

Summary of amendments to the Lenders' Handbook for England and Wales

Below is a summary of all of the amendments made to **Part 1** of the Lenders' Handbook for England and Wales since it was introduced in July 1999. If you require certainty as to the format of Part 1 in force at any given time it is recommended that a cross check is made against the Conveyancing Handbook which annexes the UK Finance Mortgage Lenders' Handbook. This particularly applies if your query relates to the Professional Consultants Certificate.

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Amendments made on 1 July 2017

Amendments were made to Part 1 General-first paragraph; clause 1.1; clause 5.20.1; clause 5.20.3; clause 6.4.1; clause 6.4.2 to replace references to Council of Mortgage Lenders or CML with UK Finance, as a result of the merger of CML into UK Finance on 1 July.

Amendments made on 19 June 2017

A minor amendment was made to clause 6.7.4 relating to the qualifications of the professional consultant, to reflect that the Architecture and Surveying Institute qualifications are no longer offered. The following has been inserted (in italics) under the bullet points for qualifications:

- fellow or member of the Architecture and Surveying Institute (FASI or MASI) (*only if in conjunction with a FCIOB or MCIOB qualification*);

Amendment made on 26 May 2016

An amendment was made to the example standard requirements letter which was developed for use with Part 3 of the Handbook. The amendment deletes the final sentence of the sixth bullet under the 'Pre-exchange' section: 'If you intend to use personal searches, please contact us to discuss this so we can ensure we are able to rely on the searches', as it was superfluous, given the reference to Part 1 of the Handbook.

Links to the example standard requirements letter appear at Clause 1.4 of Part 3 of the Handbook; and on the landing page of the Lenders' Handbook on the UK Finance website. They have both been updated.

Amendment made on 1 February 2016

An amendment to clause 10.2 of the Lender's Handbook. The amendment inserts an additional

sentence (in italics), as follows:

10.2 We shall treat the submission by you of the certificate of title as *confirmation that the borrower has chosen to proceed with our mortgage offer* and as a request for us to release the mortgage advance to you. Check part 2 to see if the mortgage advance will be paid electronically or by cheque and the minimum number of days notice we require.

The amendment is designed to reflect the introduction of a requirement, as a result of the Mortgage Credit Directive, for mortgage customers to have a 'reflection period' of at least seven days before accepting a mortgage offer.

The wording intends to clarify that, in cases where the mortgage lender does not already require a formal acceptance from the borrower, that the current practice of the conduct of the borrower in drawing down the loan, acts as acceptance of the mortgage offer, and creates the contract; this in turn, in cases where the draw-down happens before the end of the reflection period, confirms that the customer has brought the reflection period to an end by their conduct, which Recital 23 expressly allows for.

Amendment made on 30 November 2015

An amendment to clause 6.14.1 to reflect the removal of the Part 2 section; the words 'Check part 2 to see if we have any further requirements in relation to buildings insurance' were deleted.

Amendments made on 8 June 2015

A minor amendment to clause 6.7.4 noting the change of name from the Association of Building Engineers to the Chartered Association of Building Engineers and members designations from MBEEng and FBEng to C.Build E MCABE and C.BuildE FCABE.

Amendments made on 1 December 2014

A significant number of amendments came into effect from 1st December 2014 for Part 1 for England and Wales. Some Part 2 questions were deleted or amended as a result. There was also re-numbering of s 3.1.

Part 1 General

An amendment to update references to solicitors' and licensed conveyancers' respective Codes of Conduct

1.5 General

An amendment to refer to the solicitor's regulator.

Paragraphs 1.17; 2.2; 10.4; 14.3.3

Amendments to above paras if necessary to move to all upper case to provide consistency across the Handbook, where the Part 3 is referenced in Part 1.

Section 3 Safeguards

Amendments to update references to the relevant guidance and legislation.

Paragraph 4.1 Valuation of the property

Amendment to clarify that solicitors and conveyancers are not expected to advise on any

discrepancies between the valuation report they receive and what the lender has, if the lender does not supply the report directly to them.

Paragraph 5.5.1 Planning and building regulations

Amendment to clarify that if the conveyancer can provide an unqualified certificate of title with respect to planning and building regulations the lender will not insist on indemnity insurance. It also removes the Part 2 question which allowed lenders to specify further requirements as to time limits, on the basis that the lender should be able to rely on the professional judgment of the legal representative.

Paragraph 5.5.2 Planning and building regulations

A clarification to 5.5.2 in light of the amendment to 5.5.1, which instructs the conveyancer to report to the lender if the conveyancer cannot give an unqualified certificate of title.

Paragraph 5.6.1 Good and marketable title

An amendment that lenders will not insist on indemnity insurance being obtained in certain situations.

