

Solicitor's Form 2

DRAFT UNDERTAKING FROM HELP TO BUY PURCHASER'S SOLICITOR OR LICENSED CONVEYANCER TO [HELP TO BUY AGENT] AS AGENT FOR THE AGENCY – THIS DOCUMENT IS SUBJECT TO VARIATION AT THE DISCRETION OF THE AGENCY

Dear [Help to Buy Agent]

SCHEME: HELP TO BUY

We act on behalf of [●] (the "**Buyer**"), a qualifying applicant pursuant to the Authority to Proceed, in relation to the purchase of [●] (the "**Property**"). The defined terms in this report and undertaking bear the same meaning as those contained in the Authority to Proceed issued to us by you on [date].

We attach a certified copy of the [final Valuation Report received as part of the Buyer's first mortgage offer/the Buyer's mortgage offer confirming the valuation of the Property]*.

In consideration of the Agency having made equity loan funding available to the Buyer (the Contribution as referred to below), which the Buyer has agreed and directed is to be paid directly to [] (the "**Provider**") and the Full Purchase Price (as referred to below) having the Contribution deducted from it at completion so as to enable the Buyer to pay the Reduced Purchase Price (as referred to below) on the completion date, we confirm and acknowledge that you will rely on the following:-

- 1 We have compared the details provided to us in relation to the purchase of the Property against the relevant Authority to Proceed and can confirm that:-
 - 1.1 the Full Purchase Price is: [●]
 - 1.2 the Reduced Purchase Price is: [●] (which for the avoidance of doubt excludes any mortgage fees of the Qualifying Lender)
 - 1.3 the Contribution is: £[]
 - 1.4 the Contribution Percentage is : []%
 - 1.5 [the Incentives (including any cash back) are: [●] (which for the avoidance of doubt represents no more than 5% of the Full Purchase Price)]
 - 1.6 any cash back is (to be paid to the Buyer at completion): [●];
and these accord with the said Authority to Proceed.
- 2 We have confirmed the identity of the Buyer as required by your Instructions to Solicitors.
- 3 We have confirmed the existence of a prior ranking Qualifying Lender who will be taking a first charge over the property and that Qualifying Lender is [●].
- 4 We confirm that the amount of money to be advanced by the Qualifying Lender referred to in paragraph 3 above does not exceed the Reduced Purchase Price.

5 We confirm that the calculation of the Reduced Purchase Price (and therefore the Contribution and the Contribution Percentage) does not include any mortgage fees of the Qualifying Lender.

6 We confirm that the amount stated in the first charge as being secured by the prior ranking charge is £[●]

7 Please include the applicable statement from the list below in paragraph 11:

[We confirm that the prior ranking first charge does not include an obligation on the Qualifying Lender to make further advances or to permit tacking.] **OR**

[We confirm that the prior ranking first charge does include an obligation on the Qualifying Lender to make further advances or to permit tacking but that we have received confirmation from the Qualifying Lender that they will not make such further advances or permit tacking without the consent of the Agency] **OR**

[We confirm that the prior ranking first charge does include an obligation on the Qualifying Lender to make further advances or to permit tacking and although we have been unable to obtain direct confirmation from the Qualifying Lender that they will not make such further advances or permit tacking without the consent of the Agency, you have confirmed that a general confirmation to this effect has been provided to the Agency.] **

8 Please include the applicable statement from the list below in paragraph 12:

Where a Valuation Report is available the Full Purchase Price does not exceed the market value:

[We confirm that (although we express no opinion on matters of valuation) the Full Purchase Price does not exceed the market value of the Property as stated in the Valuation Report obtained by the prior Qualifying Lender (a copy of the Valuation Report is attached) **OR**

In the event no Valuation Report is available but a mortgage offer has been provided and the Full Purchase Price does not exceed the market value:

[We confirm that (although we express no opinion on matters of valuation) the Full Purchase Price does not exceed the market value of the Property as stated in the mortgage offer **OR**

Where either a Valuation Report or mortgage offer is available but neither of the above statements apply AND specific written approval of the Help to Buy Agent has been obtained (see Para 2 of the Additional Instructions):

[We have received your written approval to the Valuation Report or mortgage offer a copy of which is attached] ***]

9 We confirm that we have provided the Qualifying Lender with notice that the Buyer is participating in this Initiative and we have provided the Qualifying Lender with the Guidance Notes for Mortgage Lenders.

