



Mortgage affecting their title, they should insert a Special Condition in Contracts for Sale requiring that payment of the balance of the purchase money be provided by the Purchasers in the form of two Bank Drafts - one to effect redemption of the Mortgages affecting Vendors' title and the other covering the balance of the purchase price. It is not acceptable for the Vendors' solicitor to simply undertake to discharge the Mortgages from the proceeds of sale.

In this regard attention is again drawn to previous recommendations at pages 11.4 and 11.13<sup>1</sup> of the Conveyancing Handbook.

**I**t has come to the attention of the Conveyancing Committee that some lending institutions are requesting solicitors to sign 'acceptance of instructions' and are issuing

'instructions to solicitors' or are otherwise issuing loan packages containing documentation suggesting that a borrower's solicitor also acts for the lending institution.

Under the certificate of title system agreed between the Law Society and the lending institutions, the obligations of the borrower's solicitor are set out in the approved guidelines as issued with the approved forms of undertaking and certificate of title. No other documentation should be accepted or used by practitioners, nor should they accept or sign any documents which appear to be extraneous to the agreed documentation or which suggest either expressly or impliedly that the solicitor also acts for the lender. In the ordinary course of events, the profession will be given due notice of any agreed changes to the certificate of title system.

Solicitors are also reminded of the procedures regarding stage payments and the supplemental stage payment undertaking which requires a solicitor giving the undertaking to a lending institution to ensure that before any stage payment in excess of the amount covered by HomeBond is paid, title to the property (including the right to immediate possession) must pass to the purchaser.

To the Managing Partner

3rd June, 1998

**UPDATE: This Practice Note should be read in conjunction with the current Certificate of Title documentation as issued by the Law Society in agreement with the lenders and also in conjunction with the Practice Note at page 11.31 hereof.**

#### DISCHARGE OF VENDORS' MORTGAGES ON COMPLETION OF SALES

*Published in Law Society  
Gazette, July 1995*

*1. These page references  
relate to the 1990 edition of  
the Conveyancing Handbook.  
The relevant Practice Notes  
are at pages 11.3 and 11.11  
of this edition.*

#### CERTIFICATES OF TITLE IN RESIDENTIAL (NON-COMMERCIAL) CONVEYANCING

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