Paragraph 5.11.2 Restrictive covenants

An amendment that lenders will not insist on indemnity insurance being obtained in certain situations.

Paragraph 5.14.13 Leasehold property

Amendment to allow either evidence of service of notice on the landlord or any management company or receipt of notice from the landlord or management company introduced to recognise the practical difficulties in obtaining a receipt of notice.

Paragraph 5.14.16 Leasehold property

A change to recognise that original leases may not be available because it has either been lost or destroyed through Land Registry dematerialisation policy.

Paragraph 5.15.2 Management company

A amendment to require that the conveyancer arranges for the borrower to follow the procedure necessary to become a member of a management company **after** completion, if appropriate, rather than on or before completion, as it was practically difficult to achieve by or before completion.

Paragraph 5.16.2 Insolvency considerations

Minor change to replace 'certify' with 'satisfy' reflecting that there are not longer paper searches capable of certification.

Paragraph 6.4.1 Incentives

Removes stipulation that the DIF must come from the conveyancer as it may come from the seller or developer direct.

Paragraph 6.6.2 Properties let at completion

Additional text in Part 1 ' if the letting does not comply, or' to reflect the preceding sentence more accurately.

Paragraph 6.9.2 Easements

An amendment to remove requirement to mortgage adjoining land in limited circumstances, where valid easements exist.

Paragraph 6.14 Insurance

This section has been much simplified to remove the list of risks and range of Part 2 questions in

relation to buildings insurance requirements. A part 2 has been retained to allow for lenders to include specific requirements.

Paragraph 11.2 Signing and witnessing of documents

A change to recognise the current requirements regarding signing of documents – aligns to the current Land Registry requirements with regards documents related to land.

Paragraph 14.1.1 After completion

Removing the requirement to save a copy of results on the mortgage file as this is already covered by the general requirement at s 14.3.

Paragraph 14.1.5 After completion

A change to reflect the much increased use by conveyancers of electronic registration processes at the Land Registry and to reflect the Land Registry's move toward dematerialisation and increased digitisation as they now have a policy of destroying all original documents they are sent; The amendment also clarifies that conveyancers will not need to keep original documents on file on behalf of lenders, given that the Land Registry will have official copies.

Paragraph 14.2.1 Title Deeds

Addition of wording to clarify that stated documents should be held 'pending completion of the retainer'

Paragraph 14.3.1 Your mortgage file

A change to clarify that documents which a reasonably competent conveyancer would retain should be kept – and to clarify that material held electronically is suitable compliance (i.e. hard copies need not be held)

Paragraph 15 Legal costs

Removed last sentence of section as advised that this is no longer a requirement under Law Society or SRA regulation.

Paragraph 16 Properties let after completion

an addition at s 16.4.1 to clarify that the instruction only applies prior to the end of the retainer and deletes s 16.4.4.

Paragraph 17.2 Discharge

Addition of words 'if required' to reflect that part 2 option.

Amendment made on 8 July 2013

An amendment was introduced on 8 July 2013 following the introduction of Green Deal Plans for residential properties in England and Wales. It allows lenders to choose whether to be informed about Green Deal Plans on properties, via their Part 2 response in section 5.20.

Amendments made on 2 July 2012

A number of amendments come into force with effect from 2 July 2012 for Part 1 for England and Wales.

Amendment 1

A new 1.12.1 has been inserted to make clear that sub-contracting of work from firms acting for the lender, to other firms is not acceptable.

Amendment 2

3.1.2 has been amended to remove reference to Green and Pink cards as the Law Society of England and Wales as these are no longer in use. This now includes reference to the mortgage fraud practice note.

Amendment 3

Paragraphs 4.2, 4.3 and 4.4 have been updated to remove reference to home condition reports and some non-essential text.

Amendments 4 and 5

Section 5 includes a new Paragraph 5.2 covering the situation where the seller is not the owner or registered proprietor. This change results from splitting out the former 5.1 into two separate paragraphs to improve clarity for the reader and make clear that there is a reporting requirement the property has been owned for less than six months.

In the new Paragraph 5.2, it also adds an additional exception to the requirement to report if the person selling is not the owner where they are a registered housing provider. There is a new Part 2 question for 5.2, which will ask for the lender to provide the address for reporting, if different from 1.11.

NOTE: The former Paragraph 5.2 (conflict of interest) has now been renumbered as Paragraph 5.3 and all the subsequent Paragraphs in section 5 have been renumbered accordingly.

Amendment 6

The former paragraph 5.5.3 (now 5.6.3 from 2 July onwards) has been amended, as the requirement for conveyancers to provide satisfactory evidence by statutory declaration has been removed. The final sentence has been amended to ensure it makes grammatical sense.

