

# Practical aspects of property and mortgage law

## LEARNING OBJECTIVES

In this topic we continue our focus on the legal aspects of property purchase and how they affect lending decisions.

By the end of the topic, you should have an understanding of:

- land registration;
- easements, covenants and other legal restrictions or obligations;
- title guarantees;
- legal obligations and guarantees in a mortgage contract;
- lenders' rights and borrowers' covenants.



## THINK ...

Before you start work on this topic, take a moment to think about what you already know about practical aspects of property and mortgage law. If you own your own home, or have been involved in the sale or purchase of a property:

- do you know what a 'title search' is and why it is important to the prospective buyer and the lender?
- do you know what a conveyancer does?
- have you encountered rules restricting what can be done with a property, for example, prohibiting the fencing off of the front garden?

## 5.1 What is the aim of land registration?

Land registration originates from 1897 and has been progressively implemented throughout England and Wales by successive statutes enacted throughout the twentieth century. The Land Registration Act 2002 and the Land Registration Rules 2003 made further changes with effect from October 2003.

## CHECK YOUR UNDERSTANDING



As we saw in Topic 4, the main body of reforming legislation was passed in 1925. Which three significant Acts were passed in this year?

The aim of registration is to provide an accurate, up-to-date and continuing record of ownership of land, and registration enables the state to guarantee the validity of a title registered at the Land Registry. In view of this, the buyer's solicitor will carry out a detailed search of the relevant registers.

The registration process can also alert prospective buyers and lenders to a variety of rights that third parties may have over land, and obligations that owners may have in respect of land.



In Scotland, land registration is the responsibility of the registers of Scotland.

## 5.2 How is land registered in England and Wales?

Land registration has been compulsory for all transfers of land since 1990. This means that eventually every piece of land will be registered, but unregistered land remains unregistered until one of the events below occurs.

### FIRST REGISTRATION OF TITLE

The compulsory registration of a previously unregistered property when it is transferred, has a lease exceeding seven years granted, or has a legal mortgage created upon it. The owner of unregistered land may also register it on a voluntary basis.

### IN BRIEF

#### LAND REGISTRATION ACT 2002

The Land Registration Act 2002 replaced in its entirety the Land Registration Act 1925, although many of the principles have remained unchanged. The later Act is designed to encourage and facilitate electronic registration and conveyancing.

5.2.1 Registered land

For registered land, the Land Registry holds details on three registers.

TABLE 5.1 REGISTERS FOR REGISTERED LAND

The property register	The proprietorship register	The charges register
Details: <ul style="list-style-type: none"><li>the land</li><li>its title number</li><li>a plan of the property (easements that are beneficial to the property will be included here)</li></ul>	Gives: <ul style="list-style-type: none"><li>the name and address of the estate and owner</li><li>the nature of the title</li><li>date of registration</li><li>any property restrictions on ownership</li></ul> Also sets out the class of the title	Records any charges over the property, such as: <ul style="list-style-type: none"><li>rights of any mortgagee</li><li>a non-owning spouse's interests notifiable under the Family Law Act 1996</li><li>negative easements and restrictive covenants</li></ul>

The following sections set out the classes of title, in descending order of what might be seen as security or robustness.

Absolute

Where clear title is established. Absolute title is the most secure title there is and the most desirable. It may be either freehold with good title, or leasehold where the lease is for at least 21 years and both the freeholder and the leaseholder can demonstrate good title.

Good leasehold

- Can apply only in connection with leases of more than seven years. It means that the leasehold itself is good, but that the freehold title is in doubt or the freeholder has not produced evidence of ownership to the Land Registry.

Absolute leasehold title cannot be given in this case because the Land Registry will not know if the landlord had the full and unrestricted power to grant the lease or if any restrictive covenants or other incumbrances affect the property.

Possessory

- Granted in situations where the applicant is unable to produce the title deeds or other proof of title when the property is first registered, and can apply equally to freehold and leasehold property.

