

DUNFERMLINE BUILDING SOCIETY: TRANSFER OF ASSETS TO NATIONWIDE BUILDING SOCIETY AND OTHER CHANGES

With effect from 30 March 2009 all of the Dunfermline Building Society's savings accounts, branches, head office and the majority of its residential mortgage book (other than social housing loans) have been transferred to Nationwide Building Society. These assets were transferred to the Nationwide Building Society in terms of the Dunfermline Building Society Property Transfer Instrument 2009 ("the Transfer Instrument") issued by the Bank of England on 30 March 2009.

The social housing portfolio has been transferred to a limited liability company wholly owned by the Bank of England. It will be called DBS Bridge Bank Ltd. We understand that DBS Bridge Bank Ltd will manage the loans until they can be sold to a suitable third party in the near future.

The remainder of the Dunfermline Building Society's business, including mortgages acquired from GMAC-RFC Limited, Southern Pacific Mortgage Limited and Scottish Equitable and the commercial loan business, has been placed into a Building Society Special Administration Process. An Order was issued by the Court of Session on 30 March 2009 ("the Court Order") for the Special Administration of the Dunfermline Building Society. Both the Transfer Instrument and the Court Order were granted in terms of the Banking Act 2009.

The implications for solicitors presenting deeds for recording in the General Register of Sasines or registration in the Land Register are set out below.

EVIDENTIAL REQUIREMENTS FOR DUNFERMLINE BUILDING SOCIETY RESIDENTIAL MORTGAGES

(A) Deeds executed before the transfer date (30 March 2009) granted by or in favour of the Dunfermline Building Society

Land Register requirements for standard securities and dispositions

Any deed (such as a standard security or disposition) granted in favour of the Dunfermline Building Society executed before the transfer date, but submitted as part of an application for registration on or after that day, will be accepted for registration, provided that the following requirements are met, namely

- (a) the application form specifies that the applicant is the Nationwide Building Society;
- (b) the application form specifies that registration is sought in respect of the deed in favour of the Dunfermline Building Society; and
- (c) the Transfer Instrument is listed in the form 4 submitted with the application.

General Register of Sasine requirements for standard securities and dispositions

Any deed (such as a standard security or disposition) granted in favour of the Dunfermline Building Society executed before the transfer date, but submitted for recording after the transfer date should be either (a) docketed with reference to a

Notice of Title on behalf of the Nationwide Building Society and the two deeds recorded together with the application for the recording of the Notice of Title making reference to the other deed or (b) re-engrossed and re-executed in favour of the Nationwide Building Society. If these requirements are not met the deed will be returned to the in giving agent.

Land Register and General Register of Sasine requirements for discharges

Discharges granted by the Dunfermline Building Society must bear to have been executed prior to the transfer date. There is no objection to recording or registering them after that day since no completion of title is involved.

(B) Deeds executed on or after the transfer date (30 March 2009)

All deeds (be they standard securities, dispositions or discharges) executed on or after the transfer date must be granted by or be in favour of the Nationwide Building Society. The Nationwide Building Society has advised that deeds will be granted by or to the "*Nationwide Building Society (trading as Dunfermline Building Society) of Caledonia House, Carnegie Avenue, Dunfermline, Fife KY11 8PJ*". If any deed executed on or after the transfer date by or in favour of the Dunfermline Building Society is submitted the deed/application will be returned to the submitting agent.

Land Register requirements for discharges and repossession dispositions

Where the Nationwide Building Society grants a discharge of or a repossession disposition in terms of a standard security registered or recorded prior to the transfer date, where the original grantee was the Dunfermline Building Society, the Transfer Instrument should be listed on the inventory form 4. There is no need for the Transfer Instrument to be submitted. It has previously been examined by the Keeper.

General Register of Sasines requirements for discharges

Where the Nationwide Building Society grants a discharge of a standard security registered or recorded prior to the transfer date, where the original grantee was the Dunfermline Building Society, the discharge should deduce title from the Dunfermline Building Society, referring to the Transfer Instrument in the terms similar to the following:

“which standard security was last vested in the said Dunfermline Building Society as aforesaid and from whom we the said Nationwide Building Society acquired right by virtue of the Dunfermline Building Society Property Transfer Instrument 2009”

Any deed executed on or after the transfer date by or in favour of the Dunfermline Building Society and submitted will be returned to the in giving agent.