Amendment 7

The title of the former 5.12.1 (now 5.13.1) paragraph has been amended to reflect more accurately the content of this section, as this requires the conveyancer to report where the balance of the purchase price is not being provided from their own funds, which may include, but is not restricted to, other loans – for example the conveyancer should report a gift from parent where they are aware of that.

A cross reference to 6.3.1 has been added to 5.13.1, as 5.13.1 may have implications for 6.3.1, for example where the conveyancer becomes aware that the balance of the purchase price is being funded via a gift from the vendor.

Amendment 8

A new paragraph has been added to create requirements to report to the lender on energy technologies installed on residential properties, including where there is a lease of airspace for solar panels. This includes **two new part 2 questions**. The first includes an optional reporting requirement where the lease of roofspace for solar panels doesn't meet with the UK Finance minimum requirements. The second allows for lenders to list any additional requirements they have with regard to such leases, over and above the UK Finance minimum requirements.

Amendment 9

Section 8 has been renamed from 'Separate representation' to 'Circumstances requiring independent legal advice' to avoid confusion with the new Part 3 of the Handbook E&W, which provides the set of instructions for when there is separate representation of lender and borrower.

Amendment 10

Paragraph 14.1.1 and 14.1.5 have been amended to provide better clarity to the reader and to cover

Land Charges searches.

Amendment 11

Paragraph 14.2.1 has been amended to reflect that this is a requirement rather than optional.

Amendments made on 6 October 2011

Two minor amendments were made on 6 October 2011, one to update an external reference, and the other to amend a typo.

General section and Paragraph 1.5

The text was updated to reference the Solicitor's Code of Conduct 2011 and remove the reference to the 2007 version.

Paragraph 5.6.2

The final sentence in this Paragraph was amended to correctly refer to the first bullet, instead of the second bullet.

Amendments made on 1 December 2010

A number of amendments were introduced on 1 June 2010.

A number of substantial formatting and Paragraph numbering amendments were introduced, as well as some material amendments within both Part 1 and Part 2.

Part 1 introduction and section 1

We have removed reference to rule 6 (3) of the Solicitors' Practice Rules 1990. We have inserted reference to the Solicitors' Code of Conduct 2007.

Section 3 (Paragraphs 3.1.4 & 3.2.3 in the new version) –

If not familiar with the seller's solicitors or conveyancers, we ask the solicitor/conveyancer instructed by the lender to check their validity. Lenders are now able to stipulate in Part 2 whether they require notification of the name and address of the sellers' solicitors/conveyancers and, if so, where this should be sent.

General amendments to formatting

Numbering has been revised throughout the document (a cross-referencing of Part 2 Paragraph numbering from the 2007 version to the new version is below).

Where more than one question is posed within a Part 2 Paragraph, these will be identified by (a), (b), (c) etc for ease of reference.

In Part 2, we will change references to the lender in from the second person ("you") to third person ("the lender") and references to the conveyancer from the first person to the second person to ensure consistency with Part 1.

Where a Part 2 Paragraph lists a lender's contact point, these will refer back to the general contact provided under section 1 unless different.

NEW Part 2 question	2007 Part 2 Paragraph	NEW Part 2 Paragraph
Contact point to see if the lender will lend when borrower and mortgagor are not one and the same.	1.7	1.7
Contact point for standard documents.	1.11	1.11a
Contact point if standard documents are inappropriate.	1.11	1.11b

May your firm act if the person dealing with the transaction or a member of his immediate family is the seller?	1.13.2	1.14
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May your firm act if the person dealing with the transaction or a member of his immediate family is the borrower?	1.14	1.15
Does the lender require notification of the name and address of the solicitors firm or licensed conveyancers firm acting for the seller?	NEW	3.1.4
If different from 1.11, contact details if the lender needs to be notified when the seller does not have legal representation.	A3.2	3.1.5
What other documents are acceptable for verifying identity?	A3.3	3.1.6
Does the lender require notification of the name and address of the solicitors firm or licensed conveyancers firm acting for the seller?	NEW	3.2.3

