

Step-by-Step Guide to Completing a Loan

This guide is indicative of the required steps and does not override the Specific or General Instructions.

Instructions and Client Care

Receive Security Instructions Letter (1). Confirm receipt of instructions to Folk2Folk.

Open a new matter and ledger for this loan. We suggest you print a [File Checklist](#) and place it on your file. Send to Folk2Folk Client Matter No/reference to be on our Lender(s) fund transfer to your client account.

If acting for the Borrower, issue Borrower Client Care Letters (as per your firm standard) with the [Borrowers Client Care Disclosure and Conflict Statements](#).

Due Diligence

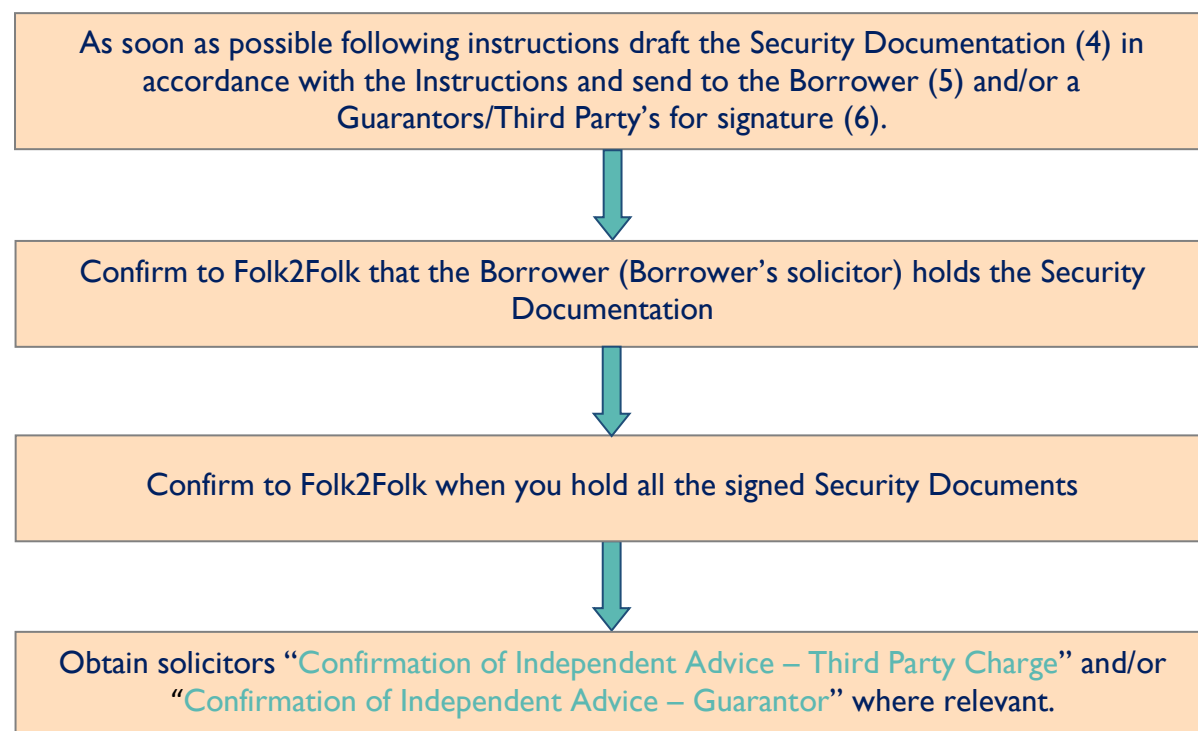
Review title, please refer to the [General Instructions](#) and the Security Instructions. If appropriate, seek quotation for indemnity policies. (2) Complete the [Freehold Property Title Checklist](#)

Raise searches (3) or, if a purchase transaction, obtain copies of searches from the Borrowers solicitor. Complete [Report on Searches](#).

