General Mortgage Conditions

2018 (England and Wales)
<table>
<thead>
<tr>
<th>Condition Number</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part 1:</strong> Understanding These Conditions</td>
<td>4</td>
</tr>
<tr>
<td>1 Definitions</td>
<td>4</td>
</tr>
<tr>
<td><strong>Part 2:</strong> Your Agreement with Us</td>
<td>6</td>
</tr>
<tr>
<td><strong>Part 3:</strong> A Summary of Your Responsibilities and Our Rights</td>
<td>7</td>
</tr>
<tr>
<td><strong>Part 4:</strong> General</td>
<td>8</td>
</tr>
<tr>
<td>2 Joint Mortgages</td>
<td>8</td>
</tr>
<tr>
<td>3 About your Mortgage Offer</td>
<td>8</td>
</tr>
<tr>
<td>4 Fees</td>
<td>9</td>
</tr>
<tr>
<td>5 The Mortgage</td>
<td>9</td>
</tr>
<tr>
<td>6 Communications between Us</td>
<td>9</td>
</tr>
<tr>
<td>7 Higher Lending Charge</td>
<td>10</td>
</tr>
<tr>
<td>8 Delay</td>
<td>10</td>
</tr>
<tr>
<td>9 Not used</td>
<td>10</td>
</tr>
<tr>
<td>10 Law</td>
<td>10</td>
</tr>
<tr>
<td>11 The Entire Agreement</td>
<td>10</td>
</tr>
<tr>
<td>12 Our Right to Transfer</td>
<td>10</td>
</tr>
<tr>
<td>13 Third Party Rights</td>
<td>10</td>
</tr>
<tr>
<td><strong>Part 5:</strong> Loan and Payment Conditions</td>
<td>11</td>
</tr>
<tr>
<td>14 The Loan and Payment Terms</td>
<td>11</td>
</tr>
<tr>
<td>15 Paying back the Amount Owed</td>
<td>11</td>
</tr>
<tr>
<td>16 Interest-Only Loans</td>
<td>11</td>
</tr>
<tr>
<td>17 Changes in the Monthly Payments</td>
<td>12</td>
</tr>
<tr>
<td>18 Interest</td>
<td>12</td>
</tr>
<tr>
<td>19 Changes to the Rate of Interest</td>
<td>13</td>
</tr>
<tr>
<td>20 Early Repayment</td>
<td>13</td>
</tr>
<tr>
<td>21 Our Expenses</td>
<td>14</td>
</tr>
<tr>
<td>22 DWP Overpayments</td>
<td>14</td>
</tr>
<tr>
<td>23 Demanding Immediate Repayment</td>
<td>14</td>
</tr>
<tr>
<td>24 Amounts you still owe at the end of the Mortgage Term</td>
<td>15</td>
</tr>
<tr>
<td>25 Additional Borrowing</td>
<td>15</td>
</tr>
<tr>
<td>26 Application of Payments</td>
<td>15</td>
</tr>
</tbody>
</table>
This booklet sets out the **General Mortgage Conditions** that apply to your Loan. They are the conditions on which we are prepared to lend any money to you so it is very important that you read them carefully and make sure that you fully understand them. If you do not understand anything in this booklet, or any of the other documents we provide for your Loan, you must ask us, your mortgage/credit intermediary or your legal adviser to explain them to you.

In these **General Mortgage Conditions** we often use words or phrases that have special meanings. If a word or phrase is in **bold**, this means it has the meaning shown in Part 1.

The **General Mortgage Conditions** apply to your Loan whether it is secured by a first, second or other charge on the **Property**. We can vary the **General Mortgage Conditions** by using **Offer Conditions** in which case the **Offer Conditions** will take priority over the **General Mortgage Conditions**.
### Part 1: Understanding These Conditions