- This could be because the deeds have been lost or destroyed – eg many title deeds were destroyed during World War II. If the owner does not have the deeds, they must apply for registration based on copy documents and statutory declarations explaining the basis of the application and the reason for any missing documents. If the Land Registry is satisfied with the validity of the claim, the applicant will be given possessory title.
- Possessory title means the owner is registered as the owner, but it does not provide protection from a claim from another person asserting that they owned the land before it was registered. As a result of the uncertainty over the future, lenders will be very careful when considering a mortgage on a property with possessory title, and the value of the property may be diminished. Most lenders will lend on such properties but insist on indemnity insurance to protect their interests. Indemnity insurance will cover against the costs of defending such a claim and any loss of value resulting in a successful counterclaim.

### **‘Squatters’ rights’**

- Not a form of title, but can lead to the occupier gaining title to the land. It is more accurately referred to as ‘adverse possession’, and allows people who have intentionally occupied land (or part of it) as their own for a certain time to claim title.
  - Unregistered land: those who have been in intentional occupation of the land for 12 years with no objection from the legal owner may apply for possessory title. Once possessory title has been held for 12 years without counter claims, the Land Registry will usually allow the title to be upgraded to absolute title.
  - Registered land: if registered land has been intentionally occupied for 10 years without objection from the registered owner, the occupier can claim title to the land. When the application is made, the Land Registry will serve notice on the existing registered owner, and if no objection is received and they are otherwise satisfied that the application is in order, the applicant will be registered as the owner of the property with absolute title. If the registered owner opposes the application it will be refused unless the applicant can show that it would be unreasonable to deprive them of the property, or the applicant had a valid claim on the property (eg they had paid for the property but it was not registered in their name), or the applicant had occupied the property reasonably believing it to be theirs.

### **Qualified title**

Very rare and occurs where there is some defect in the title as registered, and so absolute or good leasehold title cannot be guaranteed. The title is given, subject to any defect.

When land is registered it makes life easier for the conveyancer because a search of the Land Registry confirms beyond doubt the quality of title and any conditions attached to it.

## Registration

Although not a legal requirement, transfers of registered land should be registered within 30 days of completion. The 30 days is referred to as the priority period during which the new owner has priority over other claims and charges. Failure to register within 30 days could mean other interests may be registered and take higher priority.

### CONVEYANCER

Person whose job is to manage the process of transferring legal ownership of property.

## 5.2.2 Unregistered land

Unregistered land is land that has not, since the introduction of compulsory registration:

- been legally transferred; or
- had a lease exceeding seven years granted; or
- had a legal mortgage created upon it; or
- had rights entered over it.

An application for registration must take place within two months of the transfer; failing to do so invalidates the legal transfer, which becomes void. In effect, the title reverts to the previous owner, who will hold it on trust for the new owner.

It is more difficult for a conveyancer to establish good title when unregistered land is sold. It is necessary to search back over at least a 15-year history of the property in order to discover anything that might affect the rights of the owner – this is known as the root of title.

Rights over unregistered land can be registered through the Land Charges Registry. There are six classes of land charge that can be registered but it is not necessary for the purposes of this text to detail all of these – they are conveyancing matters dealt with by the solicitors acting in a sale and purchase.

**IN  
BRIEF**

**COMMON TYPES OF LAND CHARGE**

The most common types of land charge registered are:

- Class C (I) land charges – legal mortgages not protected by deposit of title deeds (puisne mortgages), including second and subsequent charges. First charges are not recorded on the land charges register because the lender holds the title deeds as security.
- Class F land charges – notifications of spouses' interests from provisions of the Family Law Act 1996.

### **5.3 What rights and obligations are attached to land?**

Certain rights and obligations may affect the title to a particular property – these are known as easements, positive covenants and restrictive covenants. Easements and restrictive covenants are said to 'run with the land'.

**'RUNNING WITH THE LAND'**

Rights and obligations relating to a property that are passed on to all subsequent purchasers, who remain subject to their conditions.

#### **5.3.1 What are easements?**

An easement is a right that one property has over the land of another. Examples include rights of way, rights to light or prospect (the view), rights to ventilation, or even rights to hang a sign on another person's house. The key points relating to easements are as follows.

