

Notes for Legal Advisers:

These notes are designed to give practical guidance to solicitors acting for potential plan holders for home reversion plans provided by Home & Capital Trustee Company Ltd.

Once a formal offer has been issued to your client they will be asked to give to you:

1. The Title Deeds of his property if held by them. If deeds are held by a lender, your client will have sent a letter of authority to the lender requesting the deeds be sent to you on normal terms.
2. Birth and Marriage Certificate(s).
3. In date Building Insurance Policy (unless your client is insuring through the Home & Capital Block Policy – arranged by James Hampden Insurance Brokers).
4. Current Water and Sewerage account.
5. National Insurance numbers: for the completion of form SDLT 1.
6. Proof of identity (passport or driving licence together with an original bank account statement, receipted utility or council tax bill), if you have not acted for your client before.
7. If appropriate, death certificate of a spouse and if divorced, the Decree Absolute.
8. Copies of any Planning Permissions, Building Regulations Approval for extensions or major works to the property.

Acceptance Procedure:

The Acceptance process is in two stages:

1. At an early stage following your client's acceptance of our offer please, and in any event within 14 days, advise your client on the legal aspects of the plan based on the specimen documentation provided. As a member of Safe Home Income Plans (SHIP), we will require a Solicitor's Certificate to be signed by you and returned to us prior to completion. Your client has been advised that we cannot proceed until we have received this Certificate.
2. On receipt of the details of the solicitor acting for Home & Capital, please forward to him/her:
 - a) Documents disclosing a good and marketable title to the property.

NB: Please check carefully that copies of any documents or plans referred to in the official copies or documents of title are also sent to Home & Capital's solicitor and that all plans are correctly coloured.

If the property is leasehold, please send a copy of the head lease and freehold title, plus service charge accounts for the last 3 years, receipts for ground rent, copy of share certificate and memorandum and articles of association of any management company.

- b) Certified copies of your client's Birth, Marriage and any other Certificates.
- c) Certified copy of Building Insurance Policy (unless your client is insuring through James Hampden on the Home & Capital Block Policy).
- d) Your replies to solicitor's standard form Requisitions on Title.

NB: Home & Capital's solicitor will undertake all searches in respect of the property.

Your client's expectations are that they will receive their payment within eight weeks of Home & Capital's solicitor receiving the above documents.

Freehold Properties

Once Home & Capital's solicitor has received the above-mentioned documents from you, he will prepare and forward signature copies of the home reversion plan documents. These documents must be returned immediately, when signed, to Home & Capital's solicitor, who will hold them to your order until completion takes place. Normally, exchange and completion will be on the same day and this will further reduce the transaction time, expediting payment to your client.

In the case of a partial reversion, the Declaration of Trust will confirm your client's retained interest in the Property. A Restriction will be registered at HM Land Registry, preventing sale of the property by Home & Capital alone.

The Property (or the interest in the Property) will be purchased by Home & Capital Trustee Company Ltd.

Leasehold Properties (additional to the conditions under Freehold Properties)

The Lease must comply with the requirements of the Council for Mortgage Lenders' Handbook. Your client must have the right to assign the lease and Home & Capital must be able to grant an underlease back to your client. The residue of the term of the lease should be more than 80 years. You will be responsible for obtaining the necessary consents to enable the transactions to proceed.

The underlease of the leasehold property will be similar to the Lease in part two of the home reversion plan, but with the additional condition that your client must fully observe the terms of the Head Lease and pay the rent, any service charges and other outgoings. Your client must not agree to suspend or postpone their liability to pay any sums due under the Head Lease. The term of the underlease will be for the residue of the term of the Head Lease less five days. A copy of the standard Home & Capital underlease is available on request.

Building Insurance

Home & Capital's solicitor requires proof that your client has adequate building insurance covering the property. The surveyor's recommended valuation for insurance purposes is set out in his Valuation Report. If your client wishes to continue their building insurance cover with their existing insurers, they must provide you with an 'in date policy schedule'. A certified copy must also be sent to Home & Capital's solicitor. On completion of the plan, Home & Capital will send a Financial Interest Form to the Insurers.

If your client has chosen to take up building insurance under our Block Policy, arranged by James Hampden, they will provide Home & Capital's solicitors with full details of the cover.

Security Arrangements

Home & Capital may place a restriction upon the title in order to secure financing arrangements. This will not affect your client's retained beneficial interest nor any subsequent sale of their interest in the future under the home reversion plan, nor your client's right to sell the property and/or purchase a substitute property.

The mortgagee of Home & Capital's interest is subject to the home reversion plan provisions.

Retentions

Please check your client's offer letter as to whether a retention will be made in this case. If a retention applies the money will be held by Home & Capital's solicitor as stakeholder pending satisfactory completion of the works as set out in the offer.

Your client will have six months from the date of completion of the plan to complete these works. If your client has satisfactorily completed some or all of the work prior to completion, you should arrange for confirmatory evidence (e.g. receipted invoices and/or completed investigation reports) to be sent to Home & Capital in good time so that instructions can be taken to enable the retention or appropriate part to be released. In the event of major works, a resurvey will be required before the retention can be released.

The home reversion plan governs the position if works are not carried out within the six months. Please draw your client's attention to any ongoing maintenance matters mentioned in the survey report.

Stamp Duty Land Tax

You are to advise your client on the completion of the Stamp Duty Land Tax Form (SDLT1) and forward it to the Inland Revenue. For your client's protection and security, the Lease is to be registered at HM Land Registry by you on their behalf within two months of the completion of the plan. You will be required to sign an undertaking that you will register the Lease with HM Land Registry within two months of completion of the Plan. Your client should instruct you on where they wish the lease to be held for safekeeping. The lease will be surrendered after your client's death, a move into care or a move into a substitute property. For this purpose we must be kept informed of the location of the Leasehold Title Deeds at all times and your co-operation in advising us on this would be appreciated.

Freehold Title Deeds

Following completion of the purchase of the property, Home & Capital's solicitor will hold the Freehold Title Deeds. In the case of a partial reversion, the Title Deeds will be held by Home & Capital's solicitor to the joint order of both your client and Home & Capital.