

## Mortgage Bond Conditions

By **Marius van Rensburg** (Partner)

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When the Banks instruct Attorneys to register a mortgage bond, the instruction is accompanied by various bond registration conditions. These conditions are referred to as “special conditions” and are usually conditions imposed by the bank in addition to their standard terms and conditions. The Attorneys should provide a copy of these conditions to the client.

It is of great importance that clients peruse and assist the Attorneys with the fulfillment of these conditions to avoid unnecessary delays as the Attorneys are not permitted to register any mortgage bond until such time as all standard and special conditions have been completely fulfilled.

### Standard conditions typically include:

- Signature of all bank documentation within a specified period;
- Attorneys to comply with the Bank’s FICA policy;
- Clients to sign a debit order instruction for the collection of monthly bond installments;
- Clients to provide home owner’s insurance for the buildings;
- Submission of NHBRC registration documentation;
- Submission of an electrical compliance certificate and/or gas compliance certificate;
- Payment of initiation or valuation fees;

### Special conditions typically include:

- Submission of approved building plans;
- Cancellation of an existing loan / mortgage bond on a Property other than the property purchased;
- Clients to obtain or cede a life cover policy
- Clients need to attend an educational workshop offered by the Bank;
- Submission of structural engineers reports and/or certifications;
- Signature of a suretyship by a third party or entity.

### FICA REQUIREMENTS

In terms of the Financial Intelligence Centre Act, the Banks are required to FICA all clients. Attorneys are also accountable institutions in terms of this legislation and also have the obligation to FICA all clients.

Attorneys are mandated and obliged by the Banks to collect the FICA information on behalf of the Banks.

It is a registration policy of most banks that a matter may not be registered in the Deeds Registry (and in some cases may not be lodged in the Deeds Registry) before the Attorneys have sent to the Bank the certified copies of the clients FICA documents and received the Banks consent to proceed further.

The Banks are very particular on this issue and regard the obligation as most serious. Clients are encouraged to provide the necessary information in order to avoid delays.

### INTERNAL BANK PROCESS

The Banks each have their own internal process whereby they monitor the progress of the bond registration and compliance by the Conveyancers and the Clients of the standard and special conditions. This differs from institution to institution, however most require that original documentation be scanned in to the Bank’s system whereafter the matter is allocated to consultants who will check the documents for compliance. If the documents are found to be compliant, the bank will issue the Conveyancers with a “Proceed to Register”.

It is imperative that all documents are submitted to the bank simultaneously to avoid delays in obtaining the bank’s proceed.



**Marius van Rensburg**  
(Partner)