- An easement must involve two properties.
- An easement attaches to, and is for the benefit of, the land, not the owner, and the two plots must be close to each other.
- The land that enjoys the right over another site is called the dominant tenement.
- The land over which the right is held is called the servient tenement. The dominant and servient tenements must be owned by different people.
- With one or two exceptions, the easement cannot impose a positive burden on the servient tenement – in other words, insist that the owner does

something. One major exception is that the easement can demand that the servient tenement fences the land.

- Easements can be positive or negative, depending on their nature. Positive easements, such as a right of way, gives the owner of land a right to do something on or to their neighbour's land. Negative easements, such as a right of light, gives the owner of land a right to stop their neighbour doing something on the neighbour's own land that would negatively impact on the other property.

### **Rights of way**

You might need a right of way across someone else's land in order to gain access to your own property. In this case, the right of way is essential to the maintenance of the value of your property.

On the other hand, many prospective buyers would regard the existence of a right of way over their land as an invasion of privacy. This could make the land less desirable and reduce its value.

Rights of way can be removed by the courts but this is rare because they are normally created for good reason. Several walking and conservation groups have won cases confirming the rights of the general public to use rights of way that landowners have sought to deny.

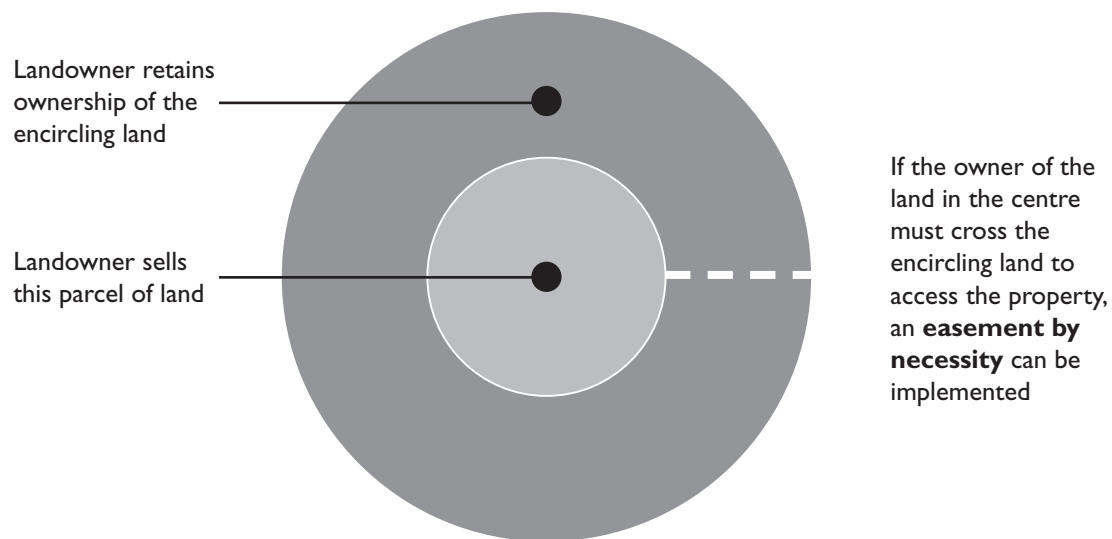
### **Right of light**

A right of light is less commonly encountered, but can be established when one person wants to build a property adjacent to another. The occupant of the existing property can take action to secure their right of light, effectively forcing the developer to build a certain minimum distance away from the existing property – even if the land between is owned by the developer or by the developer's customer. It is a good example of a negative easement.

### **Easement by necessity**

Another type of easement is that implied by necessity: in other words, it is assumed to be in place because it is necessary for the landowner in order to do something essential. A good example is 'encirclement' (Figure 5.1).

**FIGURE 5.1 WHAT IS 'ENCIRCLEMENT'?**



## HOW CAN AN EASEMENT BE EXTINGUISHED (REMOVED)?

Easements are subject to a complex set of laws, and there are many potential ways in which an easement can be extinguished, either through agreement or by compulsion. It is beyond the scope of this text to consider all the potential legal implications, but we can consider the main ways in which an easement can be extinguished:

- The same person takes ownership of both the dominant and servient pieces of land.
- The easement reaches a formal expiration date.
- The owner of the dominant piece of land expressly terminates the easement by deed, usually as a result of negotiation with the other parties.