If different from 1.11, contact details if the lender needs to be notified when the seller does not have legal representation.	B3.2	3.2.4
Is there a valuation report and if so, does the lender provide it?	4.1.1	4.1
If different from 1.11, contact point if assumptions stated by the valuer are incorrect.	4.1.3	4.3
If different from 1.11, contact point if re-inspection required.	4.2	4.5a
Where should the certificate of title be sent?	4.2	4.5b
If different from 1.11, the contact point if the seller has owned the property for less than 6 months:	5.1.1	5.2.1
Does the lender want to receive environmental or contaminated land reports?	5.2.4	5.3.4
Does the lender accept personal searches and if yes, what are the lender's requirements?	5.2.5.1	5.3.5
Does the lender accept search insurance and if yes, what are the lender's specific requirements?	5.2.5.2	5.3.6
Does the lender limit its requirements in terms of time for planning consents? If so, please specify:	5.3.1	5.4.1a
Does the lender limit its requirements in terms of time for building regulation consents? If so, please specify:	5.3.1	5.4.1b
If different from 1.11, contact point for reporting if evidence of breach and all outstanding conditions will not be satisfied by completion:	5.3.4 (1)	5.4.3a
Does the lender require an original/copy of the planning permission?	5.3.4 (2)	5.4.3b
Does the lender require an original/copy of the building regulation consents?	5.3.4 (3)	5.4.3c
Does the lender require certificates of lawful use or development/established use certificate?	5.3.4 (4)	5.4.3d
If different from 1.11, contact point if the property is subject to restrictions which may affect its value or marketability.	5.3.5	5.4.4
Does the lender lend on flying freeholds?	5.5.1 (1)	5.6.1a
Does the lender lend on freehold flats?	5.5.1 (2)	5.6.1b
If the lender is prepared to accept a title falling within 5.6 and the property is a freehold flat or flying freehold, to which contact point must this be reported?	5.5.2.1	5.6.1c
Does the lender accept security which comprises a building converted into not more than four flats where the borrower occupies one of those flats and the borrower or another flat owner also owns the freehold of the building and the other flats are subject to long leases?	5.5.3	5.7.1
Does the lender accept security which comprises one of two leasehold flats in a building where the borrower also owns the freehold reversion of the other flat and the other leaseholder owns the freehold reversion in the borrower's flat? If so, are there any specific requirements?	5.5.4.2	5.7.5
Does the lender lend on commonhold?	5.5.5	5.8.1
If different from 1.11, contact point if there is a restriction on use.	5.6	5.9.1
If different from 1.11, contact point if borrower is not providing balance of purchase price from funds/proposing to give second charge.	5.9	5.12.1
What minimum unexpired lease term does the lender accept?	5.10.1	5.13.1
If different from 1.11, contact point for matters connected with the lease:	5.10.7	5.13.9
If different from 1.11, contact for service charge matters:	5.10.8	5.13.10

Does the lender accept indemnity insurance where the terms of the lease are unsatisfactory?	5.10.9	5.13.11
Does the lender require a clear ground rent/service charge receipt to be sent to you?	5.10.10	5.13.12
Does the lender require a received copy of notice or evidence of service to be sent to you?	5.10.11	5.13.13
If different from 1.11, contact point if there is an absentee/insolvent landlord:	5.10.13 (1)	5.13.15a
Does the lender accept indemnity insurance if the landlord is absent or insolvent?	5.10.13 (2)	5.13.15b
If different from 1.11, contact point if there are apparent problems with the management company:	5.11.2 (1)	5.14.2a
Does the lender need to be sent the management company share certificate?	5.11.2 (2)	5.14.2b
Does the lender need to be sent the signed blank stock transfer form?	5.11.2 (2)	5.14.2c
Does the lender need to be sent the management company's memorandum and articles of association?	5.11.2 (2)	5.14.2d
If different from 1.11, contact point if unable to certify search entry does not relate:	5.12.2.2	5.15.2
Does the lender need to be sent the power of attorney?	5.13.3	5.16.5a
Does the lender need to be sent the statutory declaration of non-revocation of power of attorney?	5.13.3	5.16.5.b
If different from 1.11, contact point for lending on affordable housing, shared equity and shared ownership and where relevant your requirements:	5.15	5.18.1
If different from 1.11, contact point if borrower is not taking up the mortgage offer:	6.1.3	6.1.3
If different from 1.11, contact if any discrepancies in property's description:	6.2	6.2.1
If different from 1.11, contact point for any issues relating to purchase price:	6.3.1 (1)	6.3.1
Does the lender require me to report incentives?	6.3.1 (2)	6.4.4
	6.3.2	N/A
	6.3.2	N/A
If different from 1.11, contact point if we will not have control over the payment of all the purchase money:	6.3.3	6.4.5
If different from 1.11, contact point if vacant possession is not being given:	6.4	6.5.1
If different from 1.11, contact point if property is let/to be let and to check you lend on buy-to-let:	6.5.1	6.6.1
If different from 1.11, contact point when you do not have details of current letting or letting to take place at completion:	6.5.2	6.6.2
Does the lender require counterpart/certified copy tenancy agreement to be sent to you?	6.5.3	6.6.3
Does the lender lend where the property comes within the definition of a house in multiple occupation? If yes, what are your requirements?	6.5.4	6.6.4
What new home warranty schemes are acceptable to the lender?	6.6.1	6.7.1
What new home warranty documentation should be sent to the lender?	6.6.2	6.7.2
Should any assignments of building standards indemnity schemes be sent to us?	6.6.3	6.7.3

