

NORTHERN ROCK PLC: RESTRUCTURING AND TRANSFER OF ASSETS

On 1 January 2010 Northern Rock plc was restructured by virtue of The Northern Rock plc Transfer Order 2009. For details please see http://www.northernrock.co.uk/building_a_stronger_future/

The table below gives details of the companies involved:

Name before 31 December 2009	Name after 1 January 2010	Company Number
Northern Rock plc	Northern Rock (Asset Management) plc	3273685
Gosforth Subsidiary No1 plc	Northern Rock plc	6952311

On 1 January 2010 part, but not all, of Northern Rock (Asset Management) plc (registered number 3273685) business and mortgage portfolio was transferred to Northern Rock plc (registered number 6952311).

All future secured loans, excepting possibly some “pipeline” loans where the lending transaction was underway before 1 January 2010, will be issued by Northern Rock plc (registered number 6952311).

The terms of the Transfer Order have been examined and, for the assets transferred, operate as a valid link in title between Northern Rock (Asset Management) plc (registered number 3273685) and Northern Rock plc (registered number 6952311).

The implications for agents presenting deeds for recording or registration are set out below.

LAND REGISTER

Registration Practice – Discharges

Discharges executed before 1 January 2010 will run in the name of Northern Rock plc (registered number 3273685). These will be accepted and given effect to in the register without any enquiry as to whether or not the loan would have been transferred by the Transfer Order.

Discharges executed after 1 January 2010 can be in the name of either company. Where a discharge is granted by Northern Rock (Asset Management) plc it will be assumed not to have been transferred. Where it is granted by Northern Rock plc, it will be assumed without enquiry or examination of evidence that the security now vests in them by virtue of the Transfer Order.

Registration Practice – Standard Securities

In the short term, there may be some transitional cases either involving securities executed before 1 January 2010 but submitted for registration thereafter or “pipeline” loans in which, although the security was executed after 1 January 2010, the transaction was underway before that date.

- If the security is executed before 1 January 2010 and the application is made on behalf of Northern Rock (Asset Management) plc (registered number 3273685) it will be registered with a note added to reflect the company’s change of name.
- If the security is executed before 1 January 2010 and the application is made on behalf of Northern Rock plc (registered number 6952311) the Transfer Order should be listed on the Form 4 but does not need to be submitted with the application as it has already been examined by the Keeper. The security will be registered with a note containing details of the transfer.
- If the security is executed before 1 January 2010 but the application is made on behalf of Northern Rock plc (registered number 3273685) it will be rejected and the presenting agent will be asked to amend their application form to make it clear which company the application is on behalf of. If it is on behalf of Northern Rock plc (registered number 6952311) then the Transfer Order will need to be listed on the Form 4 but does not need to be submitted with the application.
- If the security is executed after 1 January 2010 but is in favour of Northern Rock plc (registered number 3273685) it will be rejected as at the time of execution no such company existed.

In all loan transactions commenced after 1 January 2010, the security will be in favour of Northern Rock plc (registered number 6952311).

SASINE REGISTER

Discharges executed after 1 January 2010 by Northern Rock (Asset Management) plc.

We have been advised that the style deed to be employed will narrate that the discharge is granted by:

Northern Rock (Asset Management) plc (formerly named Northern Rock plc) incorporated under the Companies Acts (registered number 3273685.)

These discharges relate to securities not transferred by the Transfer Order. Despite the change of name, there has been no change in the identity of the creditor and a clause of deduction of title is not necessary.

Discharges executed after 1 January 2010 by Northern Rock plc.

These discharges will relate to securities which have been transferred by the Transfer Order. A clause of deduction of title in or similar to, the following terms is therefore required

... which Standard Security was last vested in the said Northern Rock (Asset Management) plc as aforesaid and from whom we Northern Rock plc acquired right by virtue of The Northern Rock plc Transfer Order 2009 ...

Standard Securities executed before 1 January 2010 but presented thereafter

The approach to be taken to standard securities in favour of Northern Rock plc executed before 1 January 2010 but presented for recording after that date depends upon the identity of the applicant for recording given in part 12 of the Sasine Application Form.

Where the applicant is Northern Rock (Asset Management) plc the security will be accepted and recorded as normal.

Where the applicant is Northern Rock plc registered number 6952311 the application must be accompanied by an application for recording of a notice of title in favour of Northern Rock plc registered number 6952311 which deduces title through the Transfer Order, the standard security being duly docqueted by reference to the notice of title.

Where the applicant is stated to be Northern Rock plc and company number 3273685 is given on the form, the application will be rejected as at the date of presentment there was no such company. Agents will be invited to clarify their instructions as to whether they are acting for Northern Rock (Asset Management) plc or Northern Rock plc. If the former, they should be invited to amend or re-engross the Sasine Application Form accordingly and then to resubmit the application. If the latter the application can only be accepted when it meets the criteria set out above.

Standard securities executed after 1 January 2010 and bearing to be in favour of Northern Rock plc, company number 3273685

Any such standard securities will be rejected and agents will be invited to arrange preparation and execution of a security in favour of the correct creditor.

FURTHER INFORMATION

Our Pre-Registration Enquiries Section will be pleased to offer registration guidance to solicitors on specific matters of concern. The service is free of charge.

Contact Pre-Registration Enquiries at:

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