
House Moving Jargon!

Advance

A mortgage or loan

Arrangement fee

The charge some lenders make for providing a mortgage

Bridging loan

A loan arranged over a short period until permanent funds are available. Usually arranged through a clearing bank, but occasionally through a building society

Buildings insurance

Cover for the bricks and mortar of your home

Chain

Where the home buyer and the home seller depend on each other to complete a house move.

CML

The Council of Mortgage Lenders, which represents 98% of UK residential lenders and promotes good lending practices

Completion statement

A statement from the house buyer / buyers solicitor detailing how the house buyer should pay. The statement includes the house sales price plus all other costs.

Completion date

The date when all transactions relating to the sale of a house are completed. Only when all contracts have been exchanged can you confidently set a date to move. Forcing an early completion date to hurry up the legal process can often lead to frustration, especially when you are in a chain.

Conditions of Sale

The terms by which the buyer and seller determine their rights.

Contract

The legal agreement between a seller and a buyer of a property which describes the details of the property and the terms agreed

Conveyancing

The name given to the branch of law dealing with transfer of ownership of property

Conveyancer

The Property Lawyer who manages all of the matters arising from the sale of a house or the purchase of a house. Can be a Solicitor or a Licensed Conveyancer.

Covenant

A restriction or condition affecting the property which must be observed or performed

Credit check

Assessment of your income and financial status by a potential lender

Deeds

Legal documents proving ownership of a property

Deposit

A percentage of the full purchase price, normally 10%, which is paid by the purchaser on exchange of contracts to secure the purchase of the property

Disbursements

The costs of the legal process your solicitor or conveyancer will have to pay for on your behalf and that are added to their bill

Easement

A right given to the house owner over an adjoining property (e.g. right of way).

Engrossment fee

The fixed charge for the top copy of the transfer/lease, paid for by the purchaser

Enquiries before contract

Prior to the purchaser signing a contract, a collection of detailed questions regarding the property may be asked which need to be answered in full before contracts are signed. Also called preliminary enquiries

Equity

The value remaining on a property after all sums relating to the mortgage have been deducted

Exchange of contracts

The moment when, in England and Wales, a contract for the sale or purchase of a property becomes legally binding. Contract documents are signed by both parties and the buyer pays a deposit, usually 10% or a lesser amount by negotiation and his deposit forms part of the total purchase price. Can also be known as unconditional exchange of contracts

Fixtures and fittings

A list of the items at the property, which are either included or excluded from the agreed price. If you are the seller

Freehold

The outright and absolute ownership of land and any property which stands on it

FSA

The Financial Services Authority is an independent government body concerned with consumer protection in the financial market.

Gazumping

When the house seller accepts a higher price offer from another house buyer after the initial offer has been accepted.

Gazundering

When the house buyer lowers his offer after the sale has been agreed.

Ground rent

A payment made at specific times as required under the terms of the lease

Indemnity insurance

An insurance taken out by conveyancing firms to cover losses to clients arising from errors or fraud in dealing with their matters.

Independent financial advisor

An independent person who advises on a wide range of mortgage sources and schemes

Intermediaries

Mortgage brokers or intermediaries who can arrange a loan for you

Land registry

The official body responsible for recording the ownership of land.

Land Registry fee

A fee paid to the Land registry to register ownership of a property. Your solicitor will pay this and add it to your bill

Lease

A situation where property is built on land owned by a person or organisation other than the owner of the property that is erected on this land. The ownership of this property will be for a fixed term and will usually include payment of ground rent on a preset term basis

Leasehold

The ownership of property for a specified period in return for a rental payment subject to terms and conditions.

Legal completion

The date on which the buyer takes possession of the property

Licensed Conveyancer

A Licensed Conveyancer is a specialist property lawyer, someone who is trained and qualified in all aspects of the law dealing with property. Licensed conveyancers are sufficient to secure adequate protection for consumers and that the conveyancing services provided by such persons are provided both economically and efficiently.

Local authority search

A search, payable through your solicitor, of local authority records to confirm the status of the property, check for proposed changes to the area and detail planning permission granted

LTV

Loan to value – the size of the mortgage as a percentage of the property's value

Management company

A company set up to manage the services that are provided and to carry out the repairs or maintenance required

MIG - Mortgage indemnity guarantee

An insurance payable to the lender that covers the extra risk of lending a large proportion of the value of your home (often required when exceeding the normal maximum mortgage advance). The premium for this policy is then paid by the borrower

Mining search

Similar to a local search and intended to establish that the property you are purchasing is not affected by mining works, past or present

Mortgage

A loan to help you buy your house. The mortgage is attached to your title deeds to prevent you selling the property without paying it off at the same time.

Mortgage Deed

The legal charge to the mortgage lender until such time as the loan is repaid.

Mortgage Fees

Normally charged by your conveyancing lawyer for acting on behalf of your bank or building society.

Mortgage interests

In return for the loan that has been advanced on your property by the lender, you will pay a certain sum in interest. The rate of this interest can be affected by the economic conditions prevailing at any given time, unless the mortgage rate is fixed

Mortgage offer

A formal written offer laying out the terms of a mortgage loan

Mortgage protection policy

Insurance policies that can be taken out against a mortgage which will ensure that, in the event of your death, the full outstanding amount of the loan will be paid off

Mortgage term

When a mortgage is arranged it will be for a fixed time period

Mortgage valuation

A professional assessment of the value of the property as it stands at time of inspection for mortgage purposes, made by a person nominated by the organisation that has received the mortgage application. The fee for the valuation is paid by the borrower

Mortgagee

Any person or organisation who lends money for the purpose of mortgage, i.e. building society, insurance company, bank or private individual

Mortgagor

This simply means the borrower

Redemption fee

A penalty which can be incurred by your existing mortgage lender if you pay off your mortgage early or your move to a different mortgage.

Search

A request or enquiry for information held by a local authority of the Land Registry

Searches

A method of checking matters that may affect the status of the property. Local Authority Searches cover items such as road maintenance, planning applications etc. The search covers the property not the surrounding area.

Solicitor's fees

The professional fees a solicitor charges for carrying out the conveyancing process

Stamp duty

Transfers of property ownership incur a Government levy. The rates currently payable are: £0-£120,000 Nothing payable £121,000 - £250,000: 1% of full purchase price £250,001-£500,000: 3% of full purchase price £500,001 or more: 4% of full purchase price Figures are subject to change according to Government legislation.

Structural survey

A survey giving details about the property's structure.

Subject to contract

The period during which the sale is agreed, but there is not yet a binding legal contract; either party could still back out with no legal comeback

Telegraphic transfer

The electronic transfer of funds, the costs of which will be added to your solicitor's charges, usually as a disbursement

Title

The legal ownership of property or rights which a person has to a property

Title deeds

The documents giving evidence of title (ownership or rights)

Transfer document

The final document that transfers the property from the house seller to the house buyer.

Valuation Survey

A survey to allow a property value to be determined for mortgage purposes.

Vendor

This simply means the seller

Yield

The rental income arising from a property that is let out

Disclaimer: Our website and publications aim to give you general information. It is not advice, nor can it take account of your own particular circumstances. For advice with a view to making decisions about your own circumstances please contact us to arrange an appointment.