Will the lender proceed if the property does not have the benefit of a new home warranty scheme?	6.6.4	6.7.4
Does the lender need to be sent the professional consultant's certificate?	6.6.6	6.7.6
If different from 1.11, contact point if no agreement and bond for an unadopted road or sewer:	6.7.1	6.8.1
If different from 1.11, contact point if necessary easements are absent:	6.8.1	6.9.1
Who will the lender release any retentions (or instalments of the advance) to?	6.9.2	6.10.2
If different from 1.11, contact point if property is affected by redevelopment or road proposals:	6.1	6.11.1
If different from 1.11, contact point if pre-emption rights, resale restrictions, options etc will affect the lender's security:	6.11	6.12.1
If different from 1.11, contact point if property is affected by improvement/repair grant which will not be discharged:	6.12	6.13.1
If different from 1.11, contact point if property is not insured in accordance with your requirement:	6.13.1 (1)	6.14.1a
Does the lender need the buildings insurance in joint names or its interest noted?	6.13.1 (2)	6.14.1b
What are the lender's requirements if the total sum insured is less than the total number of flats multiplied by the amount set out in the mortgage offer?	6.13.3	6.14.1c
What is the maximum excess the lender will accept on buildings insurance policy?	6.13.5	6.14.1d
Does the lender require confirmation that all insurance risks are included?	6.13.6	6.14.2
Does the lender require insurer's confirmation to notify it of non-renewal/cancellation fo buildings insurance policy?	6.13.7	6.14.3
Does the lender require a copy of the buildings insurance policy and last premium receipt to be sent to you?	6.13.8	6.14.4
Does the lender require a consent to mortgage from all occupants aged 17 or over?	7.3	7.3
If different from 1.11, contact point if doubts about accuracy of information disclosed:	7.4	7.4
Does the lender allow me to advise any of the specified third parties?	8	8.1
Does the lender need to be sent the indemnity insurance policy?	9	9.1
What limit of indemnity insurance does the lender require?	9.2	9.2
Will the mortgage advance be paid electronically or by cheque?	10.2	10.2a
What is the minimum number of days notice lenders require?	10.2	10.2b
What are the standard deductions made from the mortgage advance?	10.2 (2)	10.3
On a delayed completion, when and how is advance to be returned?	10.3.4	10.7
If different from 1.11, contact point if completion is delayed?	10.5	10.9
How long can you hold the mortgage advance before returning it?	10.6	10.10 -
What, if any interest does the lender charge if return of the advance is delayed?	10.7	10.11
If different from 1.11, contact point for release of retentions/mortgage advance instalments:	12.3	12.3.1
Does the lender require me to make a form CH2 application?	14.1.3	14.1.4
Does the lender need to be sent the the original mortgage deed?	14.1.4	14.1.5

Where should the title deeds and documents be sent?	14.2.1	14.2.1
Which documents must I send after completion?	14.2.2	14.2.2
If different from 1.11, contact point for title documents:	16.1	16.1.1
Does the lender have a standard form a transfer/deed of covenant?	16.3.1	16.3.1
If different from 1.11, contact point for finding out the debt amount:	16.3.1.2	16.3.2
Does the lender need to be sent the transfer of equity?	16.3.3	16.3.4
If different from 1.11, contact point for obtaining execution of transfer equity:	16.3.6 (1)	16.3.7a
What form of attestation Paragraph does the lender use?	16.3.6 (2)	16.3.7b
If different from 1.11, contact point for application for consent to letting:	16.4.1 (1)	16.4.1
Does the lender need to be sent a copy of the proposed tenancy?	16.4.1 (2)	16.4.2
If different from 1.11, contact point for confirming proposed deed or agreement will not adversely affect the lender:	16.5.2	16.5.2
Where should the deed of variation be sent?	16.5.3	16.5.3a
Where should the deed of rectification be sent?	16.5.3	16.5.3b
Where should the deed of easement be sent?	16.5.3	16.5.3c
Where should the option agreements be sent?	16.5.3	16.5.3d
If different from 1.11, contact point for redemption statements:	17.1.1	17.1.1
Where do you send the discharge and repayment remittance?	17.2.2 (1)	17.2.1a
Does the lender send the discharge via a DS 1 form or direct with the Land Registry?	17.2.2 (2)	17.2.1b

Amendment made in July 2007

A minor amendment changing Paragraph 6.6.4.6 to refer to a member of the Chartered Institute of Architectural Technologists (formally British Institute of Architectural Technologists) (MCIAT).