There is an implied release - for example, if the owner of the dominant land has not used the easement for more than 20 years.

### 5.3.2 What are covenants?

Covenants are essentially restrictions or conditions placed by a landowner on those who subsequently buy or lease the land. The person who established the covenant (or their heirs) is referred to as the 'beneficiary', because the covenant is intended to benefit them in some way. Unlike easements, covenants apply to a single property.



## Positive and restrictive covenants

A positive covenant states what a subsequent owner-occupier *must* do. The most common positive covenant is an obligation to maintain boundaries. In a terrace of houses, for instance, a middle house will have boundaries with at least two neighbouring properties. There will in most cases be a covenant, specifying which boundary (eg in the form of a fence, wall or hedge) is the owner of the middle house's responsibility. This will be shown clearly in the title deeds.

A restrictive covenant states what a subsequent owner-occupier *must not* do. Some land has straightforward restrictions, such as prohibiting development on it, only permitting certain types of building, and so on. Other restrictive covenants are in place to protect the developer's position in a situation where the local authority could take action against the developer if a new owner contravened local planning rules. Even if no local authority restrictions apply, allowing certain activities (keeping caravans at the property, changing the nature of the building, etc) could create a poor impression of the development and have an adverse impact on the developer's reputation. Restrictive covenants 'run with the land', which means that they relate to the property rather than the owner and are passed on to the next owner when the property changes hands.

Positive covenants do not run with the land, and so do not automatically bind a new owner. However, the person who was first subject to the covenant may still be bound by it, and so will make a subsequent sale subject to the covenant, and insert a clause in the deed that makes any future sale conditional on the covenant being included. This position is usually protected by an entry at the Land Registry which prevents a future sale without the inclusion of the covenant.

Court cases have established the principle that if a positive covenant provides a benefit to someone it is reasonable that they should be subject to a 'burden' as a result. This is clearest in regard to a positive covenant that allows the use of a road to access the property in return for contributions to its upkeep. Judgements have confirmed that, in this case, the new owner cannot have the benefit of access without accepting the burden of making the contribution as required. So, the new owner could refuse the insertion of the covenant, but would then be unable to use the road.

### KEY TERMS

#### EASEMENT

A right that one property has over another, eg rights of way, right of light.

