



BOND REGISTRATION PROCESS

Purchasing a property and **home loan applications** can be a very stressful and lengthy process. To help you understand it better we split the entire process below into:

- The process for the Buyer & Bond Originator
- The legal process by the attorneys

Parties involved

Buyer
Seller
Estate Agent
Bond Originator from CCH Panel
Bank
Transferring Attorney (appointed from the CCH Panel of Conveyancers - could be negotiated)
Bond Registration Attorney (appointed from the CCH Panel)
Cancellation Attorney (appointed by the bank).

It is advisable that one attorney should handle all the above procedures, simplifying the whole process.

The Process for the Buyer & Bond Originator

Step 1

1. Buy a property.
2. The buyer and seller sign an offer to purchase.
3. The buyer applies for his own finance through one of the CCH Panel of Bond Originators.

Step 2

1. CCH agent introduces or refer the client to a bond consultant from the CCH panel of Bond Originators. The bond consultant contacts the client to set up an appointment to access the clients needs and structure the home loan, formalize the bond application

- (where-after the relevant documents will be gathered) for submission to the bank and manage the process up to the bond registration.
2. Consultant will submit application with supporting documents (**see documents required**).
 3. Consultant requests a rate concession from the banks determined by your income and credit profile & the volume of the bond.
 4. Choose bank you want to go with.

Step 3

1. Receive final quote from bank and accept the terms and conditions within 5 days.
2. Bank will phone the buyer to confirm acceptance - if the client did not accept the quotation within 5 days.
3. Bank gives final approval ("granted approval"). The attorney receives an electronic instruction to draw up the relevant documents for the bond, where-after the attorney contact the client.
4. Consultant informs by e-mail the attorney, client & the CCH estate agent involved that the financial conditions of sale have been met.

Step 4

1. Go sign documents at Bond attorney and Transferring attorney.
2. Transfer duties and lawyer fees are paid. The bond registration costs will be refunded in total by the bond originator on registration of the bond (on bonds larger than R350 000 – please see bond savings spreadsheet).

Step 5

1. Property gets registered.

Depending on various factors a transfer of a property usually can take between 8-12 weeks in total.

The Legal Process by the Attorneys

1. Bank's instruction to Bond Attorney

On approval of your home loan or bond, the bank instructs the bond attorney to register the home loan (bond).

2. The Transfer of Property

The seller then advises the transferring attorney to transfer the property, and the title deed and cancellation figures are requested from the bank which currently holds the bond or home loan over the property. Then a statement of rates and taxes (Rates Clearance Certificate) is requested from the local authority.

3. The Bond Attorney

The bond attorney contacts the transferring attorney, and advises the transferring attorney of the amount available for guarantees. The transferring attorney then requests for the title deed and cancellation figures.

4. The Cancellation Attorney

The cancellation attorney is then requested to cancel the seller's home loan (bond) on receipt of a guarantee for the outstanding amount owing.

5. The Transferring Attorney

The transferring attorney now receives the title deed and cancellation figures and sends off a copy to the bond attorney. The buyer and seller are now contacted to sign the transfer documents. Once this has been completed, the buyer now pays the transfer costs and the transferring attorney then pays the transfer duties, rates and taxes.

6. The Bond Attorney

The bond attorney now prepares the home loan (bond) documentation with the buyer. The buyer then signs and pays all the costs involved. Next the bond attorney prepares and issues the necessary guarantees, forwards them to the transferring attorney and then gets the documents ready for lodging the Deeds Office.

7. Transferring Attorney

Once the transferring attorney receives all the guarantees, they are to forward it to the canceling attorneys.

8. Cancellation Attorney

The cancellation attorney gets consent from the lending bank to cancel the seller's home loan (bond).

9. The Deeds Office

Once all the documents have been signed and all the costs have been paid, all the documents are lodged at the deeds office by all the attorneys concerned. It takes about two to three weeks for the Deeds Office to check the documentation and then all the attorneys are contacted once it is ready for final registration which takes place on the same day.

10. Bank Pays the Loan

On the day of registration the bank pays the Loan. Generally it takes at least three months for the registration and transfer of a Home Loan (Bond).

What can delay the registration of a Home Loan?

1. **Personal Information** not provided by the seller or buyer.
2. Seller does not provide **details of the bank** holding the existing Home Loan.
3. **Cancellation and Title deeds** not provided to the transferring attorney by the existing Home Loan (Bond) holder.
4. The Local Authority receiving the **Rates Clearance Certificates late**.
5. The buyer does not pay the **deposit** (if applicable).
6. Delay in the **provision of guarantees**.
7. If the buyer does not pay the **transfer costs** on time.
8. If the seller delays the **signing of the transfer papers**.
9. If the buyer delays in forwarding their **income and expenses documents** which are required by the banks.
10. If the buyer delays the **signing of the transfer documents**.

What can be done to speed things up?

1. Provide all the documentation requested as soon as possible.
2. Pay your deposit on time (if applicable).
3. Pay the transfer costs on time.
4. Sign all the documents on time. i.e. - when requested to.