Amendments made on 1 June 2007

Substantial Amendments were introduced on 1 June 2007. The attached documents include a tracked changes document showing all the amendments from the May 2005 Handbook.

A summary of the changes is set out below – this is not exhaustive because of the number of changes and you should refer to the tracked changes document for details of all changes

Instructions and guidance

Reference has been made to the Solicitors' Code of Conduct

General

1.13.2 a firm cannot act if the partner or fee earner dealing with the transaction or a member of his immediate family is the seller unless the lender consents.

1.17 A general Paragraph about legislative changes has been inserted

2. Communication

2.1 Minor changes about communication have been made to this Paragraph.

3. Safeguards

We have separated this Paragraph out to include parts A and B. Part A relates to those working in practices regulated by the Solicitors Regulation Authority and Part B applies to licensed conveyancers. The distinction has been made because of the provisions of practice rule 6(3) which requires identification by reference to a document or documents. List A and List B remains in Part A but is not in Part B.

4. Valuation

4.1.1. A minor amendment on obtaining valuation reports.

4.1.2, 4.1.3 and 4.1.4. all contain amendments relating to home condition reports.

5. Title

Surrounding Circumstances

5.1.2. "of the fee earner dealing with the transaction" has been substituted with "your".

5.2 Searches and reports

5.2. changes have been made to the searches and reports provisions to accommodate the implementation of the home information pack. Conveyancers are asked to "ensure" that all the usual searches and enquiries have been carried out.

Reference to mining searches has been deleted.

Personal search requirements are no longer limited to local authority searches and part 2 has been changed to allow lenders to set out their individual requirements.

5.3 Planning and Building regulations

All Paragraphs have been amended in this section and listed building consent and building regulation consent are now requirements.

5.4 Good and marketable title

An amendment has been made to Paragraph 5.4.3.1 on adverse possession and possessory title to take into account changes on this issue.

5.10. Leasehold property

Deletion of "HM". This deletion occurs in several places throughout this Handbook.

5.15 Affordable Housing: Shared ownership and shared equity

A new Paragraph requiring conveyancers to check with the lender whether the lender lends on the relevant product and, if so, what that lender's requirements are.

6. The Property

6.3 Purchase price

6.3.2.3. A new requirement to report any indirect incentive (cash or non cash) if the lender stipulates in part 2. This covers the position where an incentive is given to a third party rather than direct to the borrower.

6.3.. 3The reservation fee in this Paragraph has been raised to £1,000.

6.5 Properties Let at completion

6.5.1 requires the conveyancer to check that the lender lends on “buy to let” properties and that the mortgage is for this purpose.

6.5.4 states that where a property falls within the definition of a house in multiple occupation under the Housing Act 2002 the conveyancer should refer to part 2 as to whether the lender will accept the property as security and, if so, what the lender’s requirements are.

6.6 New properties let at completion

6.6.1. This section was substantially amended. The list of warranty schemes has been deleted from part 1 of the Handbook and lenders have to list acceptable schemes in part 2.

6.6.4 Incorporates changes which should clarify when the professional consultant’s certificate is needed.

6.7 Roads and sewers

6.7.4 W here roads and sewers are not adopted and maintained by residents or a management company this is acceptable to lenders so long as the conveyancer in his reasonable opinion is satisfied that appropriate arrangements for maintenance repairs and costs are in place.

6.8 Easements

6.8.1 The list of suggested easements has been deleted.

6.13. Insurance

6.13.3 A part 2 referral has been added to this Paragraph to allow flexibility in this requirement.

8 Separate Representation

8.1.3 We have substituted “legal advice” for “conveyancer”.

8.2 Reference is made in this Paragraph to “family home”.

10. The Loan and certificate of title

Various amendments in this Paragraph part of the Handbook to take stamp duty land tax into account.

12.2 Applications for part of the advance

Reference to cheques has been deleted in this Paragraph and Paragraph 12.3 i.e **Request for Intermediate Funds**

14 After Completion

14.1.1.2 A new Paragraph requiring registration of the charge at Companies House (when appropriate) has been added.

14.2 Title deeds

Changes in requirements for dealing with title deeds following registration have been made. The conveyancer has to consult part 2.

16.4 Properties to be let after Completion

The heading has been changed to clarify that this does not apply to buy to let properties.

Amendments made on 6 May 2005

Commonhold

Paragraph 5.5.5

We introduced new commonhold requirements. Lenders now state in their Part 2 instructions whether or not they will accept commonhold as security.