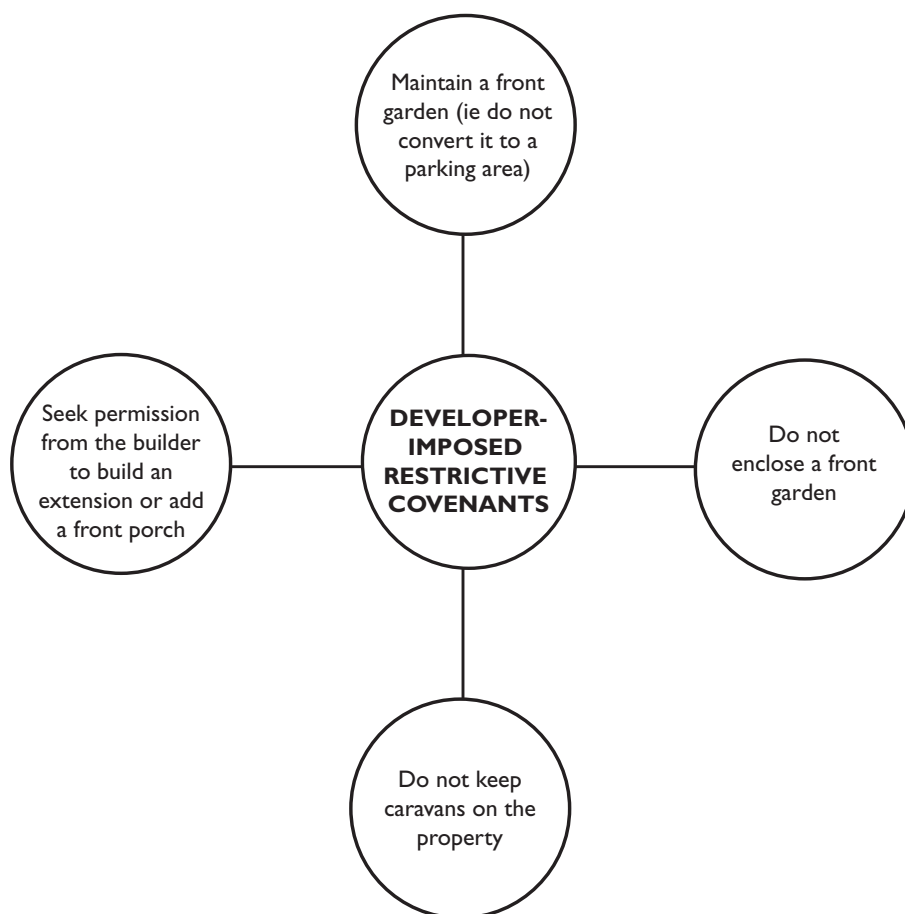
#### POSITIVE COVENANT

A condition of title imposed by an earlier owner stating what subsequent owner-occupiers must do.

#### RESTRICTIVE COVENANT

A condition of title imposed by an earlier owner specifying what an owner-occupier must not do.

**FIGURE 5.2 WHAT SORTS OF RESTRICTIVE COVENANT PROTECT DEVELOPERS?**



### 5.3.3 What is chancel repair liability?

Chancel repair liability is an obscure but important piece of land law that applies to certain types of property, although the majority of owners are not aware of it until a problem arises. It originates from the Middle Ages when rectors received tithes (levies) from the parish instead of a stipend (salary). Part of the rector's responsibility was to arrange and pay for repairs to the church's chancel (the area around the altar) from tithes received, while the parishioners were responsible for repairs to the rest of the church.

As land was sold by the Church, responsibility for chancel repairs was passed on with the land; the new owners were known as 'lay rectors', even though they had no religious role.

#### **COURT DISASTER!**

In 2003, Mr and Mrs Wallbank were asked to pay almost £100,000 to repair the parish church in Aston Cantlow as a result of their ownership of a property with chancel repair liability. The case went to court, but the couple lost their case and faced legal and repair costs totalling some £350,000.

Parochial church councils (PCCs) have the right to take court action if a lay rector fails in their duty to repair the chancel of the associated church, as in the case of Mr and Mrs Wallbank. The PCC can choose which, if any, affected landowners to pursue for the cost of repairs, and although the owner can take action to seek a contribution from others with a similar liability, this may not be easy.

It can be difficult to determine whether a property has chancel repair liability because it may not be noted on property deeds or be the subject of a standard search. Changes to the process from 13 October 2013 provided some clarity to the situation, although the liability has not been abolished (as many people thought).

- PCCs must register a notice of chancel repair liability on the Charges Register at the Land Registry in order for a registered property to be subject to a potential liability.
- If the property is unregistered, the PCC must enter a 'caution against first registration'. This means that the PCC will be informed when the property is sold and has to be registered, and will have the right for its interest to be noted on the Land Registry entry.
- Once a liability is registered, the existing owner and any subsequent purchasers will be subject to the liability.

- Registration or a caution will be shown during conveyancing searches, making the potential position much clearer.
- The PCC loses its right to register a notice if:
  - a registered property is sold without a notice having been registered by the PCC before the sale;
  - an unregistered property without a caution entered is registered for the first time.
- The PCC can register a notice or a caution until just before completion of a sale, which could cause problems very late in the transaction.
- If the property has not changed hands since 13 October 2013, the PCC can register a notice at any time, and the owner at the time of registration (and any future owner) would then have a potential liability.

### **Chancel repair liability insurance**

The owner of a property may not know whether the PCC has the right to register a notice on the property. To address the risk of a potential liability, two types of insurance are available:

- to cover the cost of any repairs should it transpire that there is a liability that was not known at the time of purchase;
- to cover repairs where a notice has already been registered or a caution entered. This is obviously more expensive.

## **5.4 What is a title guarantee?**

A contract for the sale of a property states whether the vendor is selling:

- with full title guarantee;
- with limited title guarantee;
- with no guarantee.

