

AFFIDAVIT

I

DO HEREBY DECLARE as follows:-

1. In terms of a Mortgage Offer dated _____ (including any amendment thereto) The Co-operative Bank p.l.c. (trading as Platform), whose office is at Newton House, Cheadle Road, Leek, Staffordshire ST13 5RG has agreed to advance to me a loan of £ _____ to be secured (together with any further advances which may be made) by a Standard Security over the property known as and forming _____
2. As at the date of this declaration the said property is not a matrimonial home in relation to which a spouse of mine has occupancy rights, the expressions "matrimonial home" and "occupancy rights" having the meanings respectively ascribed to them by the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended, or a family home in relation to which a civil partner of mine has occupancy rights, the expressions "family home" and "occupancy rights" having the meanings respectively ascribed to them by the Civil Partnership Act 2004 as amended.

SUBSCRIBED by the
above named

at _____

on _____

Signature

before this witness

Signature of witness

Name of witness

Address of witness

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (No.121885). The Co-operative Bank, Platform, smile and Britannia are trading names of The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No.990937. Credit facilities are provided by The Co-operative Bank p.l.c. and are subject to status and our lending policy. The Bank reserves the right to decline any application for an account or credit facility. The Co-operative Bank p.l.c. subscribes to the Standards of Lending Practice which are monitored by the Lending Standards Board.

Calls to 03 numbers cost the same as calls to numbers starting with 01 and 02. Calls may be monitored or recorded for security and training purposes.

CERTIFICATE OF TITLE

SCOTLAND

To: Platform	Address: Platform, P.O. Box 3462, Cheadle Road, Leek ST13 9BG DX 16351 LEEK Tel: 0345 070 1999
Lender's Account No:	
The Borrower(s):	
Property:	
Tenure:	Absolute Ownership (freehold/heritable) <input type="checkbox"/> Leasehold <input type="checkbox"/> - If Leasehold, unexpired term of lease years:
Title Number:	
Mortgage Advance:	
Price stated in transfer:	
Date Funds Required: *customer to be made aware that interest accrues from this date	
Date of Completion:	
Indemnity Insurance Company Name and Policy number:	
Solicitor's Name and Address:	
Solicitor's Reference:	
Solicitor's Bank address:	
Sort code & Account number:	
Date of instructions:	

We, the Solicitors named above certify that:

- We have complied and shall comply with the instructions and guidance contained in Platform's UK Finance Mortgage Lenders' Handbook for Scotland.
- All conditions contained in the Mortgage Offer and any other instructions you may have issued to us have been, or will, before completion, be complied with.
- The title to the property has been investigated and is good, valid and marketable, and free of any restrictions, covenants, burdens, conditions, easements, charges, encumbrances or overriding interests which, at the time of completion, might reasonably be expected to materially adversely affect the value of the property or its future marketability.

Signed on behalf of THE SOLICITORS

NAME of Authorised Signatory

Qualification of Authorised Signatory

Date of Signature

DEEDS SCHEDULE

Mortgage Account Number:	Date of Mortgage:	Title Number:
Property Address (as in the Mortgage):		
Postcode		
Borrower: (Full Name(s))		

Please do not forward any title documents until a copy of the register can be provided showing The Co-operative Bank p.l.c. (trading as Platform) hold a first charge.

It is important that ALL documents are enclosed and the following checklist should be completed by ticking the appropriate boxes.

Please complete the Schedule in full, return the original and retain one copy for your file.

Please send to Platform, PO Box 237 Plymouth PL1 1WG or DX 133791 Plymouth 13.

Charge Certificate / Standard Security	<input type="checkbox"/>	Buildings Insurance policy (copy - if appropriate) (The Lender's interest endorsed)	<input type="checkbox"/>
Land Certificate / Disposition	<input type="checkbox"/>	Matrimonial Homes Affidavit / Renunciation / Consent	<input type="checkbox"/>
Search	<input type="checkbox"/>	New Home Warranty Certificates (if appropriate)	<input type="checkbox"/>

Other Documents (specify)

THE SCHEDULE OF DEEDS AND DOCUMENTS

Date	The Document	The Parties

This Schedule was completed in duplicate by (Name of Practice) _____

of (Address of Practice) _____

on (Date Schedule Completed) _____

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IDENTITY REQUIREMENTS

LIST 1: PROOF OF IDENTITY

- Current valid passport (must contain English translation).
- Current full or provisional photocard driving licence.
- Current old style UK driving licence (full).
- Full EU or EEA photocard driving licence.
- Biometric residence permit.
- Valid shotgun licence/Firearms certificate.
- Northern Ireland Voters Card.
- Instruction from a UK Court appointing an individual (Court of Protection or Grant of Probate only).
- Benefits entitlement letter (including Government-issued pensions and UK Disability Blue Badge).
- HMRC tax notification (issued within the last 12 months or valid for the current tax year – SA302, P45s and P60s are not acceptable).
- UK Armed Forces military ID card (valid for the current period).
- Centrally issued EU and EEA national identity cards.

LIST 2: PROOF OF ADDRESS

- Current full or provisional photocard driving licence.
- Full EU or EEA photocard driving licence.
- Current old style UK driving licence (full).
- Benefits entitlement letter (including Government-issued pensions, dated within the last 12 months showing customer current address).
- HMRC tax notification (issued within the last 12 months or valid for the current tax year – SA302, P45s and P60s are not acceptable).
- Local authority Council tax bill (valid for the current tax year, issued within the last 12 months; only acceptable if posted to the address to be verified (reference to a second property not acceptable)).
- Utility bill (issued within the last six months, mobile phone bills and TV licences are not acceptable).
- Statement from an EU-regulated bank/building society/credit card/credit union showing current address (issued within the last three months).
- Mortgage statement from a recognised EU-regulated lender showing current address and evidencing an active account (mortgage statement issued within the last 13 months/a letter from a mortgage lender must have been issued within the last three months).
- Tenancy agreement/rent payment schedule from a housing association, local authority or public sector landlord only (not a private arrangement/must be dated within 12 months/signed by the Tenant and on behalf of the landlord).
- Valid shotgun licence/Firearms certificate.
- Student loan letter/statement confirming home address (valid for the current academic year).