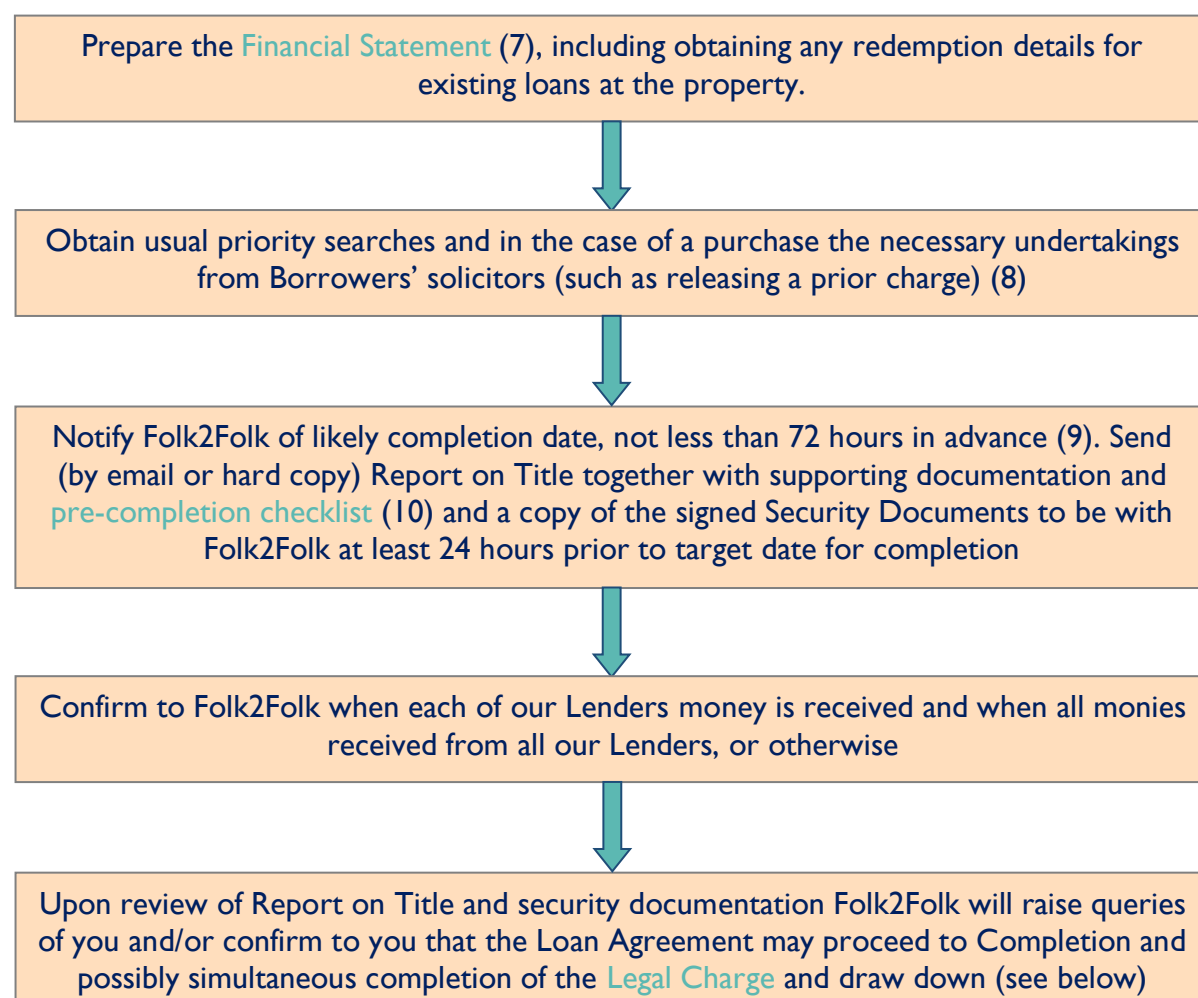
Review Security Property Request (or if a purchase replies to enquiries etc) including insurance for the property and the results of searches. Request redemption figure from existing lender if a re-finance.

Notify Folk2Folk of any significant issues immediately, and otherwise complete [Report on Title](#) in accordance with the General Instructions and any Specific Instructions. Any matters arising in relation to the security must be set out in the Report on Title along with any remedial action (for example indemnity insurance is to be put in place for a failed environmental search).

Security Documentation



Pre-Completion



Loan Agreement Completion

On receiving the Loan Agreement Confirmation Letter (by email), you may on the date authorised by Folk2Folk complete the Loan Agreement. Date and insert the signing date in the Loan Agreement Confirmation Letter and insert the interest payment and due dates in the Offer Letter.



Please send a copy of the Loan Agreement to the Borrower's Solicitor (if represented) and the original to Folk2Folk. If the Borrower is not represented, please send both to Folk2Folk

Legal Charge Completion (may be coincide with Loan Agreement Completion)

On satisfaction of the Conditions Precedent of draw down in the Loan Agreement, you may release monies to Borrower and/or their solicitors (less deductions (11)) and complete the Security Documents (12). If sending monies to solicitors, a Lawyer Checker search should be carried out prior to sending funds.