IN  
BRIEF

TITLE GUARANTEES

Title guarantees provide certain levels of comfort as to the robustness of the title being conveyed. For example, full title guarantee establishes that the property is free from charges and encumbrances (restrictions or limitations).

Limited title guarantee also gives some guarantees, but not the categorical guarantee available with a full title guarantee.

Under the Law of Property (Miscellaneous Provisions) Act 1994, certain covenants are implied, depending on the nature of the title being given. It is up to the vendor to decide what type of title guarantee they are giving, but a purchaser and a mortgage lender will be concerned about the type being offered. Many mortgage lenders insist on full title guarantee before they will proceed.

TABLE 5.2 WHAT IS THE VENDOR DEEMED TO COVENANT BY TITLE GUARANTEE?

Irrespective of whether a property is transferred with full or limited title guarantee	<ul style="list-style-type: none"><li>▪ That the vendor has the right to sell the property.</li><li>▪ That they will do all that can be done to give the purchaser the title they require, including assistance with any details required by the Land Registry.</li></ul>
If the vendor sells with full title guarantee	<ul style="list-style-type: none"><li>▪ They sell free from any charges and encumbrances, and free from any rights exercisable by third parties, other than those of which they could not reasonably be expected to know.</li></ul>
If the vendor sells with limited title guarantee	<ul style="list-style-type: none"><li>▪ Since they acquired the property, they have not created any charges or encumbrances that still subsist over it.</li><li>▪ As far as they know, no one else has done so either.</li></ul>



## SCOTLAND

The process for registering land in Scotland is different. Students sitting the examination in Scotland will need to study the Scottish Appendix in addition to this topic.

### 5.5 Matrimonial interests



#### NOTE ON USAGE

For ease of reading, the term 'spouse' will be used throughout; in this context spouse means husband, wife or civil partner as defined under the Civil Partnership Act 2004.

Matrimonial interests are particularly important in regard to land registration. There are many properties where only one partner in the marriage is the registered owner. For older owners, this dates back to times when it was traditional for only the husband to be named as owner. There are also properties owned by an individual who met their spouse only after acquiring the property. The legislation recognises the rights of a non-owning spouse to register an interest in the property through a formal entry on the charges register at the Land Registry for registered land, or the land charges register for unregistered land. Effectively, this prevents the property from being sold or transferred until the spouse's notice is removed at the appropriate registry.

#### LEGISLATION

The law applicable to matrimonial interests in the UK is set out in the Family Law Act 1996 (England and Wales), updated to include the Civil Partnership Act 2004.

The legislation ensures that a non-owning spouse can continue in occupation of a property and provides a right of entry and occupation for those not already in occupation. The lender therefore has to satisfy itself at application stage as to who exactly will occupy the property, whether signatories to the mortgage deed or not.

Any non-owning spouse who will not become party to the mortgage can be asked to sign a 'consent to mortgage' form, waiving rights of residence (in

England and Wales) or renouncing occupancy rights (in Scotland). In the latter case, the non-entitled spouse swears before a notary public that the renunciation is made freely and without coercion.

A lender needs to exercise great care because it may later be bound by the occupational rights (ie the overriding interest) of a person who was not revealed at the time of application and who did not sign a consent to mortgage form. The vendor of the property may not be the only person who is in occupation, and rights of occupation are not limited to the vendor's spouse. The Family Law Act 1996 extended rights of occupation to include, for example, adult children. Cohabitants can apply for protection through the courts.



#### SCOTLAND

The law in Scotland is different. Students sitting the examination in Scotland will need to study the Scottish Appendix as well as this topic.