CERTIFYING DOCUMENTATION

- You may have to provide two documents from List 1 and one document from List 2 for each applicant. (Any item which is duplicated in List 1 and List 2, will only be accepted as one form of identification.)
- Each document must be a photocopy of the original document, and must contain the signature of the person certifying. PLEASE NOTE: we cannot accept photographs or hand held scanners.
- The person who has seen the original document must certify each document using the following wording: 'I certify that this is a true copy of the original'. They must then state their name, company name, and each certification must be signed and dated.
- If you have seen the applicant face to face, and the document includes photographic identification, you must state 'I certify that this is a true likeness of the applicant'.
- Mortgage Introducers who are certifying documentation must be FCA authorised.
- A professional person (lawyer) covered by money laundering regulations may also certify copies of identification documents.

**We accept identification documents via document upload, email, fax or post.
We will only accept correctly certified identification documents.**

Terms & conditions

For Platform Mortgages

With effect from April 2019

Please read these terms and conditions and keep them safe.

platform part of
The **co-operative** bank



Guide to this document

To make it easier to find what you're looking for, we've divided these terms and conditions into sections.

Important points to remember about Your Mortgage

Outline of the Mortgage Conditions.

- 1** Definitions
- 2** Interpretation
- 3** Law that applies
- 4** Insuring Your Property
- 5** How we calculate interest and your Monthly Payment
- 6** Your duties under Your Mortgage
- 7** Paying our costs, fees and charges
- 8** When you need our consent
- 9** What we can do for you
- 10** Our power to transfer the Mortgage Security
- 11** When you must pay back Your Mortgage straight away
- 12** Our powers if you have to repay us
- 13** How we send you notices
- 14** Your rights against others
- 15** Continuing security and repaying Your Mortgage
- 16** Changes to the Interest Rate, the Tariff of Charges and Your Mortgage
- 17** General provisions
- 18** If Your Property is in England or Wales
- 19** If Your Property is in Scotland
- 20** If Your Property is in Northern Ireland
- 21** If you have a Flexible Mortgage

Introduction

Along with your Mortgage Offer and the Mortgage Security, these Mortgage Conditions form the basis of the legal agreement between you and us for Your Mortgage. You must read all these documents carefully. If you have questions or are not clear about anything, please ask your mortgage or legal adviser before you sign the Mortgage Security.

Each section starts with a 'quick guide' summary. The quick guides will help you understand the Mortgage Conditions but are not part of them. You must still read the full Mortgage Conditions.

Important points to remember about Your Mortgage

When Your Mortgage is in place, we will have security over Your Property. This means we can take and sell it if you don't:

- pay the Monthly Payments when they fall due; and/or
- do other things you should as part of Your Mortgage.

If more than one person is on Your Mortgage, each of you is responsible to us individually and jointly with the others for all the obligations that come with Your Mortgage.

You must **carefully read the Mortgage Conditions** before you sign up. If you are unsure about anything, please talk to your legal adviser.

In case you or one of you dies, we strongly recommend that you arrange suitable life cover to repay the Amount You Owe.

If your Monthly Payments cover only interest on Your Mortgage – a set-up often called an interest-only mortgage – you must have a suitable repayment plan in place. This is because you are responsible for repaying the Amount You Owe at the end of the Mortgage Term.

Where we use terms in the Mortgage Conditions which start with a capital letter, for example “Your Mortgage”, they will have a special meaning. Section 1 sets out what that meaning is, so remember to check there if you are not sure.

Outline of the Mortgage Conditions

Quick guide

This section outlines some of the things you have to do under your Mortgage Conditions. We give more details in the sections mentioned.

What you must do

- You must insure Your Property. We say more on this in section 4, 'Insuring Your Property'.
- You must do certain things concerning Your Mortgage. We show what these are in section 6, 'Your duties under Your Mortgage'. They include things like making your Monthly Payments on time and keeping Your Property in good repair.
- In certain circumstances, you must pay our costs, fees, charges and expenses. We say more on this in section 7, 'Paying our costs, fees and charges'.

What you must not do

- You must not make any arrangements about Your Property that may affect our Mortgage Security unless you have our prior written consent. These include letting other people live in Your Property or altering it. We list these restrictions in section 8, 'When you need our consent'.

How we calculate interest and your Monthly Payment

- You must pay interest on the amount you borrow and make Monthly Payments. Section 5, 'How we calculate interest and your Monthly Payment', explains how we calculate interest, how we calculate your Monthly Payments, when we may change your Monthly Payments, and how we tell you about that change.

Our power to do things for you

- In some limited circumstances, we may do things for you in your name. We explain this in section 9, 'What we can do for you'.

Our power to transfer the Mortgage Security

- We may transfer our rights to the Mortgage Security. We say more on this in section 10, 'Our power to transfer the Mortgage Security'.

Repaying Your Mortgage

- If certain events happen, you must repay us the Amount You Owe immediately. We list these events in section 11, 'When you must pay back Your Mortgage straight away'.
- You may repay Your Mortgage before the end of the Mortgage Term. We explain when and how you may do this in section 15, 'Continuing security and repaying Your Mortgage'.

Our powers if you have to repay us

- If you have to repay the Amount You Owe, we have certain powers. We list them in section 12, 'Our powers if you have to repay us'.

How we send you notices

- There is a set way for us to give you notice about anything to do with Your Mortgage. We explain this in section 13, 'How we send you notices'.

Your rights against others

- We may make claims on your behalf. We have an interest in and rights over actions you may have against other people. We set out these rights in section 14, 'Your rights against others'.

