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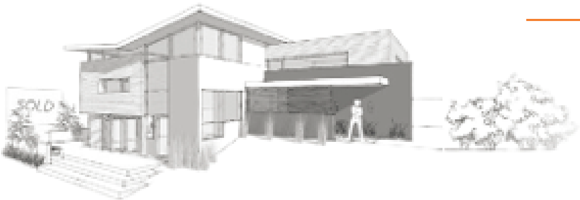
The Conveyancers

The mortgage bond cancellation process



Cancelling your bond with a financial institution?

8 Steps to cancel a bond

STEP 1

CANCELLATION REQUEST

The bank receives a request for cancellation from the Seller or the Attorneys. Most banks require a 90-day notice period. To avoid any penalties being imposed, clients need to ensure their bank is notified as early as possible of their intention to sell or to settle the bond.

STEP 2

CANCELLATION INSTRUCTION

The bank issues cancellation instructions to the attorneys stipulating all amounts required to settle the home loan account.

STEP 3

DELIVERY OF DEEDS TO ATTORNEY

The bank will then release the original Title Deed and Bond/s to the attorneys.

STEP 4

CANCELLATION FIGURES

When a property is being transferred, the transfer attorneys will receive the cancellation figures and are required to furnish the cancellation attorneys with a guarantee that the amount owing to the bank will be settled on day of the registration of the property into the new purchaser’s name.

STEP 5

DRAFTING BOND CANCELLATION DOCUMENTS

The Conveyancers will prepare the bond cancellation documents for signature and lodgement. Once the guarantees are in place, the bond cancellation is ready to lodge at the Deeds Office.

STEP 6

LODGEMENT AT THE DEEDS OFFICE

The bond cancellation is lodged at the Deeds Office. If the property is being sold, the transfer will be lodged simultaneously.

STEP 7

REGISTERING THE CANCELLATION OF THE BOND

The Deeds Office will register the cancellation of the bond, which means the property has been released from the lender as security and is now bond free.

STEP 8

PAYMENT TO THE BANK

The final settlement amount is paid to the bank on the day the cancellation of the bond is registered.

To cancel a bond is a specialised service whereby the Bank will appoint attorneys to execute this task. This service incurs bond cancellation attorney fees.

At MM we have a BC department with dedicated staff members keeping high standards and who are consistent in the administration of our clients’ needs.

Should you need any additional information on bond cancellations, please contact us on info@miltons.law.za.