



A Guide to Bond Registration

It helps to know the parties involved and the 12 steps of bond registration. Understanding all the steps along the way makes the whole process much easier.

Parties involved in the sale or purchase of a property are as follows:

- Seller
- Estate Agent
- Buyer
- Transferring Attorney (appointed by seller to transfer the property to the buyer's name)
- Bond Attorney (appointed by the bank granting the bond)
- Cancellation Attorney (appointed by the bank cancelling the bond of the seller). The same attorney could be dealing with more than one, or all of the above, transactions.

Step 1: Buying a property

The buyer and the seller sign the Offer to Purchase. The buyer applies for a bond with a bank.

Step 2: Bond Approval

The bank approves the bond and advises the Bond Attorney to register the bond.

Step 3: Property Transfer

The seller advises the Transferring Attorney to transfer the property. The title deed and cancellation figures are requested from the bank which currently has a bond over the property. A statement of rates and taxes is requested from the local authority.

Step 4: Bond Attorney contacts Transferring Attorney

The Bond Attorney advises the Transferring Attorney of the amount available for guarantees and requests the draft deed of transfer and guarantee requirements.

Step 5: Cancellation Attorney

The Cancellation Attorney is requested to cancel the seller's bond upon receipt of a guarantee for the amount owing.

Step 6: Transferring Attorney

The transferring Attorney receives the title deed and cancellation figures and sends a copy of the deed of transfer and the guarantee requirements to the Bond Attorney. The Transferring Attorney requests the buyer and seller sign the transfer documents. The buyer pays the transfer costs and the Transferring Attorney then pays the rates and taxes and the transfer duty.

Step 7: Bond Attorney

The Bond Attorney prepares the bond documentation together with the relevant account. The buyer signs the documents and pays the costs. The Bond Attorney prepares and

issues the necessary guarantees, forwards them to the Transferring Attorney and prepares the bond documents for lodgement in the Deeds Office.

Step 8: Transferring Attorney

Once the Transferring Attorney has received the guarantees, they are forwarded to the Cancellation Attorney.

Step 9: Cancellation Attorney

The Cancellation Attorney obtains consent for cancellation from the bank which holds the seller's bond.

Step 10: Documents prepared for the Deeds Office

After all the documentation has been signed and the costs paid, the transfer, new bond and cancellation bond documents are prepared by the respective attorneys for lodgement in the deeds office.

Step 11: Deeds Office

All the documents are lodged in the Deeds Office by arrangement with the attorneys concerned. The Deeds Office takes approximately 2 - 3 weeks to check the documents before they are ready for registration by the attorneys on the same day.

Step 12: Bank pays out the loan

On the day of registration, the bank pays out the loan in accordance with the guarantees issued. Allow at least 3 months for the registration and transfer of the bond.

Factors that could delay the registration of a bond:

- Failure by the seller and/or buyer to provide personal information
- Failure by the seller to provide details of the bank holding the existing bond
- The existing bondholder delaying/not providing cancellation figures and Title Deeds to the Transferring Attorney
- Delay in receiving rates figures (local authority) and/or clearance certificate (Transferring Attorney)
- Failure by the buyer to pay a deposit (if required)
- Delay in the provision of guarantees
- Failure by the buyer to pay bond and transfer costs on time
- Delay by the seller in signing the transfer documents
- Delay by the buyer in obtaining government capital subsidy approval/employee subsidy documents for new bondholders and failure to comply with other requirements of the bank
- Delay by the buyer in signing transfer and/or bond documents
- When the Bond Attorney, Transferring Attorney and Cancellation Attorney are three separate firms