Our other rights to change the Interest Rate, the Tariff of Charges and the terms of Your Mortgage

- In certain circumstances, we may change the Interest Rate you pay, our Tariff of Charges and the other terms of Your Mortgage. We explain when we can do this and give details as to how we will tell you in section 16, 'Changes to the Interest Rate, the Tariff of Charges and Your Mortgage'.

Different conditions that apply depending on where you live

Some conditions apply depending on where you live:

- If you live in England or Wales, we show these conditions in section 18, 'If Your Property is in England or Wales'.
- If you live in Scotland, we show these conditions in section 19, 'If Your Property is in Scotland'.
- If you live in Northern Ireland, we show these conditions in section 20, 'If Your Property is in Northern Ireland'.

Different conditions that apply if you have a Flexible Mortgage

- If you have a Flexible Mortgage, section 21 – 'If you have a Flexible Mortgage' – sets out the extra conditions that apply to reflect the particular features of that product.

Conditions on interpreting Your Mortgage

There are some conditions about the terms of Your Mortgage, how to interpret them, and our rights and obligations. We show them in:

- section 1, 'Definitions';
- section 2, 'Interpretation';
- section 3, 'Law that applies';
- section 15, 'Continuing security and repaying Your Mortgage'; and
- section 17, 'General provisions'.

1 Definitions

Quick guide

The Mortgage Conditions start here. They use some words that have a special meaning, and this section lists them. Sections 18-20 include other words that have special meanings, depending on where Your Property is, and section 21 includes other words that have special meanings if you have a Flexible Mortgage.

Whenever we use the following words and expressions in these Mortgage Conditions or the Mortgage Security, they have the meanings shown here:

Amount You Owe means how much you may owe us now or in the future, including:

- the amount we lend or re-lend you under a Mortgage Offer;
- other money and liabilities you owe us at any time on any account or in any manner (because you are a primary borrower, because you have guaranteed someone else's obligations or because you owe the money to us separately or along with someone else);
- any other money you owe us under these Mortgage Conditions or a Mortgage Offer, including interest, fees, costs and charges;
- all interest payable on those amounts; and
- premiums for insurance we have arranged for you in line with your instructions, or that we have put in place because you have not done so.

The Amount You Owe does not include anything you owe us under a consumer credit regulated agreement (such as a personal loan or a credit card), unless we use all the appropriate procedures to allow us to include them in the Amount You Owe.

Bank of England Base Rate means the base rate decided by the Bank of England's Monetary Policy Committee from time to time. If it is not possible to know this rate (including where the rate is no longer published), it will be whatever rate we reasonably decide is a similar rate at that time.

Business Day means Monday to Friday but excludes any bank or other public holiday in the country where Your Property is.

Buy to Let Mortgage means a loan where Your Property is not occupied or is not to be occupied by you or your family but instead is let or is to be let to someone else. These loans include ones that are not regulated by the Financial Conduct Authority's rules. For these purposes, they also include loans where you are acting as a consumer but are letting or intend to let Your Property rather than occupy it yourself as a residence (or to allow your family to do so). The Mortgage Offer will specify if you have a Buy to Let Mortgage.

Flexible Mortgage means a loan which states in the Mortgage Offer that Flexible Options (as defined in section 21) are available.

Floor means (if your Interest Rate is directly linked to LIBOR or Bank of England Base Rate) any minimum level below which your Interest Rate will not fall, as set out in the Mortgage Offer.

Funds Release Date means the date we send the Mortgage Amount (less any amount we keep back) to Your Legal Representative or to any other party specified, whether by cheque, banker's draft, credit transfer or in any other way.

Further Advance means any amount we lend you after we lend you the original amount secured by Your Mortgage.

Home Warranty Documents means any agreements under the National House Building Council (NHBC) Scheme or other similar scheme (approved by us) set up to guarantee the structure of new or converted properties.

Interest Only Mortgage means a mortgage where the Monthly Payment includes only payment of interest and no element of capital, and the capital is repayable in full at the end of the Mortgage Term. The Mortgage Offer will say whether you have an Interest Only Mortgage. If part of Your Mortgage is on this basis (as set out in the Mortgage Offer), then when we refer to an Interest Only Mortgage in these Mortgage Conditions, we mean that part.

Interest Rate means the rate of interest stated in the Mortgage Offer, which we charge in line with the terms of that document or section 16, 'Changes to the Interest Rate, the Tariff of Charges and Your Mortgage'.

Landlord means, if Your Property is leasehold, the person for the time being entitled to enforce your obligations as leaseholder under the Lease.

Lease means, if Your Property is leasehold, a lease or sub-lease by which you own Your Property including any extension of the term of that lease or sub-lease.

LIBOR means the three-month London Interbank Offered Rate for deposits in sterling quoted by or designated for the British Bankers Association as at 11am on the relevant Recalculation Date, rounded up (if relevant) to the nearest 1/8th %. If for any reason it is not possible to know this rate (including where the rate is no longer published), LIBOR will be whatever rate we reasonably decide is a similar rate at that time.

Month and **Monthly** refers to a calendar month.

Monthly Date means, unless another date is agreed between you and us, the date in the Month agreed as part of your application for Your Mortgage as the day you wish to make your Monthly Payments (which can be the 1st or 15th of a Month) and every equivalent date in each Month until you repay the Amount You Owe in full. You can vary this day (from the 1st or the 15th) from time to time by giving us at least 30 days' written notice at any time after you have made your first Monthly Payment. We can change the Monthly Date in line with conditions 16.7 and 16.8. If the Monthly Date is changed, extra interest may be due and payable that will not automatically be collected in your Monthly Payments after the change. If a Monthly Date does not fall on a Business Day, it means the next Business Day.

Monthly Payment means the amount you must pay us on a monthly basis on the Monthly Date as set out in the Mortgage Offer. We may vary this from time to time in line with section 5, 'How we calculate interest and your Monthly Payment'.

Mortgage Amount means the sum we are lending you referred to in the Mortgage Offer.

Mortgage Conditions means these mortgage conditions as varied from time to time. When we mention a numbered condition or section in this document, it refers to the relevant condition or section in the Mortgage Conditions unless stated otherwise.

