

Independent Legal Advice (ILA)

ILA is required where one or more parties to a mortgage application will **NOT** benefit from part of the proposed loan. It protects the Bank's Legal Charge over the mortgage property and ensures that the borrower(s) who are only benefiting in part are aware of the implications of the transaction they are entering into.

What you need to know

This procedure is undertaken for these following circumstances:

- **Joint Borrower/Sole proprietor**

It is a standard requirement that all proprietors are also required to be borrowers. However, the Barclays Group will consider mortgage applications where one of the joint borrowers is not going to be named on the property deeds.

Under no circumstances can a mortgage be agreed where any party named on the title deeds is not also going to be a mortgage borrower.

It is mandatory for any borrower who will not be named on the title deeds to obtain ILA and that this is evidenced in writing from the solicitor acting for Barclays Mortgage Services before any completion monies are released.

- **Additional Borrowing is in excess of £50k and is wholly for the benefit of only one party to the mortgage.**

ILA must be sought by any party to the mortgage who will not benefit from the additional borrowing.

Please note for Family Springboard Applications see Helpful Start Account – Helper Advice

What does this mean for your clients?

- You will identify the need for ILA and discuss with your client, including why this is needed and highlighting that legal fees may be applicable.
- You client will need to be provided with the ILA combined form. Full legal name(s) should be used throughout. Once completed, this will need to be scanned and attached to the application via MAX. It is important that this form is completed and returned as soon as possible to prevent any delays in processing the mortgage application.

- The combined form means clients need to fill out documentation related to ILA just once.
- The mortgage offer cannot be prepared until the combined ILA form has been received; therefore, starting the ILA process earlier will reduce the chances of the offer being delayed.

What does this mean for you?

- It is important that you correctly identify whether ILA is required. To ensure the underwriter is aware you should continue to add a note within the additional information box in MAX.
- You must then provide your client with the ILA form to complete – this can be found on the Intermediary website in Useful Documents. Once complete, this must be scanned and attached to the application in MAX. It is important that this form is completed and returned as soon as possible to prevent any delays in processing the mortgage application.
- The second stage is completed by the underwriter. Once the combined form has been received and all other pre-offer case requirements have been met, the offer and ILA pack are produced and sent to the customer's legal adviser for the advice to be carried out.