#### 1. Definitions

1.1 Certain words and phrases (in bold) in these General Mortgage Conditions have the following meanings:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Account</strong></td>
<td>The account <strong>we</strong> keep to record what <strong>you</strong> owe <strong>us</strong> under the <strong>Agreement</strong>, and the payments <strong>you</strong> owe <strong>us</strong> and make to <strong>us</strong> under the <strong>Agreement</strong> and any other money <strong>we</strong> receive to reduce the outstanding balance of the <strong>Amount Owed</strong>.</td>
</tr>
<tr>
<td><strong>Additional Borrowing</strong></td>
<td>An extra amount <strong>we</strong> lend <strong>you</strong> and which is secured by the <strong>Mortgage</strong>.</td>
</tr>
<tr>
<td><strong>Additional Borrowing Offer</strong></td>
<td>An offer from <strong>us</strong> to lend <strong>you</strong> an extra amount to be secured by the <strong>Mortgage</strong>.</td>
</tr>
<tr>
<td><strong>Advance</strong></td>
<td>Any amount <strong>we</strong> have agreed to lend <strong>you</strong> under the <strong>Agreement</strong>.</td>
</tr>
<tr>
<td><strong>Agreement</strong></td>
<td>The agreement between <strong>you</strong> and <strong>us</strong> for the <strong>Loan</strong>. The <strong>Agreement</strong> is made up of all the terms set out in the documents listed or referred to in condition 1.2.</td>
</tr>
<tr>
<td><strong>All Other Debt</strong></td>
<td>Any money other than the <strong>Amount Owed</strong> which <strong>you</strong> owe <strong>us</strong> under any existing agreement made with <strong>us</strong> which is secured over any other land or building (other than the <strong>Property</strong>) (for example, another mortgage <strong>you</strong> have with <strong>us</strong>) or any future agreement made with us after <strong>Completion</strong>.</td>
</tr>
<tr>
<td><strong>Amount Owed</strong></td>
<td>The total amount that <strong>you</strong> owe <strong>us</strong> from time to time under the <strong>Agreement</strong> including the <strong>Advance</strong> and any <strong>Additional Borrowing you</strong> have not repaid and unpaid <strong>Capital</strong>, <strong>Interest</strong>, <strong>Fees</strong> and <strong>Expenses</strong>.</td>
</tr>
<tr>
<td><strong>Bank of England Base Rate</strong></td>
<td>The Bank of England’s base rate of interest (or any other interest rate set by a UK-based financial institution which <strong>we</strong> reasonably specify as comparable in the event that the <strong>Bank of England Base Rate</strong> should cease to exist or be published) which may vary from time to time. But if the <strong>Bank of England Base Rate</strong> (or any other interest rate referred to) is 0% or less, then, for the purposes of calculating your <strong>Rate of Interest</strong>, <strong>we</strong> will treat the <strong>Bank of England Base Rate</strong> (or any other interest rate referred to) as 0% and apply the <strong>Margin</strong> to that.</td>
</tr>
<tr>
<td><strong>Business Day</strong></td>
<td>Any day other than Saturdays, Sundays or bank holidays in England and Wales.</td>
</tr>
<tr>
<td><strong>Buy-to-Let Loan</strong></td>
<td>A <strong>Loan</strong> where the <strong>Mortgage Offer</strong> prohibits you or a person related to you from living in the <strong>Property</strong> and requires you to let the <strong>Property</strong>.</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td>The money <strong>we</strong> have lent <strong>you</strong> (such as the <strong>Advance</strong> and any <strong>Additional Borrowing</strong>) under the <strong>Agreement</strong> together with any other amount <strong>we</strong> have added to the <strong>Capital</strong> and that <strong>you</strong> have not yet repaid.</td>
</tr>
<tr>
<td><strong>Capital Repayment</strong></td>
<td>A repayment of <strong>Capital you owe to us</strong>.</td>
</tr>
<tr>
<td><strong>Certificate of Title</strong></td>
<td>The certificate of title document, which our solicitor or licensed conveyancer will send to <strong>us</strong> before <strong>Completion</strong> to confirm: 1. who owns the <strong>Property</strong> and details of the transaction; 2. that all the checks in relation to the condition, value or title of the <strong>Property</strong> <strong>we</strong> have asked <strong>our</strong> solicitor or licensed conveyancer to carry out have been completed and the results are satisfactory; 3. that any adult occupiers in the <strong>Property</strong> who are not also borrowers have agreed to postpone any interest they have in the <strong>Property</strong> to <strong>us</strong>, and 4. that <strong>you</strong> wish to accept the <strong>Mortgage Offer</strong>.</td>
</tr>
<tr>
<td><strong>Completion</strong></td>
<td>The date on which the first <strong>Advance</strong> is sent to <strong>you</strong>, your creditors, or our legal adviser under condition 3.6.</td>
</tr>
<tr>
<td><strong>Customer Service Number</strong></td>
<td>Any phone number <strong>we</strong> give you.</td>
</tr>
<tr>
<td><strong>Disposal</strong></td>
<td>Any sale, transfer, assignment, charge or other disposition.</td>
</tr>
<tr>
<td><strong>Early Repayment Charge</strong></td>
<td>A charge <strong>we</strong> may make when all or part of the <strong>Capital</strong> is repaid before the end of the <strong>Mortgage Term</strong>. The charge is set out in the <strong>Mortgage Offer</strong>.</td>
</tr>
<tr>
<td><strong>Electronic Funds Transfer</strong></td>
<td>Transferring money electronically.</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>Those expenses listed in condition 21.</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>Those fees listed in the <strong>Tariff of Mortgage Charges</strong>. <strong>We</strong> may change the <strong>Fees</strong> from time to time under condition 4.</td>
</tr>
<tr>
<td><strong>Fixed Rate</strong></td>
<td>The interest rate <strong>you</strong> pay during the <strong>Fixed-Rate Period</strong> for a <strong>Fixed-Rate Loan</strong>.</td>
</tr>
<tr>
<td><strong>Fixed-Rate Loan</strong></td>
<td>A <strong>Loan</strong> shown in the <strong>Mortgage Offer</strong> as a <strong>Fixed-Rate Loan</strong>.</td>
</tr>
<tr>
<td><strong>Fixed-Rate Period</strong></td>
<td>The time for which the <strong>Interest</strong> on a <strong>Fixed-Rate Loan</strong> is fixed at a set rate.</td>
</tr>
<tr>
<td><strong>General Mortgage Conditions</strong></td>
<td>The conditions set out in this booklet. A reference to a numbered condition is to that condition in this booklet.</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>The <strong>Interest</strong> we charge on the <strong>Amount Owed</strong> or any part or parts of the <strong>Amount Owed</strong>.</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Interest-Only Loan</strong></td>
<td>A <strong>Loan</strong> shown in the <strong>Mortgage Offer</strong> as an <strong>Interest-Only Loan</strong>. The <strong>Monthly Payments</strong> are interest-only and do not include repaying any of the <strong>Capital</strong>.</td>
</tr>
</tbody>
</table>
| **LIBOR** | The ICE Benchmark Administration Limited's London Inter-bank Offered Rate (previously known as the BBA LIBOR rate) being the rate (as determined below) at which sterling deposits are offered for a three month period by prime banks in the London inter-bank market quoted at or about 11am (London time) on the **LIBOR Setting Date**. The rate is:  
(i) the rate quoted on the appropriate page of the Telerate Monitor Screen or any such screen or service that may replace it; or  
(ii) if either LIBOR ceases to exist or to be published by ICE Benchmark Administration Limited, references to LIBOR in this Agreement shall be interpreted as a reference to any other variable rate of interest set by a UK-based financial institution which **we** reasonably specify as comparable to LIBOR previously published by ICE Benchmark Administration Limited, in each case:  
(a) rounded up to two decimal places (so for example, if the rate is 7.05321%, LIBOR will be 7.06%), and  
(b) for the purpose of calculating your **Rate of Interest** under these **Conditions**, not less than 0%. |
| **LIBOR Setting Date** | 12th March, 12th June, 12th September and 12th December each year (or if such day is not a **Business Day**, the previous **Business Day**). |
| **Loan** | The initial **Advance** we make to you, and any **Additional Borrowing** we lend you now or in the future. |
| **Margin** | A margin above or below the **Standard Variable Rate of Interest**, LIBOR or the **Bank of England Base Rate** (as applicable) as set out in the **Mortgage Offer**. |
| **Month** | The period from a **Payment Date** to the day before the next **Payment Date** (inclusive). |
| **Monthly Payment** | The payment you must make to us every **Month**. The amount of the initial payment is set out in the **Mortgage Offer** and is the payment which you must pay under condition 14.7. We may change the **Monthly Payment**, including the initial payment, in accordance with condition 17. |
| **Mortgage** | Our security over the **Property**, as described in the **Mortgage Deed**. |
| **Mortgage Application** | The application you make and any information (or someone acting for you) give us so that we can complete your **Loan** or lend you additional money. |
| **Mortgage Deed** | The legal document you sign to give us the **Mortgage** over the **Property** as security for the **Amount Owed** and **All Other Debt**. |
| **Mortgage Illustration** | An illustration provided to you before you submit a **Mortgage Application** to us detailing the features of the proposed Loan, **Fees** payable and the **Monthly Payment**. |
| **Mortgage Offer** | Our written offer to give you a **Loan** or **Additional Borrowing** to be secured by the **Mortgage**. The reference to **Mortgage Offer** includes reference to any **Additional Borrowing Offer**. |
| **Mortgage Term** | The period of time shown in the **Mortgage Offer** which we give you to pay off the **Loan**. |
| **Offer Conditions** | The **Offer Conditions** set out in the **Mortgage Offer**. |
| **Payment Date** | The day on which you must make the **Monthly Payment** to us. The first **Payment Date** will be the same date of the calendar month following **Completion** as the date in the calendar month in which **Completion** occurs. All subsequent **Payment Dates** will be on the same **Monthly date of Completion** unless **Completion** took place on the 29th, 30th or 31st day of a calendar month, in which case, in those calendar months when there is no such date, the **Payment Date** will be the last day of that calendar month.  
We may change the **Payment Date** in accordance with condition 14.8. For example, if **Completion** takes place on the 15th May, your first **Payment Date** would be 15th June and subsequent **Payment Dates** would be on the 15th day of each subsequent **Month** during the **Mortgage Term**. |
| **Property** | The **Property** described in the **Mortgage Deed** over which we will take a **Mortgage** as security for the **Amount Owed** and **All Other Debt**. |
| **Property Inspection Report** | A report issued by a valuer after carrying out a physical inspection of the **Property**, which tells us what condition the **Property** is in and how much it is worth (its value). |
| **Rate of Interest** | The rate or rates of interest that will apply to the **Loan**. The initial rate or rates of interest are stated in the **Mortgage Offer** although these rates may change before **Completion** under condition 3.3. The rate or rates of interest may change after **Completion** in accordance with condition 19. |
The Agreement between you and us is made up of:

a) the declaration you have provided in the Mortgage Application;

b) these General Mortgage Conditions;

c) the Mortgage Offer;

d) any Offer Conditions;

e) the Mortgage Deed; and

f) the Tariff of Mortgage Charges,

and includes any amendment to any of the above made under the provision of these General Mortgage Conditions (together all these terms are referred to as the ‘Agreement’). We may, from time to time, agree with you in writing changes to the terms and conditions of this Agreement or make changes to the terms and conditions of this Agreement for any of the following reasons:

a) to respond to changes in your circumstances;

b) to take account of changes in the costs of running our business;

c) to provide additional services or to take into account changes in how we operate this Agreement;

d) to reflect changes in industry practices;

e) to meet our legal and / or regulatory obligations;

f) to correct errors, omissions, inaccuracies or ambiguities; or

g) to reflect changes in our systems, processes or as a result of the introduction of new technology provided that we reasonably believe that the change will not be materially disadvantageous to you over the Mortgage Term. We will tell you about such changes by writing to you and giving you no less than 30 days’ notice before the change takes effect.