Mortgage Offer means each written offer by us (or on our behalf) to you setting out the terms on which we are prepared to lend or re-lend you the Mortgage Amount or any part of it.

This includes:

- changes to or replacement of an existing Mortgage Offer; and
- any later letter written by us (or on our behalf) to you or an agreement between you and us setting out the terms on which we are prepared to offer you further facilities or loans, including an Offer of Further Advance.

Mortgage Security means the legal document you sign to give us a mortgage, charge or security over Your Property. It secures the Amount You Owe.

Mortgage Term means the period of time shown in the Mortgage Offer, starting on the Funds Release Date, or another period that we and you agree is the period for repaying the Amount You Owe.

Offer of Further Advance means any written offer given to you by us (or on our behalf) setting out the terms on which we are prepared to make a Further Advance available to you.

Our Legal Representatives means any person described as our solicitor or similar in the Mortgage Offer.

Recalculation Date means (if the Interest Rate is directly linked to LIBOR or the Bank of England Base Rate) the dates on which the Interest Rate will be re-set in line with the Mortgage Offer or such dates as we will otherwise have informed you of in writing from time to time in line with condition 16.8.

Repayment Mortgage means a mortgage where the Monthly Payment includes both payment of interest and an element of capital. The Mortgage Offer will say whether you have a Repayment Mortgage. If part of Your Mortgage is on this basis (as set out in the Mortgage Offer), then when we refer to a Repayment Mortgage in these Mortgage Conditions, we mean that part.

Standard Variable Rate means the standard variable lending rates we set and vary from time to time in line with section 16.

Tariff of Charges means our tariff of fees and charges regarding Your Mortgage that we charge in line with section 7.

VAT means value added tax or any similar tax.

Your Legal Representatives means any person described as your solicitor or similar in the Mortgage Offer.

Your Mortgage means the agreement between you and us set out in these Mortgage Conditions, the Mortgage Offer, the Tariff of Charges, the Mortgage Security and other documents linked or additional to these.

Your Property means the land or buildings (or both) described in the Mortgage Security. When we refer to Your Property we also mean any part of it.

2 Interpretation

Quick guide

This section includes terms that will help you understand the Mortgage Conditions and explains what 'you' and 'we' mean.

- 2.1 In Your Mortgage:
- (a) any reference to a law includes any amendment to or replacement of it;
 - (b) where we refer to one gender we include reference to other genders;
 - (c) references to the singular include references to the plural and the other way round;
 - (d) headings and the boxed text called 'Quick guide' are for information only. They are not part of the Mortgage Conditions and do not affect their meaning;
 - (e) any reference to a numbered condition or section relates to these Mortgage Conditions unless stated otherwise.
- 2.2 What 'you' means:
- (a) In Your Mortgage, 'you' means the person named in the Mortgage Security as you, the borrower. It includes a person who takes over your rights and obligations such as a personal representative (including executors and administrators) if you die, or a person your rights are transferred to (with our permission), and anyone who is your successor. 'Your' or 'yours' are to be read in the same way.
 - (b) If there is more than one of you:
 - i. 'you' means all of you together and each of you separately;
 - ii. all the terms and conditions that relate to Your Mortgage apply to all of you together and each of you on your own, so we can hold each of you fully responsible for any liability you have;
 - iii. you agree we may act on the instructions of any one of you or (acting responsibly) we may require that all of you give us instructions; and
 - iv. if 'you' are a trustee, then obligations accepted by the trustee shall bind the trustee personally.
- 2.3 What 'we' means:
- (a) In Your Mortgage, 'we' means The Co-operative Bank p.l.c., our successors in title and assignees and any person to whom our rights under Your Mortgage are transferred/assigned or otherwise disposed of under section 10. 'Our', 'us' and 'the Bank' are to be read in the same way.
 - (b) If the Mortgage Security or the Amount You Owe or any rights under Your Mortgage are transferred, 'we' also means the person to whom these rights are transferred.
- 2.4 If there is any conflict between the Mortgage Offer, the Mortgage Conditions and the Mortgage Security, then the following order of priority will apply:
- (a) the Mortgage Offer; then
 - (b) the Mortgage Conditions; then
 - (c) the Mortgage Security.
- 2.5 If you must get our approval or consent under these Mortgage Conditions before doing something, we will not unreasonably withhold or delay it. We may reasonably refuse to approve something we reasonably think may make it less likely that you will repay us, or because it may negatively affect our security or the value of Your Property, or have some other negative effect on us regarding the Amount You Owe.
- 2.6 If we have the power to require something then, unless otherwise specified, we will not require it unless it is reasonable for us to do so. It will be reasonable for us to do so if, for example, in our reasonable opinion it will or may help preserve our security or the value of Your Property.

3 Law that applies

Quick guide

The law that applies to Your Mortgage will be the law that applies where Your Property is located.

- 3.1 If Your Property is in England or Wales, then:
- Your Mortgage is governed by the laws of England and Wales; and
 - you agree that any legal action regarding Your Mortgage or Your Property may be dealt with only by the courts in England and Wales.
However, we may enforce any court order against you in any country or territory where you may be or in which any assets you own are situated.
- 3.2 If Your Property is in Scotland, then:
- Your Mortgage is governed by the laws of Scotland; and
 - you agree that any legal action regarding Your Mortgage or Your Property may only be dealt with by the courts in Scotland.
However, we may enforce any court order against you in any country or territory where you may be or in which any assets you own are situated.
- 3.3 If Your Property is in Northern Ireland, then:
- Your Mortgage is governed by the laws of Northern Ireland; and
 - you agree that any legal action regarding Your Mortgage or Your Property may only be dealt with by the courts in Northern Ireland.
However, we may enforce any court order against you in any country or territory where you may be or in which any assets you own are situated.

