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property lawyers

Your Mortgage Key Information



Print document

The Mortgage Offer

When you receive your mortgage offer we will normally receive a copy at the same time. Please read through your offer carefully and let us know if it is incorrect, in which case you will also need to request an amended offer from the lender or via your mortgage adviser.

Unless you specifically ask us to do so, we will not advise on the particular loan scheme, date or amount of mortgage payments, calculation of early redemption penalties, or other particular features of the loan. These matters should normally be checked with your mortgage lender or financial adviser.

The conditions attaching to the mortgage deed itself will often be set out in a booklet provided to you by the lender. In brief summary, however, the standard terms with which you will be obliged to comply will include the following:

- (a) you must maintain the agreed payments to the lender, whether interest and capital or interest only
- (b) you must not let the property without the lender's consent (unless you have a buy-to-let mortgage)
- (c) you must not alter the property without the lender's consent
- (d) you must keep the property insured, whether this is done through the lender or independently
- (e) you are obliged to keep the property in good repair so that it remains suitable security for the loan.

If you are in breach of any of these conditions, the lender will have the right to repossess and sell the property. After a forced sale in these circumstances, you would be responsible for any shortfall due to the lender. The lender may have taken out insurance against part or all of

this shortfall but such insurance is taken out for its own benefit and not for your benefit. The insurance company in those circumstances would normally have the right to pursue you for any sums paid out to the lender.

When the mortgage is in joint names, each borrower is 'jointly and severally' liable for the mortgage debt and performance of the covenants – i.e., each borrower may be required by the lender to pay all monies due to them.

You should note also that, where we are instructed by the lender, we will have a duty to the lender to act in its best interests and, in particular, to supply to the lender information which it may wish to know regarding yourself as the borrower. We will seek your authority before revealing such information but, should you withhold this authority, we will have to cease to act for both of you. Also, there may be times when we will point out to you a defect in the legal title or some aspect of the property which you are mortgaging and you inform us that you are nevertheless prepared to proceed.

Because of our duty to the mortgage lender we will have to point out to them the existence of this defect, and they may decide to withhold funds until we are able to confirm to them that the situation has been resolved to meet their requirements. You will of course be fully informed if such a situation arises.

Please note that a mortgage lender can withdraw or change the mortgage offer at any time before the mortgage completes.