

EVOLUTION LAWYERS

REFINANCING A RESIDENTIAL PROPERTY

Some things you might want to know

1. **Conveyancing**

Refinancing a residential property by entering into a new mortgage with a different bank falls within the category of transactions lawyers term “[conveyancing](#)”. This short guide sets out some things you might want to know about what is involved in a property purchase conveyance.

2. **Your Existing Mortgage**

A refinance always involves the discharge of the existing mortgage over your property. That requires repaying any amounts you owe the current mortgagee (usually a bank) that are secured by the mortgage. Usually, this will mean all amounts you owe the bank.

We will contact the existing mortgagee on your behalf to request that the mortgage be discharged. The bank will then provide us with a statement setting out the amount it requires to be paid in order to have the mortgage discharged. We will check the bank's repayment figure with you before any payment is made to ensure it is what you are expecting.

3. **New Loan and Mortgage**

As well as being your lawyer, we will also act for the new mortgagee bank as part of the transaction. The bank engages us to protect their interests in connection with the transaction. We do that by ensuring the mortgage is registered over the property title at the same time the old mortgage is discharged. Most banks also ask us to complete their disclosure requirements under [consumer protection law](#).

The time we take to fulfil the bank's requirements is taken into account in our fee estimate for property refinances.

4. **Trust Account**

We will use our [trust account](#) to receive and pay funds on your behalf. This will include receiving the loan from the new bank, and paying the old bank the mortgage discharge amount.

If we hold a surplus in our trust account following the payment of the discharge amount, we will use that to pay our fee. Any proceeds remaining after payment of our invoice will be paid as you direct.

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5. Landonline and Authority & Instruction Form

The discharge and registration of the existing and new mortgages, respectively, is effected electronically using [Landonline](#). To complete the transaction through Landonline, we need to have your written and signed authority to do so. That authority is provided via a form known as an [Authority & Instruction Form](#), which is an important document. It needs to be signed by you, witnessed, and backed up by a verified copy of your photo identification.

6. Signing Documents

If you are in Auckland, we can meet at a location convenient to you to sign up the documents required to complete the purchase. This will include the Authority & Instruction Form and loan documents. We will make other arrangements if you live outside Auckland.

7. Insurance

As part of the bank's requirements for advancing you a loan, it will want to know that the property will be adequately insured. This involves obtaining a certificate of currency from your insurer showing the bank as an interested party. The certificate needs to be provided to the bank along with the loan agreement in order to receive the loan funds.

8. Settlement Day

The refinance will be completed on settlement day, which can usually be arranged to be at your convenience. We will do everything we can to complete settlement as early as possible, however, settlements are often delayed by things that are out of your and our hands. If we think there is a risk settlement may not go ahead as planned, we will let you know straight away.