4 Insuring Your Property

Quick guide

- Make sure Your Property is insured for as long as you have Your Mortgage and maintain the premiums.
- Insure Your Property (buildings insurance) for the cost to rebuild it – called the reinstatement value.
- The reinstatement value may differ from the market value.
- We can insure Your Property and deal with insurance claims if we think it necessary to protect our security.
- You are responsible for arranging contents insurance.

- 4.1 You must insure Your Property at your own cost throughout the Mortgage Term. The buildings insurance policy must:
- be in your and our joint names (if the insurer will not do this, our interest must be noted on the policy);
 - provide reasonable, adequate levels of cover and any excess must not be greater than is usual for cover of that type ('excess' means the first part of any claim you agree to pay yourself). Policies that cover 'comprehensive household' are normally adequate;
 - be enough to cover the full reinstatement value of Your Property (including associated costs such as architect fees, demolition costs, meeting any local authority byelaw);
 - have a sum insured in line with Your Property's full reinstatement value, taking into account inflation, unless any Landlord has agreed with you to insure it in line with this condition 4.1 and to put the insurance payment towards making good the loss or damage for which the insurance payout is made.
- If Your Property is leasehold and the Landlord insures Your Property, your interest in Your Property and our interest in it must be noted on the policy (specifically or in a general interest clause).
- 4.2 You must not do anything or allow anything to be done that would make the buildings insurance for Your Property invalid, more difficult to obtain, more expensive or more difficult to make a claim under.
- 4.3 At our request you must give us details of the insurance policy and proof that it is still in force. If we reasonably think the cover is unsuitable, you must increase the cover as we ask.

- 4.4 We may insure Your Property if we believe you are not insuring it, or we reasonably believe the insurance is not suitable, or you fail to give us adequate proof that the policy is in force. We may add the insurance premiums to the Amount You Owe.
- 4.5 If you are buying Your Property, the insurance must start on the day you exchange contracts for the purchase with the seller of Your Property. However, if Your Property is in Scotland or you are re-mortgaging, the insurance must start on the Funds Release Date.
- 4.6 You must promptly use any money payable under the insurance policy to make good the insured loss or damage or to repay the Amount You Owe. You must hold the payment for us, as trustee, until you have used it to make good the insured loss or damage or to repay the Amount You Owe.
- 4.7 If we choose to do so, we may act on your behalf to settle or adjust any claim under the buildings insurance policy on reasonable terms. You must do everything necessary to help us do this. As long as we act reasonably, we may put any such payment towards reinstating Your Property or repaying the Amount You Owe. We will pay any surplus to the person entitled to it.

5 How we calculate interest and your Monthly Payment

Quick guide

We calculate interest on your daily balance and apply it to your account monthly. In certain circumstances, we may change your Monthly Payment. We'll tell you about any change.

- 5.1 This section 5 explains how we calculate and charge interest on the Amount You Owe arising under Your Mortgage. It may happen that the Amount You Owe also includes amounts you owe us on other accounts and in other capacities than just under Your Mortgage (see the second bullet point of the definition of 'Amount You Owe' in section 1). If so, the relevant agreement for those other amounts will govern how interest is calculated and charged on them.
- 5.2 We charge interest daily on the Amount You Owe at the Interest Rate. We start charging interest from the Funds Release Date. If, however, we have kept back an amount, we will start charging interest on that amount from the date on which we send it to you, Your Legal Representative or anyone else specified as someone to whom we agree to send the amount. We calculate the interest due at the start of every Month based on the debit balance shown daily on Your Mortgage account. Interest is payable monthly. When you make payments to Your Mortgage account or incur charges on it, we adjust the interest accordingly.
- 5.3 If you do not pay interest when it is due, we add it to your debit balance and charge interest on it at the Interest Rate.
- 5.4 You must pay interest at the Interest Rate whether or not there has been a court judgment.
- 5.5 We will calculate your Monthly Payments to provide for:
 - (a) the payment of interest due in that Month; and
 - (b) if you have a Repayment Mortgage, payment of the amount we lend you on the terms of the Mortgage Offer and interest incurred on that amount by the end of the Mortgage Term; or
 - (c) if you have an Interest Only Mortgage, payment of all the interest incurred on the amount we lend you under the Mortgage Offer by the end of the Mortgage Term.
However, the interest payable in a Month may be more or less than the interest we include in the Monthly Payment for that Month.
- 5.6 Subject to condition 5.7, we may change the Monthly Payment to take account of any of the following circumstances:
 - (a) Changes in the Interest Rate.
 - (b) We have made a Further Advance.
 - (c) Amounts have become due from you under these Mortgage Conditions, for example, costs, fees and charges under section 7.
 - (d) Repayment of part of the Amount You Owe.
 - (e) Adjustment to an insurance premium payable for insurance we have arranged for you.
 - (f) Changes in the Monthly Date.

- (g) Rounding the Monthly Payment to the nearest complete sum of £1 above the amount at which it stands or would stand if calculated precisely.
 - (h) Any other reason – including payment shortfalls and arrears of Monthly Payments – that ensures you can repay the amount you borrow under the Mortgage Offer on or immediately before the end of the Mortgage Term.
- 5.7 We will not change the Monthly Payment under condition 5.6(h) for reasons of payment shortfall or arrears of Monthly Payments without your consent. This may mean you pay more interest over time if we do not change the Monthly Payment, or your Monthly Payments do not clear the Amount You Owe at the end of the Mortgage Term even on a Repayment Mortgage. It may leave you with a larger balance than expected on an Interest Only Mortgage. You are responsible for paying the Amount You Owe in full at the end of the Mortgage Term.
- 5.8 In addition to our rights, if you have an Interest Only Mortgage we may increase the Monthly Payment to provide for repayment or increased repayment of all or part of the capital, which will convert Your Mortgage partly or fully to a Repayment Mortgage, if:
- (a) we have given you 30 days' notice that we intend to do so; and
 - (b) within that 30-day period you do not show to our reasonable satisfaction – using such evidence as we reasonably request – how you will pay that amount by or at the end of the Mortgage Term without you having to sell Your Property.
- We'll make this increase only if we are satisfied, acting as a reasonable and responsible lender, that you can afford any increased Monthly Payment and that the change would help you repay the Amount You Owe without having to sell Your Property.
- 5.9 We'll give you at least 14 days' written notice of any changes we propose to make to your Monthly Payments.
- 5.10 We'll use payments to Your Mortgage account to reduce the balance on it and the Amount You Owe. This starts from the day we receive cleared funds.
- 5.11 If part of Your Mortgage balance is in arrears, any payment received will reduce the arrears balance before repaying capital and interest. If we receive any payment from you that is less than the amount needed to make your Monthly Payment in full, we will only use this to repay capital after all fees and charges, arrears and interest have been paid.

