend an amount of money.

### O - Occupier's consent

Any person who lives at the property but will not be a part owner will be asked to consent to the mortgage being taken out and agree to move out if the lender takes possession.

### P - Property Information

This is a questionnaire about the property completed by the sellers that they would otherwise be unable to find through searches.

### R - Redemption

The full repayment of an existing mortgage.

### Registered Land

Property which is registered at the HM Land Registry.

### Rentcharge

Some freehold properties are subject to a rent charge payable to the rentcharge owner. This is usually an annual sum paid by the owner of the freehold land. This has become very important over the last few years as many mortgage lenders will not lend on a property that has certain rent charges over a property and therefore be aware that the existence of this will create additional enquiries and more than often will cause a delay due to the requirement for the mortgage lender to approve it's existence.

### S - Searches

Formal enquiries made to various authorities to provide the buyer with more information about the property they wish to buy including Local Councils, the Environment Agency and Coal and Water Authorities.

### Service charge

A payment levied by landlords for the costs of maintaining, insuring and running a development or building.

### SRA - Solicitors Regulations Authority

The [Solicitors Regulation Authority \(SRA\)](#) is the regulatory body for solicitors in England and Wales.

### Stamp Duty

You must pay Stamp Duty Land Tax (SDLT) to the Government if you buy a property or land over a certain price in England, Wales (LTT) and Northern Ireland.

### T - Tin Search

A search to establish whether the property may have been adversely affected by tin mining activity.

### Title Deeds

These documents are evidence that the seller owns the property and details any rights or obligations that affect the property. Title Deeds are not always provided on completion of a property anymore due to most properties being registered and all records being held online.

### Transfer of Equity

When someone is added or removed from the title deeds of a property, please note that stamp duty also needs to be considered when you are dealing with a Transfer of Equity.

### U - Unregistered Title

Where land has not been registered at the HM Land Registry and ownership has to be proved by the production of a complete chain of documents showing successive ownership, this is called an Epitome of Title.