

Release of Part Security: Instructions and Guidance for Conveyancers

General comments

These instructions and guidance for conveyancers cover the main requirements for us to consider a release of part security request.

Definitions

- References to “we”, “us” and “our” means Nationwide Building Society.
- The “Security” is the Property defined by our original lending, as secured under our mortgage charge.
- The “Retained Security” is defined as the title remained secured under our mortgage charge.

Important information

- Each request is reviewed on a case-by-case basis. A full assessment is completed to understand the impact on our security, and we reserve the right to make a final decision.
- In order for us to be able to review your request in a timely manner, we require all information as noted below to be provided as part of the request.
- Where the request is in relation to sale of land, we would advise no contract of sale should be entered into until our consent has been granted.
- Where we provide our consent to the release of part security, we require the acting solicitor to prepare and submit all documentation, such as the DS3.
- Example of execution clause: The lender acknowledges that the property identified in panel 'X' is no longer charged as security for the payment of sums due under the charge.

Contents

We have provided a list of the most commonly seen scenarios for a customer to request a Release of Part Security with our requirements against each scenario. Please send all requested information to the following email address: PRServicingRiskManagement@nationwide.co.uk

- 1) Release of Part Security – Selling the Land to a Third Party
 - a) Building a New Dwelling
 - b) Future Development (Intended Purpose Undecided)
 - c) Sale of Garden to a Neighbour
 - d) Releasing a Garage/Parking Space
- 2) Release of Part Security – Retaining the Land
 - a) Building a New Dwelling
 - b) Future Development (Intended Purpose Undecided)

1a) Release of Part Security – Selling the Land to a Third Party: Building a New Dwelling

The following information must be provided by the acting solicitor in order to consider your request:

- i) A detailed plan showing which parts of the land are to be released and retained, including the newly proposed access points for the retained and released land. This is required for us to understand what security will remain and how this will be accessed.
- ii) Confirmation whether planning permission has been applied for.
- iii) Where the mortgaged property is Leasehold, we will require the following points to be confirmed:
 - a. Confirmation Freeholder's consent has been obtained. This is required when changes are made to a Leasehold property.
 - b. Confirmation regarding how the release of part security is going to be reflected in the lease. Is this being completed by way of a Deed of Variation, or a surrender and re-grant of the lease? If a surrender and re-grant is being completed, please be aware a Deed of Substituted Security may also be required. Confirmation of this is required to ensure our retained security is accurately reflected within the lease.
 - c. Confirmation as to whether the solicitor acting on the release of part security is also acting on the variation of the lease. We would require the release of part security and the variation of the lease to be completed simultaneously.
- iv) Where required, please provide confirmation covenant consent has been obtained. This is required to ensure that the building of the new dwelling/release of land will not breach any restrictive covenants that impact our security.
- v) Confirmation if any services for the retained land cross the land to be released. This is required as we require private service (drainage, heating etc) systems serving the property to be retained within the title.
- vi) Confirmation of the intentions for the new and existing dwellings. This is required for us to understand the scale of the proposed new dwelling, and so we can assess the impact the dwellings will have on our security.
- vii) Contact details so the surveyor can access the property to complete a mortgage valuation, if a mortgage valuation is required.
- viii) Confirmation of how much the land is being sold for. This is required in the event a capital repayment is needed to agree the release.

1b) Release of Part Security – Selling the Land to a Third Party: Future Development (Intended Purpose Undecided)

Unfortunately, we are unable to progress with this Release of Part security. We require an intended purpose in order to assess how this will impact the security.

Once an intended purpose for selling the land has been agreed upon, you will need to provide us with the additional information required, as outlined in the relevant scenario.