If there are any differences between these General Mortgage Conditions and the Mortgage Offer or the Offer Conditions, the Mortgage Offer and the Offer Conditions will always take priority.

Because these General Mortgage Conditions form part of the Agreement between you and us, we recommend that you keep this booklet in a safe place in case you want to refer to it later on.
Part 3: A Summary of Your Responsibilities and Our Rights

This condition contains a summary of some of the General Mortgage Conditions. It is a summary only and does not replace anything in the Agreement. You must still read the whole of this booklet.

1.4 What you must do:

a) **You must repay to us** the Amount Owed under the Agreement by the end of the Mortgage Term and in line with the Agreement.

b) **You must make the Monthly Payments** on the Payment Date and by direct debit.

c) **You must pay any fees stated in your Mortgage Illustration** before we make the Loan. Your Mortgage Illustration will state whether or not any such fees are refundable if you decide not to go ahead with the Loan. Your Mortgage Illustration will state whether or not any such fees are refundable if you decide not to go ahead with the Loan.

d) If any part of the payment method in the Mortgage Offer is interest-only and you have chosen not to make repayments of the Capital of the Loan (or any part that is interest-only), you will still need to make separate arrangements to repay the Capital, which may be by way of a sale of the Property or other property owned by you. An Interest-Only Loan does not include any payments you may need to make to a Savings Plan to build up a lump sum to repay the amount you borrowed. Instead, it assumes you will pay off the amount borrowed as a lump sum at the end of the Mortgage Term. It is important that you make sure there is a suitable arrangement, such as a Savings Plan, in place as it is your responsibility to repay the Loan at the end of the Mortgage Term.

e) **You must take out and maintain during the Mortgage Term adequate buildings insurance to cover loss and damage to the Property.** This means that, among other things, you must pay the Property buildings insurance premiums on time.

f) **You must keep the Property in good repair at all times.**

g) **You must not give any person rights or create another mortgage over the Property, or let (unless your Loan is a Buy-to-Let Loan) or part with possession of the Property or any part of it.**

h) **You must get our permission before altering or extending the Property. You must use the Property only as your home, unless your Loan is a Buy-to-Let Loan.**

i) **You must keep to any restrictions mentioned in the Property’s title deeds, and any planning laws and building regulations that apply to the Property.**

j) **You must repay all of the money you owe us** under the Agreement:
   - at the end of the Mortgage Term;
   - earlier if you sell the Property or choose to remortgage it; or
   - if you fail to keep to the Agreement.

k) **You must keep us informed of your address for correspondence.**

1.5 What we may do:

a) **If you fail to make any Monthly Payments or you do not keep to any of your responsibilities under the Agreement, we can appoint receivers or we may ask a court for an order so that we can take possession of and sell the Property.** If we have to sell the Property, we will sell it for the best price we can reasonably get at that time.

b) **If we sell the Property for less than the Amount Owed, we can recover from you any balance of the Amount Owed that remains outstanding and any Expenses we reasonably incur. We can charge Interest on that balance and those Expenses under this Agreement at the Rate of Interest and recover that Interest and Expenses from you even if we have obtained a court order requiring you to pay the whole or part of the Amount Owed.**

c) As we mentioned above, it is your responsibility to insure the Property at your own expense. We may ask you at any time to provide details of the buildings insurance cover and evidence that the buildings insurance is in place.
# Part 4: General

## 2 Joint Mortgages

If two or more of you are named in the **Mortgage Deed** as borrowers, the **Mortgage** will be a joint **Mortgage** and the following terms will apply:

a) You are individually responsible for following the terms of the **Agreement**, including, for example, making sure that the Monthly Payments are made. You are individually responsible for ensuring that the entire **Amount Owed** is repaid. If you break the terms of the **Agreement**, we can take action against either or all of you. Any arrangements we make with one or some of you will not affect our rights against the other(s) or any responsibilities of the other(s) under the **Agreement**.

b) You must read the **Agreement** carefully as it applies equally to all of you.

c) We may give any information about the **Loan** and any transactions (including any changes you ask for, such as Additional Borrowing) to any of you.

d) Any of you may instruct us to repay a joint mortgage account (see also g below).

e) If any of you dies, we can treat the survivor(s) as fully liable to meet the responsibilities you have under the **Agreement**. We will amend the joint **Account** to an **Account** under the **Agreement** in the survivor’s name(s).

f) If you all share the same address, we may write to you all together. This may be by way of a single notice, correspondence, or statement addressed to you all or separate correspondence, notices or statements addressed to you separately but sent together at the same time. If you are joint borrowers and have different addresses, we will send a separate notice to all addresses as long as you have provided this information.

g) If your **Loan** is portable, and only one of you exercises the option to transfer the **Loan** to a new **Property**, we will require written consent to the transfer from all of you. Details as to whether your **Loan** is portable can be found in the **Mortgage Offer**.

## 3 About your Mortgage Offer

### 3.1 There is no binding legal agreement between you and us until we make the Advance. This means that until we make an Advance, the following apply:

a) You do not have to go ahead with the **Loan**.

b) Any **Mortgage Offer** will cease to have effect if we send you a new **Mortgage Offer**, at your request or with your agreement, before making the **Advance** of the subject of the previous **Mortgage Offer**.

c) We may withdraw our **Mortgage Offer** and decline to make the **Advance** in one or more of the following circumstances (we can do this immediately and without telling you, but we will notify you about the withdrawal of our **Mortgage Offer** if we reasonably can):

- **(i)** There has been a material change in your circumstances since the date of the **Mortgage Offer** which is likely to have a material impact on your ability to afford the **Loan** and had we been aware of the change we would not have provided the **Mortgage Offer** to you or would have provided it to you for a lower amount. Examples of the situations when we may withdraw a **Mortgage Offer** for these reasons include:
  - A) your income falls or your outgoings increase. For example, you lose your job, there is a reduction in your working hours or you apply for further borrowing from us or another lender;
  - B) you are subject to personal insolvency proceedings such as you have a petition presented for your bankruptcy;
  - C) you separate from your partner or commence divorce proceedings, or
  - D) there is a significant detrimental change in the state of your health which has an impact on your ability to afford the **Loan**.

- **(ii)** We discover that you or someone acting on your behalf has intentionally:
  - A) provided us with untrue, inaccurate or incomplete information as part of your application for the **Loan** and we have used this information in deciding whether to provide the **Mortgage Offer** to you, or
  - B) withheld information which we have requested from you as part of your application for the **Loan** and had we been aware of the relevant information, we would not have provided the **Mortgage Offer** to you.

- **(iii)** If we reasonably suspect you are involved in any criminal or fraudulent activity or you are convicted of a serious criminal offence and, had we been aware of the criminal or fraudulent activity or offence, we would not have provided the **Mortgage Offer** to you or would have provided the **Mortgage Offer** to you for a lower amount.