10 We confirm that exchange took place on [●] and that the completion date is [●].

- 11 We have complied with the Council of Mortgage Lenders' Handbook in relation to the first loan from the Qualifying Lender which is to be secured by the first charge over the Property including submission of a fully completed disclosure of incentives form.
- 12 That we have investigated title to the Property and on the Agency's behalf have carried out the other steps required of us so that we can and hereby do give the certificate set out in the Appendix****.
- 13 We undertake to ensure that the form of Equity Mortgage that we have been supplied with:
- 13.1 contains information which corresponds with the information set out in the Authority to Proceed.
- 13.2 bears the Contribution and the Contribution Percentage as specified above;
- 13.3 is properly executed by the Buyer; and
- 13.4 is dated contemporaneously with the purchase of the Property.
- 14 where we have received confirmation from the Buyer (or any one of the Buyers where the Buyer is more than one person) that it has an interest in a Dwelling or we are on notice that the Buyer has such an interest in a Dwelling we undertake not to complete the Equity Mortgage or the purchase of the Property until the sale of such Dwelling has taken place, so that from the date of completion the Buyer will no longer have any interest in any Dwelling other than the Help to Buy Property, and to provide you with evidence of such sale and discharge at Land Registry in line with other document timeframes;
- 15 We undertake to:
- 15.1 (within five working days of the later of completion of the purchase of the Property) provide you with certified copies of the completed Equity Mortgage; and
- 15.2 serve written notice of completion of the Equity Mortgage on the prior Qualifying Lender in accordance with the Land Registration Rules 2003 (as may be varied or amended from time to time); and
- 16 (within five working days of the later of completion of the purchase of the Property or the date of receipt of the signed lease/transfer from the Developer) provide you with a certified copy completed AP1 form as submitted to HM Land Registry.
- 17 We undertake as soon as reasonably practicable and (where applicable) within the relevant Land Registry priority period to
- 17.1 register the Equity Mortgage at the Land Registry as a second charge (ranking immediately after the first mortgage to be granted by the Buyer in favour of the Qualifying Lender);
- 17.2 make such further necessary application to ensure that the Land Registry restriction referred to in the Equity Mortgage appears on the title to the Property; and
- 18 We undertake as soon as reasonably practicable (and in any event no later than 10 working days following receipt from HM Land Registry) to send to the Help to Buy Agent a

certified copy Office Copy Entries confirming that the Equity Mortgage has been registered against the title to the Property.

19 That we have advised the Buyer on their obligations arising under the Help to Buy Buyer's Information Sheet, including the Personal Worked Example, the Authority to Proceed and the Equity Mortgage in accordance with the Agency Instructions to Solicitors and further that the Buyer has received the Personal Worked Example in the form annexed to Help to Buy Buyer's Information Sheet specific to the Property.

* Delete as appropriate – the second option should only be used where a full valuation report is not available.

** You must be in a position to confirm one of the statements set out in Paragraph 7 – please delete the non-applicable statements.

*** Delete as appropriate –

The Form 2 paragraphs 1 – 19 must be returned unamended (save for the words in square brackets in paragraphs 7 and 8 as indicated) to the Help to Buy Agent. Amended forms will not be accepted by the Help to Buy Agent.

**** The Certificate of Title set out in Appendix 1 needs to be completed and signed for this Solicitor's Form 2 to be deemed validly submitted for the purpose of satisfying the requirements for the payment of the equity loan funding.

APPENDIX 1

CERTIFICATE OF TITLE

| | |
|--|---|
| TO: | The Agency c/o Help to Buy Agent |
| The Borrower: | INSERT BUYER DETAILS |
| Property: | |
| Scheme | Help to Buy |
| Title Number: | |
| Mortgage Advance: | (Total amount of Contribution) which represents []% of the Full Purchase Price |
| Price stated in transfer: | (Full Purchase Price) |
| Completion Date: | |
| Conveyancer's Name & Address: | |
| Conveyancer's Reference: | |
| Conveyancer's bank, sort code, and account number: | NOT REQUIRED |
| Date of instructions: | |

We the conveyancers named above give the Certificate of Title referred to in IB (3.7) of the SRA Code of Conduct 2011, published by the Law Society as if the same were set out in full subject to the limitations constrained in it.

Signed (Partner / Licensed Conveyancer)

Date: [●]