



## MORTGAGE REDEMPTION FIGURES

The Conveyancing Committee has received a significant number of complaints from members of the profession about difficulties being experienced in obtaining mortgage redemption figures from lending institutions. The main complaint is that provisional figures were given and lenders later revised the figures upwards, even though the solicitors had acted upon the basis of the figures furnished. In one case, a solicitor had actually parted with the sale proceeds of a property and had given an undertaking to procure a release of the mortgage which the particular lending institution refused to do without being paid further monies.

The committee would like to refer practitioners to practice notes previously published on this topic, in particular the practice note published in the Law Society Gazette in November 1990 entitled 'S18 Housing Act, 1988: release of mortgages', which has also been published in the Conveyancing Handbook.

The Conveyancing Committee proposes taking this matter up with the lending institutions in an effort to resolve the current difficulties.

In the meantime, in order to assist practitioners, the committee recommends that the following letter be used by practitioners when seeking redemption figures from lending institutions. In the opinion of the committee, a borrower is entitled to be given a redemption figure which the lender will stand over (that is, one which is not stated to be provisional). Solicitors are reminded that if they give an undertaking to procure the release of a mortgage without having secured a statement of redemption figures which are not provisional or hedged in some way, they are putting themselves at unnecessary risk.

**'Re Borrowers:**

**Property:**

**Account No:**

Dear Sirs,

We act for the above named borrowers who have agreed to sell their property at the above address. We expect to be in a position to complete the sale shortly and accordingly would be glad if you could let us have details of the amount due to you as of the ... day of ...19/20 ... under the above account (or any other account or accounts that may be relevant) to enable you release or vacate all mortgages which either directly or indirectly affect the above property. When sending the figures to us, please let us also have a daily rate of interest.

Yours faithfully'