6 Your duties under Your Mortgage

Quick guide

- (a) This section sets out things you must do while you have Your Mortgage with us.
 - (b) These are about keeping up the value of Your Property. Most of the things are common sense. You would normally do these things anyway to keep up the value of Your Property.
 - (c) Other duties are about telling us if anything changes for you that may affect Your Mortgage or our security. Telling us about these things in good time makes it easier for us to help you if you have problems such as financial difficulties.
- 6.1 Throughout the Mortgage Term, you must do all the following things:
- (a) Pay the Monthly Payment on the Monthly Date by Direct Debit from a current account maintained by you at a bank or building society. We may consider accepting another form of payment from you but, if we do, a charge may apply as set out in the Tariff of Charges.
 - (b) Always comply in all material ways with the terms and conditions of the Mortgage Offer, these Mortgage Conditions, the Mortgage Security and any other agreements in place regarding the Amount You Owe.
 - (c) Promptly pay all rents, rates, taxes, service charges and other outgoings payable for Your Property.
 - (d) Pay interest monthly on the Amount You Owe at the Interest Rate (or, if the Amount You Owe relates to another account and not Your Mortgage, at the relevant interest rate).

- (e) Keep Your Property in good repair. If necessary, you must rebuild or make good all buildings and anything else fixed to or built on Your Property now or at any time throughout the Mortgage Term.
 - (f) Allow us (and anyone we authorise), after giving you reasonable notice, to enter Your Property at all reasonable times during the day to inspect its condition if we have reasonable grounds to think you are not complying with Your Mortgage terms.
 - (g) Make the repairs to Your Property that we reasonably notify you are necessary and to meet your obligation to repair within the time limit we set. If you do not do this, you agree that we (and our tradespeople and others) may enter Your Property at reasonable times and on reasonable notice (except in emergencies) to do anything needed to do those repairs. You must pay our reasonable costs of doing so on demand and interest at the Interest Rate from the date we incur the costs to the day you pay them.
 - (h) Promptly give us any information about Your Property or your financial details that we may reasonably ask you for at any time.
 - (i) Complete any buildings that are not finished on Your Property promptly and properly and in any case within the time limit we reasonably require.
 - (j) Keep to all obligations and agreements affecting Your Property.
 - (k) Tell us in writing if at any time you intend to leave Your Property unoccupied for 30 consecutive days or more, whether unfurnished or furnished.
 - (l) Keep to all the requirements and regulations of all local and other relevant authorities that affect Your Property.
 - (m) Give us a copy of:
 - i. notices, proposals or orders served on you under any statute, order, regulation or byelaw that concerns Your Property; and
 - ii. anything else that will or may decrease the value of Your Property as soon as reasonably possible after you have received it. At your own cost, you must make – or join us in making – any representations or comments about that notice, proposal or order that we may reasonably ask for.
 - (n) Sign any deeds, documents and do anything else we reasonably ask you to do to:
 - i. create or protect a valid and enforceable Mortgage Security over Your Property;
 - ii. enable us to use our rights or intended rights under Your Mortgage; or
 - iii. make the sale of Your Property easier.
 - (o) Tell us as soon as reasonably possible if there is any claim for Your Property under any Home Warranty Documents and:
 - i. when we ask, give us copies of all notices, letters, reports or other documents about the claim;
 - ii. pursue that claim with all reasonable speed;
 - iii. tell us the result of that claim and when you receive a payment for it; and
 - iv. use that payment only to put right whatever the claim was about and any related costs.
 - (p) If Your Property is leasehold, keep to the tenant's obligations in the Lease and in particular:
 - i. pass on to us, as soon as reasonably possible after you receive it, a copy of any notice you receive from the Landlord complaining about any failure by you to keep to your obligations in the Lease; and
 - ii. tell us about any change of Landlord as soon as reasonably possible after you become aware of it.
 - (q) If condition 8.4 applies, fully comply with an agreement under which you let Your Property and with laws regarding your activities as a landlord.
- 6.2 At the end of the Mortgage Term, you must repay the Amount You Owe. But if any part of it relates to another account and not Your Mortgage, you must repay that part in line with any terms separately agreed.

7 Paying our costs, fees and charges

Quick guide

- In certain circumstances, you agree to pay us, on demand, our reasonable costs, fees and charges.
- The Tariff of Charges (which you should have received with your Mortgage Offer) sets out some of the charges we may make for services you may use, things you may ask us to do or things we may do under the terms of Your Mortgage.
- The Tariff of Charges is not meant to be a complete list. This section explains what we can charge you for. It includes costs we pay to someone else regarding Your Mortgage and shows we'll charge interest on costs, fees and charges.