- **(iv)** Our legal adviser tells us that it cannot provide us with a clear **Certificate of Title**, any adult occupier or intended occupier of the **Property** has not agreed to postpone their interest in the **Property** or the legal adviser cannot comply with our instructions in relation to the **Mortgage Offer**.

- **(v)** There is a change to the condition, value or title to the **Property** or we revalue the **Property** after the date of the **Mortgage Offer** and such change or revaluation has a material impact on the suitability of the **Property** as security for the **Loan**.

- **(vi)** We are no longer permitted to lend the money to you due to our regulator removing or restricting our permission to lend.
3.2 If we withdraw the Mortgage Offer, we will tell you as soon as reasonably possible after doing so.

3.3 We may change the Monthly Payment and Rate of Interest set out in the Mortgage Offer before Completion in circumstances where we would be able to make these changes after Completion. If we make such changes, we will notify you of this in accordance with conditions 17 or 19 as appropriate.

3.4 You must notify us immediately if your circumstances change before we release the Advance or there is any material change in the information you have (or someone acting for you has) supplied to us in the Mortgage Application.

3.5 If you are happy with the terms of the Mortgage Offer and wish to proceed to Completion you should inform your legal adviser. Our legal adviser will confirm to us in the Certificate of Title that you wish to accept the Mortgage Offer.

3.6 We will not release the Advance until we are ready and any legal adviser we have instructed has provided to us a clear Certificate of Title. We will release the Advance to any legal adviser we have acting for us but only if your legal adviser has requested the Advance is released. Interest will be payable on the Advance from Completion even if it is released to our legal adviser at your legal adviser’s request before you need to use it.

3.7 You must make the Monthly Payments by direct debit. You must complete a direct debit mandate as part of the Mortgage Application. Completion will be delayed if we do not have your bank details.

4 Fees

4.1 You must pay any reasonable Fees we charge arising in connection with the Agreement when we ask you to pay them.

4.2 Our Fees will be detailed in the Mortgage Offer or in our Tariff of Mortgage Charges which we will send to you with the Mortgage Offer. We will send you a copy of our Tariff of Mortgage Charges each year and at any other time if you ask for a copy. We may change the amount of Fees we charge or add or remove Fees from the Tariff of Mortgage Charges we publish in order to reflect changes in our operating costs or the costs of doing the work for which the Fee is charged. Any Fees incurred by you and not paid immediately will be added to the Amount Owed by you but you do not have to pay Interest on Fees.

5 The Mortgage

5.1 Before Completion can take place you must sign a Mortgage Deed giving us a legal charge over the Property: this will be a first or second charge as specified in the Mortgage Offer and will be our security for the Loan and any Additional Borrowing we make.

5.2 Any existing mortgage on the Property must be paid off before the Mortgage Deed is completed unless we otherwise agree.

6 Communications between Us

6.1 You can telephone us at any time between 9am and 5pm on any Business Day on the Customer Service Number. If our contact details change, we will let you know.

6.2 We may record or monitor telephone conversations:
   a) to make sure we carry out your instructions accurately;
   b) to help us maintain the quality of our service; and
   c) for security and training purposes.

6.3 You can also write to us at our contact address, PO Box 6037, Wolverhampton WV1 9QW, unless we say otherwise. If our contact address changes, we will tell you. If you send us any original, valuable or important documents, we recommend that you use special delivery or a similar service.

6.4 We may contact you using the most recent e-mail address, permanent postal address or phone number you have given us. You will have to accept (and, as appropriate, must follow) any notice we send you at the last relevant address you have given us. We will not send any confidential information to you by e-mail.

6.5 When we are required to give notice to you, for example to notify you of changes to the Rate of Interest or the Monthly Payment, we will do so by:
   a) post addressed to you at the correspondence address you provide or at the Property (Any notice given will be considered to be received by you 48 hours after posting); or
   b) any other reasonable method available by law.
6.6 You must tell us if your contact details change by:
   a) writing to us at our contact address referred to in condition 6.3; or
   b) using the Customer Service Number.

6.7 We will communicate with you in English and all documents we send you and use will be in English.

7 Higher Lending Charge

Sometimes a Mortgage Offer will indicate that a higher lending charge is to be made. This charge helps to cover the additional risks to us involved in lending where an Advance is a high percentage of the value of the Property. We use this charge to cover our risks of high percentage lending by purchasing insurance or by contributing to a separate fund to protect us against this risk. This is for our protection not yours. If you pay the higher lending charge, the charge is not refundable. If we purchase insurance and make a claim for loss on the insurance policy in relation to your Mortgage, the insurer may pursue you for that loss or part of it.

8 Delay

If we relax any term of the Agreement for you or we delay in enforcing any of your rights under the Agreement this will not prevent us from enforcing them strictly at any time.

9 Not used

10 Law

The Agreement is governed by the laws of England and Wales. The courts of England and Wales will deal with any claim, dispute or difference arising from the Agreement.

11 The Entire Agreement

These General Mortgage Conditions, the declaration in the Mortgage Application, the Mortgage Offer and any Offer Conditions, the Mortgage Deed and the Tariff of Mortgage Charges comprise all the terms agreed between you and us for the Loan. As a result, it is very important that you read all of these documents carefully to make sure that they reflect your understanding of the arrangement between you and us.

12 Our Right to Transfer

12.1 From time to time we may, or may agree to, sell, transfer, assign, charge or otherwise dispose of, in whole or in part, any Loan, Mortgage or other related security to any person or organisation.

12.2 You agree to each Disposal under condition 12.1 that we may make and you understand and agree that we may do so without giving notice to you and without your consent.

12.3 You understand that a Disposal under condition 12.1 typically involves us transferring all or some of the rights under the Loan, Mortgage or the related security to another person or organisation.

12.4 You agree that we may provide information about your (i) Mortgage Application and any supporting documentation, (ii) Mortgage, Loan and any related security, (iii) any other information relating to the Property, (iv) the history and conduct of your Account, (v) the results of any statistical, monitoring or quality analysis activity that we may carry out on your Account from time to time and (vi) any other relevant information, (a) to any such person or organisation who does, or we believe wishes to, enter into any Disposal with us or who does or wishes to fund or otherwise be involved in any Disposal; (b) to any purchaser or potential purchaser of the Lender or any person who does or wishes to fund or otherwise be involved in any such purchase; and (c) to any person who was previously the Lender under this Agreement. We may provide that information at any time on, prior to or after any actual or potential Disposal under condition 12.1. You understand that we may provide such information to any such person or organisation including, but not limited to, credit reference agencies for the purpose of quality analysis.

12.5 You agree that any transferee or assignee who has become the legal owner of the Loan or Mortgage may change the Tariff of Mortgage Charges applicable to your Loan and may set the Standard Variable Rate of Interest (if any) charged on the Loan independently of the rate set by us and any previous transferee or assignee.

13 Third Party Rights

The Contracts (Right of Third Parties) Act 1999 does not apply to the Agreement. This means that, subject to condition 7, anyone who is not a party to the Agreement will have no rights under that Act in relation to the Agreement.
Part 5: Loan and Payment Conditions

14 The Loan and Payment Terms

14.1 The Loan is made up of the Advance and any Additional Borrowing we may make.

14.2 The Amount Owed comprises the Advance and all of the money you owe to us now or in the future under the Agreement, including all Interest accrued or charged under this Agreement, any Additional Borrowing, and Fees and any Expenses you must pay in line with the Agreement.