New properties – Building Standards Indemnity Schemes

Paragraph 6.6.1

We have added Building Life Plans Ltd to the list of new home warranty providers.

Amendments made on 13 October 2003

Application to HM Land Registry

Paragraph 14.1.1

On 13 October 2003, the Land Registration Rules 2003 came into force. The Rules introduced new land registration forms and procedures. We deleted reference to "land" and "charge certificates", as HM Land Registry no longer issue these documents. We have also replaced the reference to "DS1" with "discharges or releases", as this is more consistent with the wording of the rules.

Paragraph 14.1.3

We replaced "Form 113" with "Form CH2".

Paragraph 14.1.4

We now ask conveyancers to check Part 2 to see if the lender wants the original mortgage deed returned to them.

Title Deeds

Paragraph 14.2.1

We now ask conveyancer to hold official copies of the register to the lender's order.

Amendment made on 1 April 2003

New Properties - Building Standards Indemnity Schemes

Paragraph 6.6.2

This amendment aims to prevent borrowers moving into unfinished new properties. Conveyancers are required to have confirmation from a new home warranty provider (NHBC, Zurich or Premier Guarantee), in the form of a cover note, that a new property has passed a final inspection and that a new home warranty will be in place on or before legal completion. The conveyancer must receive the cover note before sending the certificate of title to the lender and requesting the mortgage funds. Faxed copies of the cover note are acceptable.

Amendments made on 1 October 2002

(Launch of the Second Edition)

General

Paragraph 1.16

This is a new instruction at the request of the Law Society which reiterates the conveyancer's duty to the borrower client.

Communication

Paragraph 2.3

This paragraph now makes it clear that if a conveyancer does need to refer a matter to the lender, certain information must be provided. This includes identifying the issue and the extent to which it is not covered in the Handbook, a concise summary of the legal risks and a recommendation on how the lender should protect its interests. This should help streamline the process and make it transparent as to what information is required. Lenders have seen many cases where an issue is covered in the Handbook but this has not been identified by the conveyancer.

Safeguards

Paragraph 3.1

This section reminds licensed conveyancers that they should also refer to any guidance issued by the Council. The original text simply reminded solicitors to follow guidance issued by the Law Society.

Paragraph 3.3

With regard to identity checks, the list of documentary evidence has been updated to include the new UK Photo-card driving licence.

Searches and Reports

Paragraph 5.2.3

This instruction now requires all searches (except where there is a priority period) to be not more than six months old at completion. The earlier instruction adopted a two-pronged approach requiring searches to be not more than three months old at exchange and not more than six months old at completion. This had led to cases where searches met one part of the criteria but not the other. This amendment should result in a more straightforward approach.

Paragraph 5.2.5

Many lenders do not want conveyancers to send them a copy of environmental or contaminated land reports which may have been commissioned for the buyer. Lenders can now set out in Part 2 whether they do want to see such reports. Where this is not the case, the Handbook also makes it clear that the conveyancer does not need to make these enquiries on the lender's behalf.

Paragraph 5.2.6

In recent years, there has been an expansion in the number of companies providing local authority search information. The Handbook has been updated to reflect this position and now refers to personal searches, searches carried out by private search organisations and search insurance. Lenders will be able to indicate which they will accept in Part 2.

Paragraph 5.2.7

Where lenders do accept searches under paragraph 5.2.6, then paragraph 5.2.7 sets out what indemnity insurance should be in position.

Planning & Building Regulations

Paragraph 5.3

This paragraph has been updated so that the conveyancer not only has to look at potential breaches of planning and building consents but also to check that the property has the benefit of any necessary planning consents to begin with.

Good and Marketable Title

Paragraph 5.4.2

The layout has been updated for ease of reference.

Flying Freeholds, Freehold Flats and other Freehold Arrangements

Paragraph 5.5

This paragraph has been updated to incorporate some of the many different freehold flat arrangements which arise in different parts of the country. Many of the examples refer to properties split into not more than four flats. In some parts of the country, there may be properties with more than four flats. In this scenario, the conveyancer should refer the matter to the lender in accordance with paragraph 2.3.

Restrictive Covenants

Paragraph 5.7

The text in paragraph 5.7.1 has been amended to cross-refer to paragraph 5.7.2 and the circumstances where indemnity insurance would not be required where there is an enforceability risk on the breach of a restrictive covenant.

Leasehold Property

Paragraph 5.10.4

The layout has been amended to split earlier paragraphs in the Handbook which had been very long.

Paragraph 5.10.6.3

This has been amended at the request of the Law Society to make it clear that lenders only require mutual enforceability covenants where one or more of the tenants in the building are responsible for the insurance, maintenance and repair of the common services.