EVIDENTIAL REQUIREMENTS FOR DUNFERMLINE BUILDING SOCIETY RETAINED ASSETS : COMMERCIAL LOANS AND RESIDENTIAL LOANS BY GMAC-RFC LTD, SOUTHERN PACIFIC MORTGAGE LTD AND SCOTTISH EQUITABLE

Dunfermline Building Society went in to Special Administration on 30 March 2009. The following persons were appointed to act as Special Administrators on behalf of the Dunfermline Building Society: Richard Heis, Michael Pink and Richard Fleming each of 8 Salisbury Square, London EC4Y 8BB and Blair Carnegie Nimmo of Saltire Court, Castle Terrace, Edinburgh EH1 2EG all appointed as Joint Building Society

Special Administrators (the "Joint Building Society Special Administrators") by order of the Court of Session dated 30 March 2009.

Deeds executed on or after 30 March 2009

The Joint Building Society Special Administrators of the Dunfermline Building Society will administer all the commercial loans previously granted in favour of the Dunfermline Building Society and the loans previously granted in favour of GMAC-RFC Limited, Southern Pacific Mortgage Limited and Scottish Equitable. All deeds relating to those assets, executed on or after 30 March 2009 must be signed by at least one of the Joint Building Society Special Administrators of the Dunfermline Building Society. A deed executed on or after the transfer date by or in favour of the Dunfermline Building Society will not be accepted for recording or registration.

Land Register requirements for discharges

Where the Dunfermline Building Society (in Building Society Special Administration) grants a discharge of a standard security registered or recorded prior to the transfer date relating to one of the assets specified in the previous paragraph, where the original grantee was the Dunfermline Building Society, the Court Order should be listed on the inventory form 4. Where the original grantee was GMAC-RFC Limited or Southern Pacific Mortgage Limited or Scottish Equitable, the assignation for the standard security and the Court Order should both be listed in the form 4. There is no need for the Court Order to be submitted. It has previously been examined by the Keeper.

EVIDENTIAL REQUIREMENTS FOR DUNFERMLINE BUILDING SOCIETY SOCIAL HOUSING LOANS

1. On the transfer date (30 March 2009) the Transfer Instrument transferred the social housing loans (those by the Dunfermline Building Society to housing associations and similar bodies) to the DBS Bridge Bank Limited, incorporated under the Companies Acts in Scotland (registered number SC356970) and having its registered office at Caledonia House, Carnegie Avenue, Dunfermline, Fife KY11 8PJ (the "Bridging Bank"). Given the above; the normal rules for the subscription of deeds on behalf of limited liability companies will apply for all deeds granted by the Bridging Bank.
2. ***Land Register requirements for deeds***
3. Where the Bridging Bank grants a discharge, deed of restriction or an assignation of a standard security registered or recorded prior to the transfer date, where the original grantee was the Dunfermline Building Society, the Transfer Instrument should be listed on the inventory form 4. There is no need for the Transfer Instrument to be submitted. It has previously been examined by the Keeper.

General Register of Sasines requirements for deeds

Where the Bridging Bank grants a discharge, deed of restriction or an assignation of a standard security registered or recorded prior to the transfer date, where the original grantee was the Dunfermline Building Society, the discharge should deduce title from the Dunfermline Building Society, referring to the Transfer Instrument in terms similar to the following:

"which standard security was last vested in the said Dunfermline Building Society as aforesaid and from whom we the said DBS Bridge Bank Limited

acquired right by virtue of the Dunfermline Building Society Property Transfer Instrument 2009 dated 30 March 2009”

Any deed executed on or after the transfer date by or in favour of the Dunfermline Building Society and submitted will be returned to the in giving agent.

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:

By Letter:
Registers of Scotland
Legal Services Directorate
Meadowbank House
153 London Road
Edinburgh EH8 7AU
LP 55 Edinburgh 5
DX 550907 Edinburgh 9

By phone:
Tel 0845 607 0163

By E-mail:
pre-reg@ros.gov.uk

By fax:
Fax: 0131 479 3675