

This guidance should be followed when making a loan to a director using the Director's Loan Agreement – Secured over Joint Property. The guidance sets out the steps to be made and the applications that need to be made to the Land Registry to protect the company's equitable charge over the property which is registered at the Land Registry.

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1. Director's registered title

1.1 Before the Loan Agreement is signed, the company will need to check the registered title for the property. This can be done via the gov.uk website at <https://www.gov.uk/property-information-land-registry>. The company can obtain a copy of the title register and title plan for a small fee (£6 at the time of writing).

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1.2 The company should ensure that:

1.2.1 the property is the company's registered property; and

the property is the company's registered property; and

1.2.2 the registered proprietor of the property is the company or a director and the Director's Loan Agreement – Secured over Joint Property is used; or

the registered proprietor of the property is the company or a director and the Director's Loan Agreement – Secured over Joint Property is used; or

1.2.3 there are no other registered interests in the property which cause concern. Legal advice should be sought if there are any concerns.

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1.3 Once the Loan Agreement is signed, the company will need to apply to the Land Registry to register a Restriction (form RX1) against the director's registered title. Please note that the Director's Loan Agreement – Secured over Joint Property should be used.

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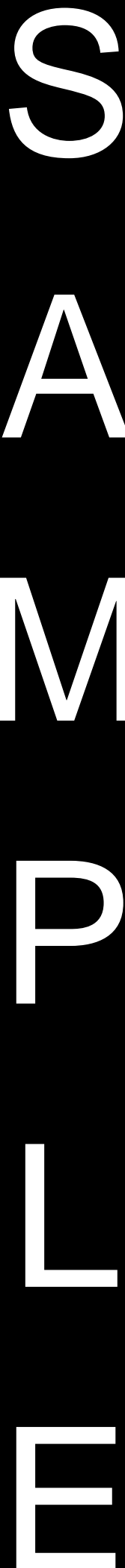
2. Unilateral Notice

2.1 Clause 16 of the Director's Loan Agreement – Secured over Joint Property requires the company to apply for a Unilateral Notice against the director's registered title if the property is not the company's registered property.

Clause 16 of the Director's Loan Agreement – Secured over Joint Property requires the company to apply for a Unilateral Notice against the director's registered title if the property is not the company's registered property.

2.2 There is an alternative to applying for a Unilateral Notice for an Agreed Notice. An application for an Agreed Notice would require the consent of both parties and the Loan Agreement would need to be amended. We do not recommend this approach as the Director's Loan Agreement – Secured over Joint Property does not allow for a director to do so because any

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member of the public
company is likely to

of the Loan Agreement and the
confidential.

2.3 The application form
which can be found
<https://www.gov.uk/government/forms/unilateral-notice-application-to-enter-un1>. The form

made on Land Registry form UN1
the gov.uk website at
<https://www.gov.uk/government/forms/unilateral-notice-application-to-enter-un1>
follows:

2.3.1 Panel 1: Location
appear on the

the property – this information will
director's registered title.

2.3.2 Panel 2: Title
on the official

property – this information will appear
registered title.

2.3.3 Panel 3: Priority
indicate that
estate.

will put a cross in the first box to
affects the whole of the registered

2.3.4 Panel 4: Application
Registry's
<http://landregistry.data.gov.uk/fees-calculator.html>
applications.
first box to indicate

you should check the fee using the Land
Registry's <http://landregistry.data.gov.uk/fees-calculator.html>
"Unilateral Notice" from the list of
the fee is £40. Put a cross in the
first box to indicate the fee is paid by cheque.

2.3.5 Panel 5: Document

form – insert "none".

2.3.6 Panel 6: The
should be in

company's name and company number

2.3.7 Panel 7: This
and address
application of

Land Registry by – enter the name
of the person who is submitting the
application.

2.3.8 Panel 8: Address
inserted here
be a postal address
service address

the company's address should be
inserted here. There can be given, one of which must
be a postal address. A service address could be given as an alternative

2.3.9 Panel 9 can

2.3.10 Panel 10: Enter
that the ap
company's s

Put a cross in the first box to indicate
that the application is made by the
company, rather than by the
company will complete panel 11.

2.3.11 Panel 11: Sign
lender under
]". Panel 11
has authority
this is likely
delegated.

interest in the property – insert "the
company (as lender under a
floating equitable charge) dated []"
the dotted line by someone who
has authority to sign on behalf of the
company. In practice this is likely to be
someone to whom the directors have
delegated.

2.3.12 Panel 12 can

2.3.13 Panel 13: Sign
dotted line

The form needs to be signed on the
dotted line by someone who has
authority to sign on behalf of the

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to be the same person who signed at the end of

3. Restriction

3.1 Clause 1.1 of the Loan Agreement – Secured and the Director’s Loan Agreement – Secured over Joint Property relates to the company’s application to be entered in the proprietorship register of the company. This means that a transfer of the property to a buyer will not be completed without the company’s consent. The company will not consent to either the loan is repaid or suitable alternative security arrangements will consent to a transfer.

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3.2 The application is made on Land Registry form RX1 which can be found on the gov.uk website at <https://www.gov.uk/government/publications/enter-a-restriction-registration-rx1>. The form should be completed as follows:

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3.2.1 The name of the proprietor serving the property – this information will appear on copies of the director’s registered title.

3.2.2 The address(es) of the property – this information will appear on copies of the director’s registered title.

3.2.3 Generally you will put a cross in the first box to indicate whether the restriction is to affect the whole of the registered property.

3.2.4 The fee – you should check the fee using the Land Registry fee calculator at <http://landregistry.data.gov.uk/fees-calculator>.

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3.2.5 The application form – “Restriction – standard form, contained in the Land Registry Handbook – Registration Rules 2003” from the list of applications. There is no fee where the application is a further application relating to the same registered property. If a fee is payable in respect of the UN1 application, no fee is payable in respect of the UN2 application.

3.2.5 The application form – insert “none”.

3.2.6 The applicant – the company’s name and company number should be entered.

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3.2.7 The applicant’s address is sent to Land Registry by – enter the name and address details of the person who is submitting the application on behalf of the company.

3.2.8 The application – to apply – Put a cross in the first box under “Consent” to indicate that the application is made with the consent of the proprietor or will need to sign at panel 11 (see below).

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3.2.9 The application – for restriction – delete the square brackets and enter the name of the proprietor in the first two lines of panel 9. In the large box, enter the position of the registered estate by the proprietor of the property. The restriction is to be registered without a written consent.

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[company] (company number [number]) of
their conveyancer”.

3.2.1 If applicant – the form needs to be signed on the
the who has authority to sign on behalf of the

3.2.1 the director needs to print his/her full name and

3.2.1 e left blank.

4. **Submitting**

4.1 The forms need to be sent to the Land Registry
together with the application fee. This should be done as soon as
possible once the document has been signed.

4.2 The forms should be submitted to the appropriate Land Registry
office. To find the appropriate one for this application, visit
www.gov.uk/guidance/land-registry-address-for-applications

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