

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.

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).

1.2 The company should check the title plan to ensure that the property marked on the title plan are as expected.

1.2.1 the property is as expected;

1.2.2 the registered proprietor of the property is the company (in which case the Director's Loan Agreement – Secured over Joint Property should be used);

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

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 Restriction (form RX1) should ideally be obtained before the Loan Agreement is signed.

2. Unilateral Notice

2.1 Clause 16 of the Director's Loan Agreement – Secured over Joint Property relates to the company's application for a Unilateral Notice against the director's registered title. The application should state that the property is the company's registered property and that the company has an equitable charge over the property.

2.2 There is an alternative to 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 signed and registered with the application. We do not recommend using an Agreed Notice (and indeed clause 16 of the Loan Agreement prevents the director from doing so) because any

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member of the public. The company is likely to be a member of the public.

of the Loan Agreement and the company is likely to be confidential.

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

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

- 2.3.1 Panel 1: Location of the property – this information will appear on the title register.

the property – this information will appear on the title register.

- 2.3.2 Panel 2: Title of the property – this information will appear on the title register.

the property – this information will appear on the title register.

- 2.3.3 Panel 3: Priority of the mortgage – will put a cross in the first box to indicate that the mortgage affects the whole of the registered estate.

will put a cross in the first box to indicate that the mortgage affects the whole of the registered estate.

- 2.3.4 Panel 4: Application fee – should check the fee using the Land Registry's fee calculator at <http://landregistry.data.gov.uk/fees-calculator.htm>. Put a cross in the first box to indicate that the fee is paid by cheque.

should check the fee using the Land Registry's fee calculator at <http://landregistry.data.gov.uk/fees-calculator.htm>. Put a cross in the first box to indicate that the fee is paid by cheque.

- 2.3.5 Panel 5: Document – insert "none".

form – insert "none".

- 2.3.6 Panel 6: The name of the company – should be in the company's name and company number

any's name and company number

- 2.3.7 Panel 7: This panel should be completed by the company and address of the person who is submitting the application

and Registry by – enter the name and address of the person who is submitting the application

- 2.3.8 Panel 8: Address of the company – the company's address should be inserted here. The address can be given, one of which must be a postal address. The service address could be given as an alternative

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

- 2.3.9 Panel 9 can be completed by the company

- 2.3.10 Panel 10: Enter a cross in the first box to indicate that the application is made by the company, rather than by the company's solicitor. The company will complete panel 11.

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

- 2.3.11 Panel 11: State the interest in the property – insert "the lender under the mortgage []". Panel 11 should be completed 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.

interest in the property – insert "the lender under the mortgage []". Panel 11 should be completed 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 be completed by the company

- 2.3.13 Panel 13: Sign the form needs to be signed on the dotted line by someone with authority to sign on behalf of the

the form needs to be signed on the dotted line by someone with authority to sign on behalf of the

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panel 11.

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3. Restriction

3.1 Clause 17 of the
Loan Agreement –
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will not be regist
therefore be able to
security is provided

ent – Secured and the Director's
property relates to the company's
in the proprietorship register of the
transfer of the property to a buyer
ny's consent. The company will
an is repaid or suitable alternative
a transfer.

3.2 The application for
can be f
<https://www.gov.uk/enter-a-restriction-registration-rx1>. The form should

in Land Registry form RX1 which
gov.uk website at
<https://www.gov.uk/enter-a-restriction-registration-rx1>
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3.2.1 Panel 1: Loc
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3.2.2 Panel 2: Titl
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3.2.3 Panel 3: Pre
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will put a cross in the first box to
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3.2.5 Panel 5: Doc

form – insert "none".

3.2.6 Panel 6: Th
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3.2.7 Panel 7: Thi
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and Registry by – enter the name
the person who is submitting the

3.2.8 Panel 8: Er
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3.2.9 Panel 9: Ap
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- delete the square brackets and
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3.2.10 Panel 10: Sign
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company.

The form needs to be signed on the
authority to sign on behalf of the

3.2.11 Panel 11: Company
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needs to print his/her full name and

3.2.12 Panel 12 and

4. **Submitting the application**

4.1 The completed application
together with a check
possible after the Land

to be sent to the Land Registry
e. This should be done as soon as
signed.

4.2 The Land Registry
application please see
[applications](#).

find the appropriate one for this
[guidance/land-registry-address-for-](#)

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