

Glossary of Terms.

AGENT'S COMMISSION fees paid to the property practitioner (agent), from the proceeds of the sale, for services rendered, in accordance with the agreed fee structure.

BOND CANCELLATION FEE If you're selling your property and want to cancel the bond, notice must be given. Banks will charge a penalty for early termination of the bond.

BOND REGISTRATION COSTS The conveyancer's fee for bond registration covers the service of getting the bond registered over the title deeds. The amount varies in relation to the home loan amount. While the fee is based on tariffs recommended by the Legal Practice Council, it may differ slightly from one law firm to another.

CANCELLATION AND BOND ATTORNEYS The bond attorney, nominated by the bank to register the bond, will get the purchaser in to sign the Mortgage Loan Agreement and all other documents required as per the bank's instruction to them.

CANCELLATION OF BOND The Seller must give notice of their intention to cancel their bond. The proceeds of the sale will be used to pay off the outstanding loan amount and the bond against the property will be cancelled.

CAVEAT a notice or warning entered by the Registrar of Deeds in the deeds registry database. It indicates a possible prohibition on dealings with the property or a possible restriction on the capacity of the registered holder of the right to act.

COMPLIANCE CERTIFICATES certificates required either by national regulations (electric fence and electrical certificate), municipal by-laws (water installation), or by accepted practice (beetle certificate). As applicable to the property.

DEEDS OFFICE The Deeds Office is responsible for the registration, management and maintenance of the property registry of South Africa.

FICA The Financial Intelligence Centre Act, requires agents and attorneys to request the following documents in order to prevent money laundering and tax evasion: Identity documents, proof of residential address and proof of banking details not older than 3 months.

FLYSHEET a draft copy of the new title deed of the property.

GUARANTEES a guarantee is a document issued by a registered South African institution that guarantees the payment of funds upon the happening of certain events.

HOMEOWNERS ASSOCIATION CONSENT a condition contained in the Title Deed, that transfer cannot take place without the written consent of a duly established Homeowners Association.

INCOME TAX NUMBER An Income Tax Reference number is issued by SARS when a person/entity registers for Income Tax purposes.

INITIATION FEE A Home Loan or Bond Initiation Fee is charged by the bank for the processing of the bond application. Some banks work on a base fee plus a percentage of the loan amount, other banks charge a flat rate.

INSOLVENCIES the state of being unable to pay the money owed, by a person or company, on time; those in a state of insolvency are said to be insolvent.

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INTERDICTS For a property to be put on auction, the judgement needs to obtain a court order authorising the auction. When that is granted, the Registrar of Deeds is notified and places an interdict, in the form of an attachment, over the property records at the Deeds Office and if the seller wants to sell the property the bank would have to consent to the sale and have the attachment uplifted.

LEVIES AND SPECIAL LEVIES levies are fees paid to the authority that services your property such as a body corporate. These fees are dependent on your property type and are paid to the authority which services your property. A Special Levy is raised when there aren't enough funds to pay for an expense that has not been budgeted for.

LEVY CLEARANCE CONSENT in the case of a sectional title transfer, a written assurance is needed from the trustees, or managing agent if there is one, that the owner does not, in fact, owe any money. This written assurance is what is commonly referred to as the levy clearance certificate.

LODGEMENT The formal handing in of documents at the Deeds registry for purposes of registration.

OCCUPATIONAL RENTAL/INTEREST money/rental that will be paid if the seller is unable to vacate the premises after registration, or if the buyer takes occupation of the premises before registration.

RATES AND TAXES The municipal rate charge covers all services provided by the local municipality. These services include sewerage, streetlights, and road maintenance as well as collection of refuse. Calculation on property rates are valued according to the land as well as any buildings or improvements made.

RATES CLEARANCE CERTIFICATE A rates clearance certificate is a certificate which is issued by the relevant local municipality on application by a conveyancer for the transfer of a property. The purpose of this document is to prove that all the outstanding debt on the property has been paid by the seller.

REGISTRATION A conveyancer will lodge the documents that he has prepared for registration in the Deeds Office.

The examiners in the Deeds office scrutinise the documents to ensure that they comply with all relevant legislation and regulations. When they are satisfied, they inform the conveyancer that the transaction is ready for registration and thereupon, in the presence of the conveyancer and the Registrar of Deeds, the property is registered in the name of the purchaser.

SUBJECT TO SALE CONDITIONS A condition that stipulates the sale of the property is contingent on the sale of the purchaser's property within a certain time period.

SUSPENSIVE CONDITIONS Conditions that must be satisfied within a certain period in order to conclude a valid sale of property.

TITLE DEED important legal documents used as evidence of proof of ownership of a home or piece of land.

TRANSFER COSTS Transferring Conveyancer's Fees are for the service the Transferring Attorneys provide to transfer a property. The amount varies according to the purchase price of the property. The fee is based on tariffs recommended by the Legal Practice Council but may differ slightly from one law firm to another.

TRANSFER DUTY is a Government Tax levied to transfer the property from the seller's name into the buyer's name. **UNDERTAKING** An undertaking is a verbal or written pledge or promise either to do something or refrain from doing something.