

# CML Lenders Handbook for England and Wales

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| Part 2 – Name of Mortgage Lender |   | Kent Reliance Building Society  |
| Date last amended                |   | 06 June 2007  |
| <b>Paragraph No.</b>             | <b>Issue or query</b>   |   |
| 1.7                              | Contact point to see if you will lend when borrower and mortgagor are not one and the same                      | Member Services Department, Reliance House, Sun Pier, Chatham, Kent ME4 4ET   |
| 1.11                             | Contact point for standard documents  | Member Services Department  |
| 1.11                             | Contact point if standard documents are inappropriate   | Member Services Department  |
| 1.13.2                           | May my firm act if the person dealing with the transaction or a member of his immediate family is the seller?   | Yes subject to no conflict of interest  |
| 1.14                             | May my firm act if the person dealing with the transaction or a member of his immediate family is the borrower? | Yes subject to no conflict of interest  |
| A3.2                             | Contact details of you need to be notified when the seller does not have legal representation                   | Member Services Department  |
| A3.3                             | What other documents are acceptable for verifying identity?   | 1) current signed passport<br>2) full UK photocard driving license  |
| B3.2                             | Contact details if you need to be notified when the seller does not have legal representation                   | Member Services Department  |
| 4.1.1                            | Is there a valuation report?  | An inspection of the property is not arranged in every instance   |
| 4.1.1                            | If so do you provide it?  | If a valuation report has been carried out on our behalf a copy should be obtained from the borrower  |
| 4.1.3                            | Contact point if assumption stated by the valuer are incorrect  | Member Services Department  |
| 4.2                              | Contact point if re-inspection required   | Member Services Department  |
| 4.2                              | Where should the certificate of title be sent?  | Member Services Department  |
| 5.1.1                            | Contact point if the seller has owned the property for less than 6 months                                       | Member Services Department  |
| 5.2.4                            | Do you want to receive environment or contaminated land reports?  | No – adverse reports only should be referred to the Society’s valuer  |
| 5.2.5.1                          | Do you accept personal searches?  | Yes with prior agreement  |
|                                  | All personal searches without limitations   | Yes providing the requirements under sections 5.2.6.1, 5.2.6.2 and 5.2.7 in Part 1 are satisfied<br>In addition you may accept Chancel repair Insurance on our behalf without referral, if you are satisfied that it provides adequate protection |
|                                  | Only personal searches carried out by firms registered under particular codes or practice                       | See above   |
|                                  | If ‘yes’, please specify which code(s)  | n/a   |
|                                  | No  | n/a   |

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| 5.2.5.2 | Do you accept search insurance, if so what are your requirements?   | Yes providing the search insurance adequately protects us, and you are satisfied that you will be able to certify that the title is good and marketable   |
| 5.3.1   | Do you limit your requirements in terms of time for   |   |
|         | Planning consents?  | Yes   |
|         | Building regulation consents?   | Yes   |
|         | If so please specify your requirements  | <p>No time limit applied in respect of conservation areas and listed buildings.</p> <p>No investigation is required in respect of both planning and building regulation consents after 10 years has elapsed.</p> <p><b>FURTHER GUIDANCE FOR CASES WHERE PLANNING/BUILDING REGULATION CONSENT FALLS WITHIN THE 10 YEAR PERIOD SPECIFIED.</b></p> <p>If the nature of the breach is such that you recommend indemnity insurance as suitable protection, you may arrange this on our behalf and simply advise us of the situation. The cost of which is your clients responsibility.</p> <p>Alternatively, if your advice is that the breach does not require indemnity insurance and is outside the statutory limits for enforcement action, you may proceed on that basis providing the applicants are aware of and accept the risk.</p> |
| 5.3.4   | Contact point for reporting if evidence of breach and all outstanding conditions will not be satisfied by completion. | Member Services Department  |
| 5.3.4   | Do you require the following documents to be sent to you:<br>Original copy/planning permission?                       | No borrowers to retain  |
|         | Original copy/building regulation consents?   | No borrowers to retain  |
|         | Certificates of lawful use or development/established use certificate?  | No borrowers to retain  |
| 5.3.5   | Contact point if the property is subject to restrictions which may affect its value or marketability                  | Member Services Department  |
| 5.5.1   | Do you lend on flying freeholds?  | Yes where only part of the subject property is affected. There is no requirement to report these flying freeholds to us but you should ensure all necessary enforceable rights and covenants are in place and adequate  |
| 5.5.1   | Do you lend on freehold flats?  | No – unless the whole block is offered as security  |
| 5.5.2.1 | Contact point of the property comprises a flying freehold/freehold flat   | Member Services Department  |
| 5.5.3   | Do you lend in these circumstances?   | Yes   |
| 5.5.4.2 | Do you lend in these circumstances?   | <p>5.5.4.1 Yes – see 5.10 for requirements for leasehold securities generally.</p> <p>5.5.4.2 Yes we require the borrowers leasehold interest in the flat they occupy to be charged and we also require a charge over the borrowers freehold interest in the other flat subject to the lease in favour of its occupier.</p>   |