14.3 Once we make the Advance, a legally binding Agreement is created between you and us.

14.4 Unless you have chosen an Interest-Only Loan, you must repay the Capital with Interest over the Mortgage Term of the Loan by making the Monthly Payments. You must repay the Amount Owed no later than the last day of the Mortgage Term. As your Monthly Payments do not include unpaid Capital, Interest, Fees or Expenses, you must repay any such unpaid amounts no later than the last day of the Mortgage Term unless we have added those unpaid amounts to the Capital before the end of the Mortgage Term.

14.5 If you have chosen an Interest-Only Loan, the Monthly Payment will comprise of only the payment of Interest on the Capital and not include any repayment of the Capital part of the Loan. You must repay the Amount Owed no later than the last day of the Mortgage Term. As your Monthly Payments do not include unpaid Interest, Fees or Expenses, you must repay any such unpaid amounts in addition to the Capital no later than the last day of the Mortgage Term unless we have added those unpaid amounts to the Capital before the end of the Mortgage Term.

14.6 We will take the Monthly Payments by direct debit from a current account you have told us that you would like the Monthly Payments taken from on the Payment Date or the next Business Day if the Payment Date is not a Business Day.

14.7 The first Monthly Payment is due on your first Payment Date. After that, Monthly Payments are due on the Payment Date in every Month until you pay off the Amount Owed. If the Payment Date is on a weekend or a bank holiday, the payment is due on the first Business Day following that date. If you fail to make the Monthly Payments on time, you will have to pay us Fees as contained in the Tariff of Mortgage Charges (this will not affect our other rights under the Agreement).

14.8 We may change the Payment Date at any time for the following reasons:

a) to incorporate reasonable changes in our business;

b) to reflect changes in the practice of other mortgage lenders, or

c) to reflect technological changes.

We will give you not less than two calendar months’ notice in advance of any change we make to the Payment Date.

14.9 You may request a change to the Payment Date at any time after you have made your first Monthly Payment; we may agree to your request provided that:

a) we are satisfied that your request is not an indicator of you being unable to make Monthly Payments;

b) there is no Month in which a Monthly Payment is not made, and

c) you make a single payment of Interest to us at the Rate of Interest for the period between the existing Payment Date and the new Payment Date.

15 Paying back the Amount Owed

15.1 You must repay the Amount Owed under the Agreement no later than the last day of the Mortgage Term. If any other condition requires you to pay any part of the Amount Owed earlier (for example, Monthly Payments, Fees and Expenses), you must comply with that condition.

15.2 You must repay the Amount Owed whether or not the money from selling the Property or any other security for it is enough to repay the Amount Owed.

15.3 You must repay all of the Amount Owed outstanding when the Property is sold. You must do this once the sale completes.

16 Interest-Only Loans

If the Loan or any part of it is an Interest-Only Loan, you must make suitable arrangements to pay off the Capital at the end of the Mortgage Term, which may be by way of a sale of the Property or other property owned by you. If you arrange a Savings Plan you must keep it in place to repay the Capital of the Loan. If your arrangement does not produce enough money to pay off the Capital at the end of the Mortgage Term, you will have to pay off the shortfall yourself. You must provide to us evidence of the Savings Plan at any time when we ask you for it.
17 Changes in the Monthly Payments

17.1 The amount of your initial Monthly Payment is set out in the Mortgage Offer. We may change the Monthly Payment you make by giving 14 days’ notice to you in advance for any of the following reasons:

a) if there is a change in the Rate of Interest. Any notice we give you will state when the change in the Rate of Interest will come or did come into force;

b) to cover any Expenses and any Interest on them and Fees;

c) to reflect any changes agreed between you and us in the number or amount of Monthly Payments to be made under the Agreement;

d) if there is a change in the Amount Owed such as if you take any Additional Borrowing or you repay part of the Loan early;

e) if you have made a payment of an amount less than the correct Monthly Payment (even if this is a result of our mistake in working out the Monthly Payment or any other amounts you owe);

f) if we have applied, changed or cancelled any arrangement allowing you to delay paying the Loan or any other amounts you owe us;

g) if we need to provide for any other matter to make sure that all or part of the Amount Owed is repaid by the end of the Mortgage Term.

17.2 If the Rate of Interest we charge changes between the date of the Mortgage Offer and the date your first Monthly Payment is due, we may be unable to give you 14 days’ notice of any change to your Monthly Payment but we will give you notice in advance of the change as soon as we reasonably can.

17.3 We will initially collect your Monthly Payment in arrears on each Payment Date. We can from time to time collect the Monthly Payment in advance or in arrears or partly in advance and partly in arrears. If we change the way we collect the Monthly Payment we will give you one calendar month’s notice of this in advance and we will only make the change:

a) to incorporate reasonable changes in our business;

b) to reflect changes in the practice of other mortgage lenders;

c) to reflect technological changes.

18 Interest

18.1 Interest will accrue daily on the Amount Owed (excluding Fees) on each day at the Rate of Interest.

18.2 Interest will start accruing from and including the date of Completion up to and including the date the Amount Owed is repaid in full. If in any Month we lend any further money to you (for example, if we make another Advance to you or if we release the Loan to you in instalments) Interest will accrue on that further money from and including the day it is lent or released to you, your creditor(s) or your legal adviser.

18.3 If you fail to pay any other money which is owed to us (other than the Fees) when you are obliged to, Interest will accrue on that money from and including the date on which you should have paid it until it is paid.

18.4 Interest will accrue daily and Interest accruing up until the day before each Payment Date will be added to the Account in arrears on the Payment Date. Interest accruing in the Month or part of the Month in which the Amount Owed is repaid in full will be added to the Account on the day on which the Amount Owed is repaid in full.

18.5 If you have not paid us the Interest which has accrued in any Month or part of a Month at the start of the next Month, we will charge you Interest on the Interest you have not paid. This may occur in some cases if the Monthly Payment is not sufficient to pay all the Interest accrued in the relevant Month.

18.6 The initial Rate of Interest we charge you is set out in the Mortgage Offer. If you are charged a special Rate of Interest this is shown as an initial Rate of Interest and will apply for the period as set out in the Mortgage Offer.

18.7 We will continue to charge you Interest at the Rate of Interest even after any court order requiring you to pay the whole or any part of the Amount Owed.

18.8 The Rate of Interest is an annual rate. To calculate the amount of Interest accruing on a daily basis, we divide the annual amount of interest by 365, except in a leap year where the annual amount of interest will be divided by 366.

18.9 We may change the method of calculating the Interest (including whether it is charged in advance or in arrears) to reflect changes in our procedures or systems. If we transfer any or all of any part of our Loan to another person that person may change such method to reflect their procedures and systems. Any change in such method would not materially increase your obligations. We will give you not less than one calendar month’s notice in advance of any change in the method of calculating Interest.
19 Changes to the Rate of Interest

19.1.1 If the Rate of Interest you are charged is the Standard Variable Rate of Interest (or a Margin applied to it), we may change the Standard Variable Rate at any time for any of the following reasons:

- To enable us to respond proportionately to a change which has occurred, or which we think is about to occur, in the costs of funds we use in our lending business or to fund your Loan.
- To enable us to respond proportionately to a change which has occurred, or which we reasonably expect to occur, in our reasonable assessment of the risk, or of the cost or pricing of that risk, in relation to your Loan and any similar loans we hold in our business generally.
- To enable us to respond proportionately to a change which has happened, or which we reasonably believe is about to happen in the Bank of England Base Rate or LIBOR or interest rates generally.
- To reflect a change in the law, regulatory requirements (including a recommendation by an ombudsman or any similar body), or any relevant code of practice or general industry practices.

We will give you at least 14 days’ notice in advance of any change to the Standard Variable Rate of Interest, and the change will take effect on the date specified in that notice.