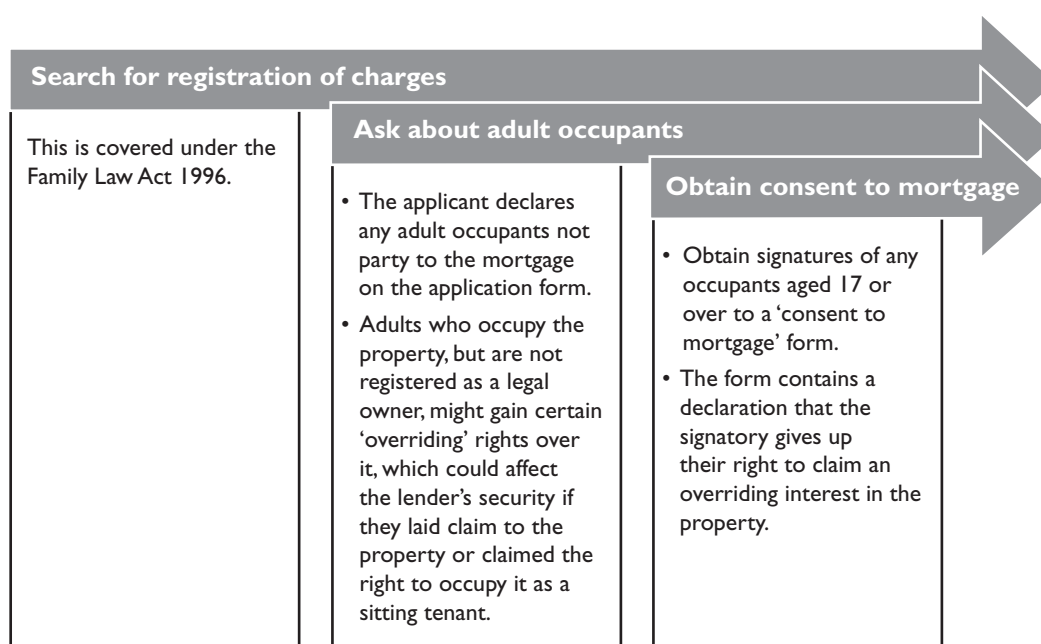
### 5.6 How should the lender respond to results of a title search?

We have seen that when land is sold, the type of title guarantee provided will determine the robustness of title offered. We also know that a solicitor's search of the relevant registers may identify a variety of third-party rights over land or certain obligations enforceable against the owner of that land. It is worth considering briefly the potential effect of this on the lending decision.

**FIGURE 5.3 WHAT EFFECTS MIGHT A TITLE SEARCH HAVE ON THE LENDING DECISION?**

<b>Title guarantee</b>	Some lenders will insist on full title guarantee and not lend against a property where the title conveyed is anything less.
<b>Easements</b>	<ul style="list-style-type: none"> <li>• If the valuer of a property is aware of any easements, their effects will be reflected in the valuation figure. If, however, they only come to light later (eg during the legal work) then not only may this figure need to be reviewed for the purposes of any sale, but the lender may also decline to lend as much as they otherwise would – or to lend at all.</li> <li>• Easements are not always negative, however, and so may not be detrimental to the value of the land.</li> </ul>
<b>Restrictive covenants</b>	These may have a significant effect on the value and saleability of the land, particularly if they severely restrict its use. Conversely, archaic and irrelevant restrictions are unlikely to affect the resale value of land that is now in use for very different purposes.
<b>Matrimonial interests</b>	These interests and the potential interests of others who may be occupying the property will require the lender's attention.

**FIGURE 5.4 WHAT MUST A LENDER DO WHEN CONSIDERING MATRIMONIAL AND OTHER INTERESTS?**





**WHAT ARE THE LENDER'S OPTIONS AFTER A TITLE SEARCH?**

There are a number of steps that a lender can take in each of the above circumstances.

- Taking the appropriate initial steps, including ensuring a search of relevant registers, requiring consent to mortgage forms, etc.
- Declining to lend at all.
- Insisting on a revaluation of the property, taking account of the issues affecting title.
- Taking out indemnity insurance against the possibility of defective title having an adverse impact on the lender's security. This will protect the insured (the lender and owner) from claims made by others who lay claim to the property. The fee for such a policy is likely to be around 0.10 per cent of the property value, subject to a specified minimum premium.

**5.7 What rights and obligations are set out by a mortgage deed?**

The mortgage deed sets out the terms and conditions of the mortgage. As part of the conditions, the deed stipulates the rights of the lender and the borrower's covenants - a number of things they promise to do, which the lender can enforce if they fail to do so.