- 7.1 Until you have repaid the Amount You Owe you must fully pay us on demand for any reasonable costs (including our internal costs), fees, charges and expenses that we reasonably pay or incur regarding the Amount You Owe or Your Mortgage, including the following:
- (a) Giving you or anyone else our consent (if it is requested or necessary), a document or a service. Examples of activities for which we may make a charge like this include:
 - i. supplying or copying any deeds or documents for you or anyone else after you have agreed to this or because we must do so by law;
 - ii. releasing Your Property, or part of it, from the Mortgage Security;
 - iii. giving consent under these Mortgage Conditions;
 - iv. processing your application for any Further Advance or changes to the Mortgage Offer;
 - v. discharging the Mortgage Security (in other words, removing the Bank's legal interest in Your Property);
 - vi. giving you any help or information.
 - (b) Safeguarding our interest or intended interest in Your Property, or safeguarding our rights or intended rights under Your Mortgage or because you fail to fulfil an obligation or intended obligation to us. Examples of activities for which we may make a charge like this include:
 - i. legal proceedings including our legal costs (this applies whether or not you are party to those proceedings);
 - ii. using rights or powers given to us by law or Your Mortgage;
 - iii. recovering any of the Amount You Owe;
 - iv. checking that the insurance of Your Property meets our requirements in section 4;
 - v. insuring Your Property if you have asked us to do so or you have failed to do so in breach of your obligations under Your Mortgage.

If we can make a genuine pre-estimate of the costs, fees, charges and expenses we are likely to incur, the cost we'll charge will be set out in the Tariff of Charges that we may amend from time to time in the circumstances of section 16.

- 7.2 After we request payment, you may pay the amounts payable under condition 7.1. If you do not, we will add them to the Amount You Owe. They will bear interest at the Interest Rate from the day we pay, charge or incur those amounts or you otherwise become liable to pay them, until the date you pay them. If we are reasonably able to do so, we will tell you before you incur a cost, fee, charge or expense or as soon afterwards as we reasonably can.
- 7.3 We'll send you a copy of the latest Tariff of Charges with the Mortgage Offer and at least once a year. You can also get our current Tariff of Charges at any time by contacting us by telephone or writing to us.

8 When you need our consent

Quick guide

This section lists the things you may not do unless you have our permission. This is because they may affect the Mortgage Security.

- 8.1 Unless you have our prior written consent or are permitted under condition 8.4, you must not do any of the following things:
- (a) Let any person obtain any interest in Your Property.
 - (b) Create (or allow to be created) any mortgage or other security or charge secured against Your Property or any other interest in it.
 - (c) Grant or agree to grant any lease or tenancy of Your Property or part of it.
 - (d) Vary or agree to vary the Lease or any lease or serve any notices regarding Your Property.
 - (e) Grant any right to live in or use Your Property.
 - (f) Use Your Property for any purpose except as your own main place of residence.
 - (g) Make any structural changes to Your Property or change its use or apply to any planning authority to make such changes.
 - (h) Deal in any way with any claim for compensation or any insurance claim for loss or damage to Your Property, except as we may agree with you.
 - (i) Change or cancel any Direct Debit instruction or standing order or similar payment method through which you make the Monthly Payments.
 - (j) Apply for any improvement grant for Your Property that would create a priority over the Mortgage Security.
- 8.2 Unless you have our prior written consent (or are permitted under condition 8.4), you must not sell, transfer, lease, assign, sub-let or dispose of Your Property or any interest in it, or agree to do this unless you intend to fully repay the Amount You Owe beforehand.
- 8.3 You must ask for our consent before allowing any other person aged 17 or over to occupy Your Property unless you are permitted to under condition 8.4. We won't unreasonably withhold that consent but may attach conditions to it that we reasonably consider are needed. For example, we may require the person to first give us a written agreement in a form we reasonably require:
- (a) to allow our rights to come ahead of any rights they may have in Your Property or the proceeds of its sale; and
 - (b) to agree not to exercise any of those rights against us or in competition with us.
- 8.4 This condition applies only if you have a Buy to Let Mortgage, or if we have later agreed that you may let Your Property:
- (a) None of the following may occupy Your Property without our consent:
 - i. you;
 - ii. your partner – by which we mean your spouse, civil partner, or anyone you are in a relationship with that seems like a marriage or civil partnership; or
 - iii. your (or your partner's) parent, grandparent, child, grandchild, brother, or sister.
 - (b) You may let Your Property in a way that complies with the special conditions in the Mortgage Offer or – if we have later agreed that you may let it – as we have notified to you when agreeing to the letting.
 - (c) You must make reasonable efforts to let Your Property and keep it let in line with these Mortgage Conditions.
 - (d) You must not vary, waive, release or otherwise give up any of your rights under any agreement for any letting that would materially worsen our position or the Mortgage Security without our consent.

9 What we can do for you

Quick guide

When you have a mortgage with us there are certain things we may do on your behalf and in your name if we need to do so, in particular to safeguard our interest in Your Property or our rights under Your Mortgage.

For example, we may sign any agreements with neighbouring landowners or utility companies dealing with access and other rights over land which you have to sign as owner of Your Property.

- 9.1 By signing the Mortgage Security, you appoint us to be your attorney as a continuing security, and you cannot revoke or change this. We can do the following things in your name and on your behalf, or in our own name:
- (a) Sign any document or do anything you have agreed to sign or do under these Mortgage Conditions including executing any deed.
 - (b) Execute any powers regarding Your Property that you may be entitled to use.
 - (c) Execute an assignment, conveyance or other transfer regarding the sale of any freehold, legal title or leasehold reversion on your behalf.
 - (d) Execute any stock transfer form regarding the shares in any management company (where applicable) for Your Property in order to transfer the share on the sale of the property.
 - (e) Do anything else that we reasonably consider to be appropriate under the powers Your Mortgage gives us.

We are entitled to delegate the power of attorney given in this section 9 to another person if this is reasonably necessary so that we can use any rights under Your Mortgage or under the law.

- 9.2 If Your Mortgage is held in more than one name, we'll use the powers of attorney in condition 9.1, 12.2 and 18.3 only if:
- (a) an event listed in condition 11.1 happens and we demand repayment; and
 - (b) we give you at least 30 days' written notice that we'll be using our power of attorney.
- In this case, our power of attorney and our powers under it will continue for no more than 12 months from the date we give you that notice.
- 9.3 We are not liable for anything done under the power of attorney in conditions 9.1, 12.2 and 18.3 if we have used reasonable care in using or delegating that power.