19.1.2 If the Rate of Interest you pay is linked to the Bank of England Base Rate or LIBOR it will change automatically to reflect any change in the Bank of England Base Rate or LIBOR and will take effect on the day of such change (if the Rate of Interest is linked to the Bank of England Base Rate) or on the LIBOR Setting Date (if the Rate of Interest is linked to LIBOR).

We will give you notice of any change in the Bank of England Base Rate or LIBOR within a reasonable time after that change.

19.2 If the Rate of Interest you are charged is a Fixed-Rate, we will not change the Rate of Interest you are charged until the Fixed-Rate Period ends unless we do so under condition 19.3. After the Fixed-Rate Period ends, the Rate of Interest on the Loan will change to the Reversionary Rate of Interest detailed in the Mortgage Offer.

19.3 We may change the Rate of Interest you are charged at any time to reflect a change in the value of our security because of the way in which the Property is used or occupied under condition 28.3. We will give you at least 14 days’ notice in advance of any changes under condition 28.3 in the Rate of Interest and the change will take effect on the date specified in that notice.

19.4 We may reduce the Rate of Interest at any time without giving prior notice.

19.5 We will give you at least 14 days’ written notice of a change to the Monthly Payment following a change in the Rate of Interest. The Monthly Payment will change on the next Payment Date following expiry of the 14 days.

19.6 If the Rate of Interest increases, the next Monthly Payment you make may not be sufficient to pay all of the Interest that accrued in the previous Month. If this occurs, any unpaid Interest will be added to the Amount Owed and you will pay interest on it. You can contact us to pay any unpaid Interest instead if you wish to prevent this happening.

19.7 If the Rate of Interest decreases the next Monthly Payment you make may be more than the amount required to pay the Interest that accrued in the previous Month. If this occurs, we will use any additional amount you pay in accordance with condition 26.

20 Early Repayment

20.1 If the Loan or part of the Loan is repaid before the end of the Mortgage Term, you may need to pay an Early Repayment Charge in accordance with the Mortgage Offer. If we demand you immediately repay the Amount Owed under condition 23 we will require you to pay any Early Repayment Charge that is incurred. We will not require you to pay any Early Repayment Charge if we have demanded immediate repayment of the Amount Owed as a result of your death.

20.2 If you ask us, we will tell you how much you will need to pay on the date for early repayment.

20.3 If you make a Capital Repayment of part of the Loan, Early Repayment Charges may be payable in accordance with the terms stated in the Mortgage Offer and we may deduct these from any amount received before applying the Capital Repayment to your Loan. Any Capital Repayment you make (whether by way of a lump sum or a regular amount added to your Monthly Payment) will be credited to the Account on the day it is received by us.

20.4 You must pay us any Fees payable under the Tariff of Mortgage Charges in connection with any early repayment.
21 Our Expenses

You must pay us the following Expenses (which may include legal, surveying or other professional fees we pay) within 14 days of the day we ask you to pay them:

a) All reasonable costs, charges and fees as they arise (whether we demand them or not) which we reasonably incur in connection with the Agreement.

b) The costs we reasonably incur in any legal action relating to the Agreement.

c) The costs we reasonably incur in enforcing any of our legal rights under the Agreement.

d) The costs we reasonably incur in putting right any failure by you to keep to the Agreement.

e) Any administration costs we reasonably incur in doing any work connected with the Agreement, (including costs arising from finding you and communicating with you, collecting amounts you owe and enforcing the Mortgage Deed) and which are not covered by our Fees.

All Expenses will be added to the Amount Owed by you. Our Expenses will bear Interest at the Rate of Interest from the day 14 days after the date we asked for them to be paid.

You can contact us to arrange payment of Expenses at any time, if you wish to avoid increasing the Amount Owed or incurring Interest on the Expenses.

22 DWP Overpayments

If the Department for Work and Pensions or any other government or regulatory body at any time is making any payment to us towards payment of your obligations under the Agreement and they make any overpayment which we have to refund, we will tell you of the refund and you must immediately reimburse us and make good any deficit which arises.

23 Demanding Immediate Repayment

We can demand that you immediately repay the Amount Owed, at any time, if any of the following events happen:

a) You are in arrears meaning that you have failed to make any two Monthly Payments in full on the Payment Date and at the time of our demand those Monthly Payments have still not been paid in full.

b) You do not pay any other amount you owe us under the Agreement.

c) You materially and persistently break any of the material terms of the Agreement.

d) You create rights or grant interests in the Property that affect our ability to enforce the Mortgage satisfactorily.

e) Any part of the Property is bought under a compulsory purchase order or requisitioned.

f) The Property or any part of it is damaged and in our opinion or that of our agents, the value of our security is materially lowered.

g) You become bankrupt or you make any formal arrangement with the people you owe money to, or we reasonably believe that you are likely to do so.

h) You (or someone on your behalf) intentionally:

A) provided us with untrue, inaccurate or incomplete information as part of your application for the Loan, we used that information in deciding whether to provide the Mortgage Offer to you, and that information has had or would have had a significant negative effect on our decision to lend, or

B) withheld information which we have requested from you as part of your application for the Loan and had we been aware of the relevant information, we would not have provided the Mortgage Offer to you.

i) Any person with a right, claim or interest in the Property takes legal action to repossess it or to enforce their interests.

j) If you are the only borrower, you die or if there is more than one of you, the last one of you dies (in this condition 23(j), “you” does not include your personal representative). Where a surviving joint borrower(s) exists the remaining borrower(s) is/are individually responsible for ensuring that the Monthly Payments are made and the Amount Owed repaid.

k) The Mortgage Deed is no longer valid or legally binding for any reason.

l) If the Property is leasehold, you break the terms and conditions of the lease and so receive a notice under section 146 of the Law of Property Act 1925 demanding that you take action to put the situation right and you fail to do so within the time set out in the notice.

m) Unless you have a Buy-to-Let Loan, you lease or let the Property without our permission or whether or not you have a Buy-to-Let Loan you let in such a way that breaks the Agreement.

n) You fail to pay any amount which you owe us under any other agreement or mortgage that you have with us within two Months of such amount becoming due or if you materially break any of your other material obligations to us under any such agreement or mortgage (even if you have complied with your obligations under the Mortgage).

o) If the Property is freehold and subject to a rentcharge, you break the rentcharge terms and conditions and the person entitled to receive the rentcharge pursues or intends to pursue any action available to him under section 121 of the Law of Property Act 1925.
24 **Amounts you still owe at the end of the Mortgage Term**

If you still owe us any amounts after the end of the Mortgage Term, you must immediately repay any amounts outstanding. Interest will continue to build up at the Rate of Interest on any such amounts and you will still have to pay Expenses you incur in line with condition 21. We will not release the Property from the Mortgage until you repay the Loan in full.

25 **Additional Borrowing**

25.1 If your Mortgage Offer states that the terms of your Loan allow you to apply for Additional Borrowing, you may apply for Additional Borrowing at any time following the end of six calendar months after the date we made the original Advance.

25.2 If you apply for any Additional Borrowing, we will carry out a credit assessment and our prevailing underwriting conditions will apply. We have no obligation to grant any Additional Borrowing even if our underwriting conditions are met.

25.3 If we make an Additional Borrowing Offer, these General Mortgage Conditions will apply to that Additional Borrowing unless you and we agree otherwise in writing.

25.4 You will need to repay any Additional Borrowing made, together with Interest charged on the Additional Borrowing, within the repayment period allowed for the Additional Borrowing.

