

Banking and finance update

26 May 2017



Electronic conveyancing update

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National Mortgage Form (NMF) about to be rolled out

The development of the National Mortgage Form (NMF) by the [Australian Registrars National Electronic Conveyancing Council \(ARNECC\)](#) has been in development for many years. It is hoped the implementation of the NMF will simplify the process for obtaining a mortgage. It disallows financial institutions from using their own forms, which can vary widely between institutions. From late May 2017, at least in New South Wales and Victoria, the NMF will be able to be used for transactions involving paper mortgages.

Existing registered Memoranda of Common Provisions may still form part of the terms and conditions of the mortgage by stating the document reference in the applicable panel on the NMF.

The rollout of the NMF for electronic mortgages is taking place at a slightly later date to coincide with release by [PEXA](#) of new versions of its operating procedures and guidelines.

Following introduction of the NMF there will be a transition period from late May 2017 to the end of December 2017 during which period paper mortgages can either be lodged in the new form or via existing approved forms. From 1 January

2018, all paper mortgages signed on or after that date must be lodged in a format using the NMF.

We will be speaking to all our clients over the next few months to discuss transition of documentation to the NMF environment.

Full steam ahead to implement an electronic environment

Some time ago the Registrar of Titles in Victoria published a paper dealing with the requirements for paper conveyancing transactions in the state. [Version 2](#) of the registrar's requirements were published in March 2017 and notification has recently been given that [Version 3](#) of the registrar's requirements will become operational on 27 May 2017.

Throughout Australia there is a move towards 100% digital lodgement. In Victoria this is part of the Victorian Government's digital strategy. After consultation with stakeholders, the requirements and timelines for transitioning to 100% digital lodgement have been agreed. A summary of the agreed requirements and timelines is set out below. Generally this timeline applies to conveyancers and lawyers acting for a party or themselves and PEXA subscribers.

NMF rollout calendar

2017	
26 May	<ul style="list-style-type: none"> National Mortgage Form to be implemented. Client authorisations required for paper conveyancing. Certifications required for paper conveyancing, including those for mortgages under section 74(1A) of the Transfer of Land Act 1958. There will be a transition period for implementation of the National Mortgage Form, client authorisations and certifications from 26 May to 31 December.
July	<ul style="list-style-type: none"> A second bulk conversion of paper Certificates of Title to electronic Certificates of Title (eCT) will be undertaken.
1 August	<ul style="list-style-type: none"> Commercial mortgages, refinance transactions (including commercial mortgages) to be lodged electronically where the mortgagee(s) is an ADI. ADI refinances mandatory on PEXA. Functionality for other property transaction will be available in PEXA.
1 December	<ul style="list-style-type: none"> Standalone caveats and withdrawals of caveat to be lodged electronically. Non-ADI standalone discharges of mortgage, standalone mortgages and refinance transactions are to be lodged electronically.
2018	
1 January	<ul style="list-style-type: none"> Transition period for mortgage (NMF), client authorisations and certifications ends.
1 March	<ul style="list-style-type: none"> All survivorship applications, transmission applications and standalone transfers must be lodged electronically.
1 October	<ul style="list-style-type: none"> All combinations of transactions available in PEXA to be lodged electronically.
2019	
1 August	<ul style="list-style-type: none"> All transactions to be lodged electronically.

The exception will be when there is an existing paper instrument that has been signed prior to the date when electronic lodgement of that particular class of instrument or transaction is required.

Further information can be found at [Land Use Victoria's Customer Information Bulletin 163](#).

Where to next?

Please contact your local Hunt & Hunt Lawyers office for further information or specific advice.

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