Please send Folk2Folk initial arrangement fee, first month's instalment of annual arrangement fee, Valuers costs and Initial Review Fee and any other costs in the Financial Statement to us at:
Sort code: 20-50-40
Account number: 33536548



Please pay PSG direct out of loan funds

Post-Completion (please note differences between a re-finance and a purchase)

Complete registration at the Land Registry (within Priority Period) using **API**, **RXI** and a **CH2** (where applicable), and registration at Companies House (within 21 days) OR if a purchase ensure registration is completed pursuant to undertaking from Borrowers' solicitor.



Place indemnity insurance policies on risk and write to Borrower's insurer to request noting as sole loss payee on policy of insurance



Ensure interest of Folk Nominee Limited is noted on Borrower's insurance policy and send a copy of confirmation to Folk2Folk. Send Notice of a Charge to a 3rd Party/existing Lender



Following completion of registration, email to Folk2Folk and Borrower/Borrower's solicitor a copy of the Land Registry entries and return to Folk2Folk the original signed security documentation

1. Documents to accompany or follow immediately after include: Lenders ID; Anti-money Laundering Check; Title Pack; Offer Letter, Loan Terms & Conditions, Lender Confirmation Notice; Security Property Request (this may follow after); any Planning Permission available.
2. Professional Partners may use such insurers as they see fit, provided that they are reputable and most importantly cover mortgagees not limited to institutional lenders. Other Professional Partners have used Countrywide Legal Indemnities.
3. Please use Property Search Group (PSG) and the prescribed packages. You will have received your login detail in your Welcome Email. If you have any queries about this service please contact Martin Gill at PSG on 01752 250052. Otherwise, the searches we need you to carry out are: Environmental, Water & Drainage, Energy & Infrastructure, Mining (or area specific searches). A local authority search or Personal Search is only required where indicated on the Specific Instructions Letter. Please see our document portal for the [Countrywide Request for Insurance Quotation](#). You will receive the invoice for these searches from PSG. Please pay this direct and re-charge these costs to the Borrower in the Financial Statement.
4. The Security Documents are not to be negotiated and must be correctly completed by filling in the sections indicated by square brackets. The Security Documents can be found within our documents portal, and include (but are not limited to) [Legal Charge](#), [Guarantee](#), [Third Party Legal Charge](#), [Deed of Postponement](#), [Deed of Priority](#), [Board Minutes](#), Debenture, notices, other deeds etc. Please note that if a Deed of Appointment OR Deed of Priority OR Debenture OR a DSI/DS3 relating to an existing Folk2Folk loan is required, Folk2Folk will draft and provide this to you.
5. Comply with Land Registry mortgage fraud requirements. We suggest that unless the Borrower has separately instructed another firm, you should meet with the Borrower, take copy ID to verify their identity and arrange for the Borrower to execute the Security Documents in your presence.
6. Any guarantors and/or third parties should receive independent legal advice. Please provide copies of Letters from their solicitors confirming independent advice sort.
7. Financial Statement. Folk2Folk will send you an invoice detailing our arrangement fee (which is an exempt VAT supply so no need to add/deduct VAT) and our disbursements.

8. **Pre-Completion Undertaking**
9. This is when Lenders (who have not already sent the monies) will be given 48 hours to get the funds into your client account. A critical path and notification should not be delayed.
10. Copies of the following documents:
 - a. **Legal Charge** (executed by the Borrower) (Please note that you should keep hold of the original at this stage)
 - b. Other Security Documentation – e.g. **Deed of Priority/Deed of Postponement, Guarantee, Debenture**
 - c. **Financial Statement**
 - d. Land Registry Priority Search. If not registered at the Land Registry, please forward confirmation of application at LR (C6).
 - e. Land Charges Bankruptcy Search (or Companies House search as appropriate)
 - f. **Report on Title** (and any other Report on Search).
 - g. Any ancillary security documentation (e.g. **board minutes, Confirmation of Independent Advice – Third Party** etc.)
 - h. Insurance policies out in place for defects in title or in the absence of/defects in searches
 - i. **Pre-Completion Checklist**
11. The deductions include your Legal Fee and Disbursements. If there is a long delay between Loan Agreement Completion and Completion and Drawdown, then we may instruct you to charge/collect from the Borrower directly for 60% of your Legal Fee plus disbursements (including PSG fees) at Loan Agreement Completion. The remainder of the Fee to be taking from the draw down monies on completion.
12. At this stage, you should date all of the Security Documents.

NOTE

All documents in **TEAL** text are found on our Professional Partners web-portal.