26 **Application of Payments**

26.1 We can apply any payment made by you against any part of the Amount Owed in a manner which we from time to time reasonably decide, but in making such a decision we will take account of any regulatory requirements as to the application of payments.

26.2 We can from time to time change the manner in which we apply payments made by you against the Amount Owed.

26.3 We will act reasonably in exercising our rights under conditions 26.1 and 26.2.

26.4 We will from time to time give you notice of the manner in which such payments are applied against the Amount Owed and we will give you at least 14 days’ notice in advance if we change that manner.

26.5 For the avoidance of doubt, in exercising our rights under this condition 26 but without preventing us from applying payments differently, we may apply any payment made by you against Expenses before Fees, against Fees and Expenses before Early Repayment Charges, against Expenses before Interest, and against Interest before Capital.

### Part 6: Mortgage and Property Conditions

#### 27 **Your Mortgage**

27.1 The Mortgage is our security for every part of the Amount Owed and All Other Debt.

27.2 The Mortgage Deed is our continuing security for the Amount Owed and All Other Debt. This means that the Mortgage Deed will stay in force until the Amount Owed and All Other Debt is repaid in full.

27.3 Our power to sell the Property by law arises as soon as you sign the Mortgage Deed.

27.4 If you have more than one Mortgage with us, our right to combine mortgages is not restricted by section 93 of the Law of Property Act 1925.

#### 28 **The Property**

Looking after the Property

28.1 You must do the following:

a) Live in and use the Property as your permanent home unless your Loan is a Buy-to-Let Loan.

b) Look after the Property so that it keeps its value as our security. This means putting it, and keeping it, clean and in good repair and condition and keeping to all responsibilities and restrictions that apply to it. You agree to complete any unfinished work on the Property as soon as possible and to a high standard.

c) Give us a copy of any notice or demand you receive in connection with the Property within a reasonable time. You will take all reasonable and necessary steps to comply with the requirements of any such notice. If you receive any compensation arising from any notice you receive, you must pay this compensation to us and we will use it to reduce the outstanding balance of the Loan. You will hold on trust for us any compensation money you receive.
d) Not neglect or damage the Property or do anything else to reduce its value.

e) Not do anything on the Property which might harm any insurance or which may increase the premium due for that insurance.

f) Not make any structural or significant alterations to the Property unless you have our permission beforehand.

g) Give us a new mortgage (if we ask) over any new or increased interest you get in the Property.

h) Not alter the Property nor grant rights in it to anyone (or allow anyone to get rights in it) or do anything which would reduce its value.

i) Not grant or agree to grant a lease or tenancy of all or any part of the Property, unless you have a Buy-to-Let Loan (and any rights you have under the Law of Property Act 1925 to grant leases does not apply).

j) Pay any rent, rates, taxes or other bills that are due for the Property, even if you are not personally responsible for paying them. If we require, you will produce all receipts for such payments to us within a reasonable time. You agree that if you fail to pay any of these bills or costs, we may pay them on your behalf and add the amounts to the Amount Owed.

k) You must allow us or our agents to inspect the Property so we may be sure you are complying with the Agreement. We will only inspect the Property at a reasonable time.

l) You will keep to all laws and covenants which affect the Property or its use.

m) You will not without our prior written consent, create or allow to exist any security over the Property other than the Mortgage.

28.2 If you do not comply with any of the obligations you have regarding the Property we may do so on your behalf and at your expense.

28.3 If at any time you have let the Property against the terms and conditions of the Agreement, we may without affecting our other rights under this Agreement:

   a) demand that you immediately repay the Loan; and/or
   b) increase the Rate of Interest by 1% to reflect that the lending has changed and the extra lending risk we incur; and/or
   c) evict the tenant.

29 Insurance

29.1 Subject to Condition 30.2, you must insure the Property and its fixtures against loss and damage for the full reinstatement value of the Property (which is the full cost of rebuilding the Property, including all professional fees and the cost of meeting planning and local-authority requirements).

29.2 You must insure the Property even if the Property is let. You must ensure that the tenant is aware of any conditions made by the insurance company.

29.3 You must keep the insurance in force until you have repaid the Loan in full.

29.4 The insurance policy must be a comprehensive policy of insurance which:

   a) covers fire, subsidence/heave, landslip, aircraft, explosion, storm, flood, earthquake, impact, bursting/leaking of water tanks or pipes, riot, vandalism and acts of malicious damage and any other risks as we may from time to time reasonably demand;
   b) contains a clause protecting our interest in the insurance if you or anyone else living in the Property is negligent (a “mortgagee’s protection clause”);
   c) is with a reputable insurance company for at least the full reinstatement value of the Property; and
   d) has an excess that is reasonable and not more than £1,000 for claims for subsidence, landslip or heave.

   A copy of the insurance policy must be sent to us for our records on request and a copy of the latest renewal receipt must be supplied to us whenever requested.

29.5 The insurance policy must be in force:

   a) if you are buying the Property, when contracts are exchanged; or
   b) if you already own the Property, before the mortgage completes.

29.6 You must pay all of the insurance premiums on time. If your policy is cancelled or lapses at any time, you must inform us immediately.

29.7 We will take action against you for any loss we may suffer arising from you failing to insure the Property satisfactorily.

29.8 You must immediately tell us about any damage to the Property which may give rise to a claim under the insurance policy.

29.9 You must not do anything which could make it more difficult or expensive to keep the Property insured or which could make the insurance invalid.
29.10 We are entitled to settle and adjust all claims with insurers regardless of whether the insurance is arranged by us or is an independent insurance policy, but we will act reasonably in doing so.

29.11 You must hold any money that you receive under any insurance of the Property on trust for us. However, we agree that all monies which either you or we receive under any insurance of the Property are to be used at your option either:
   a) to make good any damage or loss for which the money was received; or
   b) to repay all or part of the Amount Owed.

29.12 We reserve the right to take over the arrangement of the insurance of the Property at any time if we consider that the amount or type of cover set up by your insurer (or, where the Property is leasehold, set up by an insurer under condition 30.2) is inadequate or if the policy is cancelled or lapses.

30 Leasehold Properties

30.1 If the Property is leasehold:
   a) the term left to run on the lease must be acceptable to us and the landlord must have no right to terminate the lease earlier (other than a forfeiture clause);
   b) the lease must not contain a forfeiture clause which says you must give up the lease if you become bankrupt;
   c) you or your landlord must not have broken any of the covenants of the lease;
   d) there must be no restriction on transferring the Property (if you need your landlord’s permission, he or she must not unreasonably withhold their permission);
   e) the lease must not contain any clause that may result in a substantial and material increase in ground rent or any provision inhibiting the payment of a premium on the assignment of the lease;
   f) there must be adequate arrangements for management, maintaining and repairing the Property (including enforcing clauses and recovering financial contributions from each leaseholder);
   g) all necessary cross-easements connected with access, support and maintenance must be granted and reserved;
   h) any management company must be a limited company that is solvent and able to meet its responsibilities; and
   i) you must notify us immediately if your landlord takes steps to forfeit the lease.

30.2 If the Property is leasehold and its lease makes someone else legally responsible for arranging buildings insurance for the Property, you do not have to arrange your own separate cover. However, it must be a term of the lease that the landlord or a management company insures the whole building of which the Property is part. You must make sure that:
   a) the cover includes all the risks that we reasonably require;
   b) the cover is for the full reinstatement value of the Property;
   c) the cover is for the whole building of which the Property is part;
   d) any money claimed under the policy is used to restore the buildings and fixtures; and
   e) the insurance is adequate and that the policy mentions your and our rights.