**FIGURE 5.5 LENDER'S RIGHTS UNDER THE MORTGAGE DEED**

<b>Levy charges</b>	Charge capital, interest and any other fees
<b>Call in the debt</b>	Call in the whole debt in the event of the borrower's default or bankruptcy, or if a compulsory purchase order is made on the property
<b>Insure the property</b>	Insure the property, if the borrower fails to do so, and charge the premiums to the mortgage account (the lender will do this as a matter of course to make sure the insurance stays in force)
<b>Meet statutory conditions</b>	Meet any conditions imposed by statute, a local authority or title, if the borrower fails to do so
<b>Let the property</b>	Let the property after it has been taken into possession
<b>Transfer the mortgage</b>	Transfer the mortgage to another lender, subject to the borrower's consent
<b>Make further advances</b>	Make further advances without the need for a new mortgage deed

**FIGURE 5.6 BORROWER'S COVENANTS UNDER THE MORTGAGE DEED**

<b>Make payments</b>	To make payments in accordance with the mortgage deed
<b>Insure the property</b>	To insure the property in accordance with the lender's requirements
<b>Comply with legislation</b>	To comply fully with appropriate legislation, local authority byelaws and other regulations
<b>Seek consent before letting</b>	Not to let the property without the lender's prior consent
<b>Repair and access</b>	To keep the property in good repair and allow access to the lender for the purpose of inspection at any reasonable time
<b>Title conditions</b>	To comply fully with all conditions of title, eg positive covenants, restrictive covenants and easements
<b>Leasehold property</b>	In the case of a leasehold property, to comply fully with the terms of the lease



**THINK AGAIN ...**

Now that you have completed this topic, how has your knowledge and understanding improved?

For instance, can you:

- explain the purpose of land registration?
- describe the different classes of title?
- explain what an easement is and how it can be removed?
- explain how a restrictive covenant runs with the land?
- explain why it is important to establish whether a property is subject to chancel repair liability?
- describe the different forms of title guarantee?
- outline the steps a lender should take at application stage to establish who has occupancy rights over a property?
- summarise the respective obligations of the lender and the borrower under the mortgage deed?

Go back over any points you don't understand and make notes to help you revise.

Test your knowledge before moving on to the next topic.



### Test your knowledge

Use these questions to assess your learning for Topic 5. Review the text if necessary.

Answers can be found at the end of this book.

- 1) Kevin and Janice married five years ago and lived in the house Kevin bought before their marriage; he is registered as the sole owner. The couple divorced last year, but under the Family Law Act 1996, there is a charge over the property to protect Janice's interests in the property. This charge would be shown in the:
  - a) proprietorship register.
  - b) property register.
  - c) charges register.
  - d) ownership register.
- 2) Karen has put her house on the market. She is registered as the owner at the Land Registry but at the time of registration she was unable to provide the title deeds or other proof of title. What form of title does Karen have?
  - a) Qualified.
  - b) Possessory.
  - c) Absolute.
  - d) Limited.
- 3) How long after taking possession of the land can a 'squatter' apply for ownership of registered land?
  - a) 10 years.
  - b) 12 years.
  - c) 15 years.
  - d) It is not possible in relation to registered land.
- 4) Rights over unregistered land are registered in the charges register. True or false?
- 5) If the buyer fails to register previously unregistered land within two months of purchase, the legal transfer becomes void. True or false?

- 6) Javier's self-build property is encircled by land owned by the person who sold him the plot. An easement by necessity will give him a right of way to gain access to his house. True or false?
- 7) Don's deeds contain a clause forbidding him from having trees in excess of 2m in height on his boundary. This is an example of a:
  - a) positive covenant.
  - b) negative easement.
  - c) easement by necessity.
  - d) restrictive covenant.
- 8) Vendors are deemed to covenant that they have the right to sell the property. True or false?
- 9) If the owner of a property has chancel repair liability, they will be required to pay for all repairs to the local church where necessary. True or false?
- 10) In the event that the borrower fails to insure the property, what rights, if any, does the lender have under the mortgage deed?
  - a) To call in the debt.
  - b) To insure the property and debit the borrower's current account.
  - c) To insure the property and charge the premiums to the mortgage account.
  - d) The lender has no rights in relation to insuring the property.