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| 5.5.5    | Do you lend on commonhold?   | Contact Member Services Department  |
| 5.6      | Contact point id there is a restriction on use   | Member Services Department  |
| 5.9      | Contact point if borrower is not providing balance of purchase price from funds/proposing to give second charge          | Member Services Department  |
| 5.10.1   | What minimum unexpired lease term do you accept?   | 75 years subject to minimum unexpired term of 50 years longer than the mortgage term  |
| 5.10.7   | Contact point for matters connected with the lease   | Member Services Department  |
| 5.10.8   | Contact for service charge matters   | Member Services Department  |
| 5.10.9   | Do you accept indemnity insurance where the terms of the lease are unsatisfactory?                                       | Yes providing the policy covers the specific defect and meets the requirements in paragraph 9 of Part I   |
| 5.10.10  | Do you require a clear background rent/service charge receipt to be sent to you?   | No borrowers to retain however solicitor must ensure there is no outstanding liability  |
| 5.10.11  | Do you require a receipted copy of notice or evidence of service to be sent to you?                                      | Yes on completion   |
| 5.10.13  | Contact point if there is an absentee/insolvent landlord   | Member Services Department  |
| 5.10.13  | Do you accept indemnity insurance if the landlord is absent or insolvent?  | Yes providing there are no more than 6 flats in the building (no need to contact the Society)   |
| 5.11.2   | Contact point if there are apparent problems with the management company   | Member Services Department  |
| 5.11.2   | Do you require the following to be sent to you:<br>Management company share certificate?                                 | No borrowers to retain  |
|          | Signed blank stock transfer form?  | No borrowers to retain  |
|          | Management company's memorandum and articles of association?   | No borrowers to retain  |
| 5.12.2.2 | Contact point if unable to certify search entry does not relate  | Member Services Department  |
| 5.13.3   | Do you require the following to be sent to you:<br>Power of attorney?  | No  |
|          | Statutory declaration of non-revocation of power of attorney?  | No  |
| 5.15     | Contact point for lending on affordable housing, shared equity and shared ownership and where relevant your requirements | Member Services Department  |
| 6.1.3    | Contact point if borrower is not taking up the mortgage offer  | Member Services Department  |
| 6.2      | Contact if any discrepancies in property's description   | Member Services Department  |
| 6.3.1    | Contact point for any issues relating to purchase price  | Member Services Department  |
| 6.3.1    | Do I have to report incentives?  | Yes – please specify the nature and amount of any incentives. The amount of the advance may be reduced by the amount of any incentives being received |
| 6.3.2    | Contact point for any issues relating to purchase price  | Member Services Department  |
| 6.3.2    | Do I have to report incentives?  | Yes – please specify the nature and amount of any incentives. The amount of advance may be reduced by the amount of any incentives being received.    |

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| 6.3.3  | Contact point if we will not have control over the payment of all the purchase money                 | Member Services Department  |
| 6.4    | Contact point if vacant possession is not being given  | Member Services Department  |
| 6.5.1  | Contact point if property is let/to be let and to check you lend on buy-to-let                       | Member Services Department  |
| 6.5.2  | Contact point when you do not have details of current letting or letting to take place at completion | Member Services Department  |
| 6.5.3  | Do you require counter part/certified copy tenancy agreement to be sent to you?                      | Yes   |
| 6.5.4  | Do you lend where the property comes within the definition of a house in multiple occupation?        | No  |
| 6.5.4. | If yes, what are your requirements?  | n/a   |
| 6.6.1  | Please provide a list of new home warranty schemes acceptable to you.                                | NHBC<br>Zurich<br>Premier<br>HAPM<br>Otherwise please refer to Member Services Department   |
| 6.6.2  | What new home warranty documentation should be sent to you?  | None – borrower to retain   |
| 6.6.3  | Should any assignments of building standards indemnity schemes be sent to us?                        | No borrower to retain   |
| 6.6.4  | Will you proceed if the property does not have the benefit of a new home warranty scheme?            | We will accept monitoring by qualified Architect  |
| 6.6.6  | Do you require the professional consultant's certificate to be sent to you?                          | No, submission of the Certificate of Title will be taken as confirmation that this has been obtained  |
| 6.7.1  | Contact point if no agreement and bond for an unadopted road or sewer?                               | For newly built properties, we will not impose a retention where a bond/agreement will not be in place on completion. If the customer accepts the situation we will proceed. However, if there are no plans to obtain a bond/agreement in the future please advise this to the Member Services Department |
| 6.8.1  | Contact point if necessary easements are absent?   | Providing suitable indemnity insurance is in place on completion there is no requirement to advise us. Record policy details on COT (see 9 below)   |
| 6.9.2  | Who will you release any retentions (or instalments of the advance) to?                              | Borrower(s) unless stipulated otherwise on mortgage offer   |
| 6.10   | Contact point if property is affected by redevelopment or road proposals                             | Member Services Department  |
| 6.11   | Contact point if pre-emption rights, resale restrictions, options etc will affect our security       | Member Services Department  |
| 6.12   | Contact point id property is affected by improvement/repair grant which will not be discharged       | Member Services Department  |
| 6.13.1 | Contact point id property is not insured in accordance with your requirement                         | Member Services Department  |