1c) Release of Part Security – Selling the Land to a Third Party: Sale of garden to a neighbour

The following information must be provided by the acting solicitor in order to consider your request:

- i) A detailed plan showing which parts of the land are to be released and retained, including all relevant access points. This is required for us to understand what security will remain and how this will be accessed.
- ii) Where the mortgaged property is Leasehold, confirmation Freeholder's consent has been obtained. This is required as, if the property is Leasehold, we will not be able to provide our consent for the release until the consent has been provided by the Freeholder.
- iii) Where required, please provide confirmation covenant consent has been obtained. This is required to ensure that the building of the new dwelling/release of land will not breach any restrictive covenants that impact our security.
- iv) Confirmation if any services for the retained land cross the land to be released. This is required as we require private service (drainage, heating etc) systems serving the property to be retained within the title.
- v) Contact details so the surveyor can access the property to complete a mortgage valuation, if a mortgage valuation is required.
- vi) Confirmation of how much the land is being sold for. This is required in the event a capital repayment is needed to agree the release.

1d) Release of Part Security – Selling the Land to a Third Party: Releasing a Garage/Parking Space

The following information must be provided by the acting solicitor in order to consider your request:

- i) A detailed plan showing which parts of the land are to be released and retained, including all relevant access points. This is required for us to understand what security will remain and how this will be accessed.
- ii) Where the mortgaged property is Leasehold, confirmation Freeholder's consent has been obtained. This is required as, if the property is Leasehold, we will not be able to provide our consent for the release until the consent has been provided by the Freeholder.
- iii) Where required, please provide confirmation covenant consent has been obtained. This is required to ensure that the building of the new dwelling/release of land will not breach any restrictive covenants that impact our security.
- iv) Confirmation if any services for the retained land cross the land to be released. This is required as we require private service (drainage, heating etc) systems serving the property to be retained within the title.
- v) Contact details so the surveyor can access the property to complete a mortgage valuation, if a mortgage valuation is required.
- vi) Confirmation of how much the land is being sold for. This is required in the event a capital repayment is needed to agree the release.

2a) Release of Part Security – Retaining the Land: Building a New Dwelling

The following information must be provided by the acting solicitor in order to consider your request:

- i) A detailed plan showing which parts of the land are to be released and retained, including the newly proposed access points for the retained and released land. This is required for us to understand what security will remain and how this will be accessed.
- ii) Confirmation whether planning permission has been applied for.
- iii) Where the mortgaged property is Leasehold, we will require the following points to be confirmed:
 - a. Confirmation Freeholder's consent has been obtained. This is required when changes are made to a Leasehold property.
 - b. Confirmation regarding how the release of part security is going to be reflected in the lease. Is this being completed by way of a Deed of Variation, or a surrender and re-grant of the lease? If a surrender and re-grant is being completed, please be aware a Deed of Substituted Security may also be required. Confirmation of this is required to ensure our retained security is accurately reflected within the lease.
 - c. Confirmation as to whether the solicitor acting on the release of part security is also acting on the variation of the lease. We would require the release of part security and the variation of the lease to be completed simultaneously.
- iv) Where required, please provide confirmation covenant consent has been obtained. This is required to ensure that the building of the new dwelling/release of land will not breach any restrictive covenants that impact our security.
- v) Confirmation if any services for the retained land cross the land to be released. This is required as we require private service (drainage, heating etc) systems serving the property to be retained within the title.
- vi) Confirmation of the intentions for the new and existing dwellings. This is required for us to understand the scale of the proposed new dwelling, and so we can assess the impact the dwellings will have on our security.
- vii) Contact details so the surveyor can access the property to complete a mortgage valuation, if a mortgage valuation is required.
- viii) Confirmation of how much the land is being sold for. This is required in the event a capital repayment is needed to agree the release.

2b) Release of Part Security – Retaining the Land: Future Development (Intended Purpose Undecided)

Unfortunately, we are unable to progress with this Release of Part security. We require an intended purpose in order to assess how this will impact the security.

Once an intended purpose for selling the land has been agreed upon, you will need to provide us with the additional information required, as outlined in the above scenario.