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 Practice Number 14258

CONVEYANCING PROCESS EXPLAINED

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| Step 1: The Purchaser makes an offer on the property he wants, by signing an Offer to Purchase. | Step 2: If the Seller accepts the offer, he will also sign the Offer to Purchase. |
| Step 3: Where there is a deposit payable, the Purchaser pays the deposit in accordance with the Offer to Purchase, to the Transferring Attorney, who must hold it in interest bearing trust account until the property is registered in to the purchaser's name. The Purchaser is entitled to any interest earned on the deposit paid. | Step 4: The Purchaser then applies for a Mortgage Loan (Bond /Home Loan) with a Bond Originator or his Bank. |
| Step 5: The Transferring Attorney receives a copy of the Offer to Purchase and request the Title Deed and Cancellation Figures from the Seller's Bank (should the property be bonded). | Step 6: The Transferring Attorney also requests a Clearance Certificate in respect of the Rates and Taxes from the Local Municipality. |
| Step 7: The Purchaser's Bond application goes through a process of approval by the Bank's Credit Division. | Step 8: The Purchaser's Bank send out a valuator who assess the value of the property the Purchaser intends to Mortgage. |
| Step 9: It is the Seller's responsibility to obtain an Electrical Compliance Certificate and hand it over to the Transferring Attorneys prior to occupation or registration. | Step 10: The Purchaser's Home Loan is approved according to the National Credit Act 34 of 2005. The Bank then presents the Quotation and Pre-Agreement. |
| Step 11: The Purchaser then has 5 business days to decide if he accepts the Quotation (all the terms thereof) from the Bank. As per most Offer to Purchases, issuing of a Quotation is deemed to be the fulfillment of The Suspensive Condition. | Step 12: The Bond Attorneys (the Transferring Attorneys can also be the Bond Registration Attorneys) receive the instruction from the Bank to register the Mortgage Bond. |
| Step 13: The Bond Attorneys advise the Transferring Attorneys of the amount available for guarantees (the amount of the Purchaser's new Bond over the property). | Step 14: Once the Transferring Attorneys receive the Title Deed and Cancellation Figures from the Seller's Bank, they send a draft Deed of Transfer and Guarantee Requirements to the Bond Attorney. |
| Step 15: The Bond Attorneys draw up the Mortgage Loan Agreement, supporting documentation and arrange for signature with the Purchaser once ready. | Step 16: The Transfer Documents are drawn up by the Transferring Attorneys. The Transfer Documents include: <ul style="list-style-type: none"> • The Transfer Duty or VAT Declaration (from the Receiver of Revenue) • Power of Attorney Transfer • Affidavits confirming marital status and solvency of both Seller and Purchaser. |
| Step 17: The Transfer Documents are signed by Purchaser and the Seller, with the Transferring Attorneys. | Step 18: The Purchaser pays the Transfer Costs, with which the Transferring Attorneys pay the Transfer Duty and obtain a Receipt or Transfer Duty Exemption certificate. |
| Step 19: The Purchaser signs the Mortgage Loan Agreement and the other Bond Documentation and pays the Bond Registration Costs to the Bond Attorneys. | Step 20: The Bond Attorneys prepare the Guarantees and forwards them to the Transferring Attorneys. The Bond Documents signed by the Purchaser is sent to the Bank for verification and approval. |
| Step 21: The Transferring Attorneys forward the Guarantees to the Bond Cancellation Attorneys, who get consent from the Bank (which currently has a Bond over the property) to cancel the Seller's Bond. | Step 22: When all the documentation is signed and all the costs are paid, the Purchaser's new Bond Documents, the Transfer Documents and the cancellation of the Seller's Bond are Lodged at the Deed's Office – simultaneously by the respective Attorneys. |
| Step 23: The Deeds Office takes approximately 2 – 3 weeks to examine all the documentation before they are ready for Registration by all the Attorneys on the same day. | Step 24: On registration, the Bank pays out the loan in accordance with the Guarantees issued. Once the payment is received into the trust account of the Transferring Attorney, the Estate Agent is paid the commission in accordance with the Offer to Purchase and the Seller receives his proceeds. |
| Step 25: Final accounts will be sent to the Seller and Purchaser along with a letter confirming Registration. | Step 26: The Town Council is notified of registration in order to start the refund process. |