30.3 You must get our approval before you:
   a) give up the lease;
   b) agree to amend the terms of the lease;
   c) buy the freehold or any superior title to the Property or any land or building that includes the Property; or
   d) extend the lease.
We will give our approval unless it is reasonable for us to refuse it.

31 Management Companies

If you own the Property on terms which allow you to hold shares in, or be a member of, a management or resident’s company, you agree to give us your share certificate or membership certificate when we ask you to do so together with a share transfer form and allow this to be transferred to us so that if we need to repossess the Property or sell it, we can transfer your shares or membership to any person to whom we have sold the Property under our power of sale. We may receive consideration for any such transfer. We may exercise any voting rights as a result of our having taken possession of the Property.
Part 7: Our Powers

32 Enforcing our rights

32.1 In this condition ‘Act’ means the Law of Property Act 1925.

32.2 If any of the events in condition 23 happen, we may demand that you immediately pay us the Amount Owed and you must make immediate payment of the Amount Owed to us.

32.3 Under section 101 of the Act, the Loan will become due and our legal power of sale will arise as soon as you sign the Mortgage Deed. We will only use this power if any of the events in condition 23 happen.

32.4 If any of the events in condition 23 happen, which give us the right to demand that you immediately pay the Amount Owed, we may:
   a) Take possession of the Property or if the Property is let, collect any rent payable.
   b) Exercise our right to sell the Property. Our power to sell the Property is free from any of the restrictions in section 103 of the Act. We may sell the Property whether or not we have repossessed it.
   c) Appoint a receiver under condition 33 below.
   d) Vary the terms of, end, review or accept the surrender of leases or tenancies over the Property.
   e) Grant leases or tenancies of the Property on whatever terms we choose free of the restrictions of section 99 of the Act.
   f) Exercise all other powers conferred on us as a mortgagee under the Act.

32.5 If any of the All Other Debt (for example, debt you owe to us which is or was secured on another property) is immediately payable by you, even if you have paid off all the Amount Owed, we may do any of the things and exercise any of the rights referred to in condition 32.4.

32.6 If the Property has been mortgaged in a way that gives someone else a first claim on it, or someone has an interest in it ahead of our Mortgage Deed, we have the right to buy out the other person’s rights. We may do so at any time:
   a) after giving you notice to demand that you pay the debt; or
   b) as soon as any powers under the claim or interests have come into force.

   You will be fully bound by any agreement we reach with the other person. You will have to pay back any money we have spent on buying out that other person’s rights when we ask you for it.

32.7 We or our agent may at any time enter and inspect the Property and do any work which we think is necessary to put right any failure by you to keep to the Agreement. If we take any action under this condition, it does not mean that we have accepted the legal responsibilities as if we had repossessed the Property. Apart from in an emergency, we will give you at least 7 days’ notice of our intention to enter the Property.

33 Appointing a Receiver

33.1 In this condition ‘Act’ means the Law of Property Act 1925.

33.2 At any time after we have demanded payment of any of the Amount Owed by you or after you have broken any terms of the Agreement or after any of the All Other Debt has become immediately payable, we may appoint a receiver. We have the right to appoint any person (or people) as a receiver to manage the Property. We must make the appointment in writing. The receiver may be our employee or anyone else we choose. We have the right to decide what the receiver will be paid, to change the receiver at any time and to appoint another one if we believe it is reasonable to do so.

33.3 The receiver will act as your agent and only you are responsible for their costs and actions. You are also liable for any contracts they make or enter into. The receiver may do any of the following in your name and as your agent:
   a) Have any or all of the powers of a receiver appointed under the Act.
   b) Enter and repossess the Property.
   c) Sell the Property.
   d) Carry out any repairs, alterations and improvements to the Property.
   e) Let the Property on any reasonable terms.
   f) Allow any person who holds the lease to the Property to give up the lease on any reasonable terms.
   g) Manage the Property, and do anything else arising as a result of managing the Property which a receiver may or can do legally as your agent.
   h) Insure the Property for any amounts and against any risks and through any agency as he or we see fit.
   i) Sell any of the fixtures on their own or together with the Property.
   j) Remove, store, sell, save or otherwise get rid of any furniture or goods you fail to remove from the Property.
   k) Pay any Interest and Expenses.
l) Take any action in your name or otherwise as may seem appropriate.
m) Exercise all powers and authorities which he or we shall think fit to exercise. You agree that we may confer any powers and authorities which we could give if we were the actual beneficial owner of the Property.
n) Do anything else the law allows in connection with the Property.

33.4 The money the receiver receives will be used as follows:
a) to pay the receiver’s expenses;
b) to pay the receiver’s fees at the rate we agree with the receiver from time to time;
c) to pay off the rest of any amounts you owe us (including the Amount Owed and All Other Debt).

The receiver does not have to use the money he receives to pay off Interest before repaying the Loan or otherwise to pay off the Amount Owed or All Other Debt in any particular order.

33.5 If any of your belongings are removed, you must pay us in full for any reasonable costs reasonably incurred in removing, storing or selling them (including any claims other people make relating to removing or dealing with those items) when we ask you. If we sell anything, we would take those costs from the proceeds and pay you what is left but if the proceeds are insufficient to pay our costs, you must pay us the shortfall in full when we ask you.

34  Power of Attorney

34.1 For the purpose of securing our interest in the Property, you appoint us and any receiver appointed by us to be your attorney. The attorney will be legally entitled to act on your behalf and the attorney’s acts will bind you as though you had done such acts yourself.

34.2 You agree to sign any document and do anything else which we reasonably request you to do in order to:
a) perfect or improve any security created or intended to be created for the repayment of the Amount Owed by you and All Other Debt.
b) help the exercise by us of any of our powers under the Mortgage.
c) protect, manage or sell the Property or any other security for the repayment of the Amount Owed and All Other Debt.

34.3 Under the power of attorney we may execute any document or do anything which you are required to do under these General Mortgage Conditions.

34.4 We will not be liable for anything which is done under the power of attorney unless we have failed to use reasonable care in exercising the power.

34.5 The power of attorney that you give us in this condition cannot be cancelled while any of the Amount Owed and All Other Debt is still outstanding.

35  Shortfall

If the Property has been sold (whether after we have enforced some or all of our rights under conditions 32, 33 or 34 or otherwise) and the Amount Owed has not been paid off in full, the shortfall will become immediately repayable. You must pay the shortfall even if we have agreed to discharge the Mortgage over the Property. Any shortfall will bear interest at the Rate of Interest and we may continue to charge you Fees and Expenses even after any court order requiring you to pay the whole or any part of the Amount Owed. Your obligations under this condition will continue even after release or discharge of the Mortgage.

36  Money held on your behalf under another Mortgage

If any of the events in condition 23 happen and
a) we are holding any money on your behalf pursuant to a power of sale or power to appoint a receiver in relation to another property owned by you or any one or more of you which is mortgaged to us, and
b) the money so held by us exceeds the amount required to discharge the debt relating to that mortgage, we can (but are not obliged to) use that money which we are holding on your behalf to repay the Amount Owed.
37 If we are in breach of our Agreement with You

We will not be liable to you for any loss, damages, costs or expenses, which you may suffer as a result of any breach of (or failure to perform) our obligations to you under the terms of this Agreement which is:

a) beyond our reasonable control (which shall include, without limitation, industrial dispute or failure or fluctuation of power supply or telecommunications);

b) not foreseeable, or

c) for loss of profit.

Nothing in this Agreement excludes or limits our liability for:

a) fraud, or fraudulent misrepresentation;

b) death or personal injury caused by our negligence, or

c) any other liability the exclusion or restriction of which is expressly prohibited by law.