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| 6.13.1 | Do you need the buildings insurance in joint names/your interest noted?  | Freehold – joint (but if this cannot be arranged we will accept our interest being noted)<br>Leasehold – interest noted   |
| 6.13.3 | What are your requirements if the total sum insured is less than the total number of flats multiplied by the amount set out in the mortgage offer? | We will accept if written confirmation is obtained from the insurance company concerned that they have assessed the level of cover for the block as completely adequate   |
| 6.13.5 | What is the maximum excess you will accept on buildings policy?  | £1,000  |
| 6.13.6 | Do you require confirmation that all insurance risks are included?   | Submission of the Certificate of Title will be taken as confirmation that insurance is in place and all risks covered. Only omissions should be reported to the Member Services Department  |
| 6.13.7 | Do you require insurer's confirmation to notify you of non-renewal/cancellation to buildings insurance policy?                                     | Yes – it is the borrowers' responsibility to insure the property for the full rebuilding value throughout the term of the mortgage  |
| 6.13.8 | Do you require a copy of the building insurance policy and last premium receipt to be sent to you?   | No  |
| 7.3    | Do you require a consent to mortgage from all occupants aged 17 and or over?   | Yes a form of Consent and Undertaking will be required  |
| 7.4    | Contact point if doubts about accuracy of information disclosed  | Member Services Department  |
| 8      | May I also advise any of the specified third parties?  | Yes   |
| 9      | Do you require the indemnity insurance policy to be sent to you?   | Yes on completion   |
| 9.2    | What limit of indemnity insurance do you require?  | Higher of purchase price or valuation figure, on a remortgage 120% of advance   |
| 10.2   | Will the mortgage advance be paid:<br>Electronically   | Yes unless advised otherwise. The current CHAPS fee will be deducted from the amount of the advance   |
|        | By cheque  | No unless specifically requested by you   |
|        | What is the minimum number of days notice you require<br>Electronically  | 5 working days  |
|        | By cheque  | 5 working days  |
| 10.2   | What are the standard deductions made from the mortgage advance?   | CHAPS fee and any unpaid administration, booking or valuation fees. You should confirm with the borrower(s) any unpaid fees   |
| 10.3.4 | On delayed completion, when and how is the advance to be returned?   | Interest will be incurred on the advance as from the completion date notified on the Certificate of Title. If completion has not taken place within 5 days the advance monies must be returned electronically unless agreed otherwise |
| 10.5   | Contact point if completion is delayed?  | Member Services Department  |

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| 10.6     | How long can I hold the mortgage advance before returning it?                         | The advance must be returned within 5 days of issue. If completion is delayed but will occur within that period we expect you to hold the monies in an interest bearing account and pass on the accrued interest to the borrower(s). See 10.7 below |
| 10.7     | What, if any interest do you charge if return of the advance is delayed?              | We charge our borrower(s) interest at the rate specified in the mortgage offer from the day notified as the completion date on the Certificate of Title or the day following release of the advance monies unless agreed otherwise                  |
| 12.3     | Contact point for release of retentions/mortgage advance instalments                  | Member Services Department  |
| 14.1.3   | Do you require me to make a form CH2 application?                                     | No  |
| 14.1.14  | Do you require the original mortgage deed to be sent to you?                          | Yes on completion   |
| 14.2.1   | Where should the title deeds and documents be sent                                    | Deeds Administration Centre, PO Box 3065, Swindon SN38 1WL<br>Or DX 400914, Swindon 6   |
| 14.2.2   | Which documents must I send after completion?   | Title information documentation<br>Original mortgage deed<br>Original/Counterpart Lease<br>Receipted freeholder notice<br>Consent & undertakings<br>Indemnity insurance   |
| 16.1     | Contact point for title documents   | Deeds Administration Centre, DX 400914 Swindon 6  |
| 16.3.1   | Do you have a standard form a transfer/deed of covenant?                              | No  |
| 16.3.1.2 | Contact point for finding out debt amount?  | Member Services Department,   |
| 16.3.3   | Do you require the transfer of equity to be sent to you?                              | Approval should be obtained prior to execution  |
| 16.3.6   | Contact point for obtaining execution of transfer of equity?                          | Legal Services Department, Reliance House, Sun Pier, Chatham, Kent ME4 4ET  |
| 16.3.6   | What form of attestation clause do you use?   | The Common Seal of Kent Reliance Building Society was hereunto affixed in the presence of:- Duly authorised officer   |
| 16.4.1   | Contact point for application for consent to letting                                  | Member Services Department  |
| 16.4.1   | Does a copy of a proposed tenancy need to be sent to you?                             | Yes for approval  |
| 16.5.2   | Contact point for confirming proposed deed or agreement will not adversely affect you | Member Services Department  |
| 16.5.3   | Where should the following documents be sent for execution:                           |   |
| 17.1.1   | Contact point for redemption statements   | Member Services Department  |
| 17.2     | Where do I send the discharge and repayment remittance                                | Member Services Department  |
| 17.2     | Do you send the discharge via:<br>A DS I form   | Yes   |
|          | Direct with the Land Registry   | No  |