Paragraph 5.10.9

Lenders can now stipulate in Part 2 whether they will accept indemnity insurance to remedy a defect in a lease. We do not expect many lenders to amend their existing lending policies on this issue, as indemnity insurance has provided an effective form of recourse in such circumstances and has assisted the mortgageability of these properties.

Paragraph 5.10.11

In some cases, conveyancers are unable to obtain receipt of the notice of the mortgage as served on the landlord. In such cases, then as a last resort, suitable evidence of service of the notice can now be provided.

Management Company

Paragraph 5.11.1

In recognition that many management companies may not have a formal interest in a property, the Handbook has been amended to refer to a "legal right to enter" to maintain and repair the common parts. This should allow greater flexibility.

Paragraph 5.11.2

This paragraph has been updated to confirm that a conveyancer must check that the Management Company is registered at Companies House and obtain the last three years' published accounts or the accounts from inception if it has only been formed in the last three years.

Powers of Attorney

Paragraph 5.13

The paragraph confirms that in the case of joint borrowers, neither borrower can appoint the other as their attorney.

New Properties

Paragraph 6.6

The layout has been amended and divided into two sections. The first deals with new properties built or converted under a new home warranty scheme. The second deals with new properties built or converted under the supervision of a professional consultant. For new home warranty schemes, an additional scheme has been included, Premier Guarantee which has recently entered the market. It will be for each lender to decide whether they accept this warranty. If additional schemes are launched in the future, lenders can also set out in Part 2 which they accept (see paragraph 6.6.1.2). The Handbook has also been amended to allow lenders to set out in Part 2 (paragraph 6.6.2) what new home warranty scheme documentation should be sent to them. With more lenders pursuing the dematerialisation of documentation relating to a mortgage transaction, it is clear that lenders' requirements will differ.

The paragraphs on the supervision of work by a professional consultant have been changed to reflect amendments to the names of the professional building organisations. The Consultant's Certificate has also been updated in consultation with these professional bodies and in particular the RICS and RIBA.

Roads & Sewers

Paragraph 6.7.3

This paragraph has been added to provide that where there is an agreement between the developer and the lender whereby the lender will not require a retention in connection with roads and sewers, the conveyancer should seek confirmation from the developer that this is still in position. In practice, the developer's conveyancer will put together the developer's title package and so will have this information.

Insurance

Paragraph 6.13.6

Some lenders no longer require conveyancers to check the individual risks contained in a policy and it is expected that more lenders will pursue a similar approach in the future. This paragraph has been made a Part 2 issue, to reflect this change in lender requirements. The list of risks remains largely unaltered, however accidental breakage of glass and sanitary ware has been removed and coverage of professional fees, demolition and site clearance costs has been added.

Loan and Certificate of Title

Paragraph 10.2

This paragraph now provides additional information so that the conveyancer can identify how the mortgage will be paid, whether by cheque or electronically and the minimum number of days notice required. Lenders will also set out in Part 2 whether there are any standard deductions made from the mortgage, so the position is clear to the conveyancer.

Title Deeds**Paragraph 14.2.1**

Reference to the schedule of title deeds being in "triplicate" has been deleted reflecting changes in lender practice.

Discharge**Paragraph 17.2**

This paragraph has been updated so that lenders will set out in Part 2 whether the discharge will be via a DS1 or direct with the Land Registry.

Amendments made on 1 June 2000**Leasehold Property****Paragraph 5.10.8**

This paragraph has been amended so that, if confirmation of payment from the ground landlord cannot be obtained, conveyancers can proceed provided they are satisfied that the absence of the ground landlord is common practice in the district where the property is situated and certain other requirements have been complied with.

Management Company**Paragraph 5.11**

This amendment gives definitions of "management company", "common parts" and "an interest in land" and says that lenders will rely on conveyancers' professional judgement where leases granted prior to 1 September 2000 do not comply with the requirements of the paragraph.

Powers of Attorney**Paragraph 5.13.1**

This amendment removes the reference to enduring powers of attorney.

New Properties - Building Standards Indemnity Schemes**Paragraph 6.6.1.5**

This amendment introduced the Professional Consultant's Certificate.

Your Mortgage File**Paragraph 14.3.1**

This amendment instructs conveyancers to comply with the requirements of the Data Protection Act 1998.

Amendment made on 1 October 1999**Good and Marketable Title****Paragraph 5.4.2**

This amendment was made in recognition of the fact that there are good leasehold titles where no abstract to the reversion or superior leasehold title has been produced but conveyancers are willing, from their own knowledge of the district, to certify that the title is good and marketable.