10 Our power to transfer the Mortgage Security

Quick guide

In certain circumstances, we may transfer our rights under Your Mortgage to another person. For example, we may do this to raise money in the finance markets by what is called 'securitisation'. You would then have exactly the same rights and duties under Your Mortgage but they would relate to a different person.

- 10.1 We may assign, transfer, mortgage, charge, create security over or put into trust all or part of the following to another person without first getting your consent:
- (a) the Amount You Owe and our right to receive it;
 - (b) Your Mortgage and the benefit of Your Mortgage and all our rights, title and interest in the Mortgage Security;
 - (c) all our rights against you.

Any such other person will have exactly the same rights that we had. You agree to be bound to any person we transfer any rights to in the same way and to the same extent that you are bound to us. Your own rights and obligations under Your Mortgage will not change but if the Interest Rate is set by reference to the Standard Variable Rate, the new person may set and apply their own standard variable or managed rate (however it is described) in place of our Standard Variable Rate. The new rate would then become the Standard Variable Rate for the purpose of Your Mortgage. Notice of any change to the Standard Variable Rate will be given under condition 16.9.

10.2 Without your consent and without notice to you, we may provide any potential new person (or a person acting on their behalf) with any information about you, the Amount You Owe, or Your Mortgage.

11 When you must pay back Your Mortgage straight away

Quick guide

If certain events happen such as consistent failure to make Your Mortgage payments or your bankruptcy, we may require you to pay us the Amount You Owe immediately. This may be necessary in the circumstances outlined in this section.

- 11.1 You must immediately repay us the Amount You Owe if any of the following things happen and we make a written demand to you for payment:
- (a) There is an amount, equal to at least the sum of two Monthly Payments, which is due and unpaid under Your Mortgage.
 - (b) The Amount You Owe is not repaid when the Mortgage Term ends.
 - (c) If you materially breach any of the other terms and conditions of Your Mortgage not covered in (a) and (b) above and the breach cannot be put right or you have failed to put right the breach within a reasonable time after we require you to do so.
 - (d) A bankruptcy or sequestration order is made against you or if you propose a voluntary agreement (or, in Scotland, grant a trust deed or enter into a debt arrangement scheme) with or for the benefit of your creditors.
 - (e) Any judgment or court order (that is not satisfied within 14 days) is enforced against you or Your Property.
 - (f) You have given us false, inaccurate or misleading information or made a false, inaccurate or misleading statement regarding your application for Your Mortgage that would (in our reasonable opinion) have affected our decision to lend you money, the amount of money we would have lent you or the terms on which we would have lent it.
 - (g) Your Property is compulsorily acquired or requisitioned.
 - (h) You surrender possession of Your Property to us.
 - (i) Another lender gives notice that they are going to use their rights to take possession of, or appoint a receiver, in Your Property, or use a power of sale over Your Property.
- 11.2 The Amount You Owe must be repaid to us within six months of your death (or the death of the person who survives you if more than one of you has entered into Your Mortgage with us). We may continue to charge interest at the Interest Rate during this period.

12 Our powers if you have to repay us

Quick guide

We do not want to have to force you to repay all the money you owe us at once, but we do need to make sure we can get back money we have lent.

If you have to repay us the Amount You Owe, we have the extra powers set out in this section.

For example, we can use the law to take possession of Your Property. If we do this, you have 14 days from the date we take possession of Your Property to remove anything that belongs to you like furniture and other personal possessions.

- 12.1 At any time, after all or any part of the Amount You Owe has become repayable under section 11, we can immediately, and – except where the law requires – without telling you or getting your agreement, do any of the following things as and how we reasonably think fit:
- (a) Take possession of Your Property and take legal action to do so.
 - (b) Begin or finish building work on Your Property and apply for planning permissions, building regulation approvals and other permissions, consents or licences.
 - (c) Provide facilities and services for tenants or licensees in Your Property and generally manage Your Property.

- (d) If Your Property is leasehold:
 - i. vary the terms of or surrender the Lease;
 - ii. take a new lease of Your Property;
 - iii. acquire (whether on our own or together with others or by a company in which we hold or acquire shares) an extension to the Lease or the Landlord's interest in Your Property;
 - iv. enter into a formal security over a new lease or extended lease or the Landlord's interest in Your Property or an interest in Your Property in our favour in the form we require.
- (e) Sell, let or lease Your Property and vary the terms of, terminate or accept surrenders of leases or tenancies of Your Property.
- (f) Make repairs and improvements to Your Property and take out any insurances on it.
- (g) Appoint managers, officers, contractors and agents for any of the above purposes.
- (h) Do anything else we reasonably consider would help regarding the matters or powers set out in this section 12 or in the rest of Your Mortgage and that we lawfully may do.

12.2 Any action we take may be:

- (a) in your name and on your behalf as your agent or attorney with your authority that you may not withdraw; or
- (b) in our own name.

12.3 We do not have to tell you before we use any of these powers. However, if it is reasonably practicable and we reasonably think it is appropriate for us to do so, we'll try to tell you how we use and how we plan to use these powers.

12.4 If we take possession of Your Property, you must remove all furniture and other moveable property (such as personal possessions) from Your Property within 14 days. Failing this, you agree that:

- (a) we (or anyone we authorise) are entitled, at your cost, to remove, store, keep, sell or do whatever we think is reasonable to dispose of the belongings at Your Property;
- (b) we'll pay you the proceeds of the sale of the belongings (after deducting reasonable costs of selling and dealing with them) as soon as we reasonably can. We won't have the right to keep the sale proceeds for any belongings or put them towards the Amount You Owe;
- (c) we are not liable to account to you as a creditor or otherwise for money we do not actually receive. Our rights under this condition do not give us any security over the belongings.

12.5 Unless Your Property is in Scotland, no purchaser or other person dealing with us needs to ask whether or not our powers have arisen properly, have become usable properly or are being used properly.

12.6 It may be that we sell Your Property but the sale proceeds are not enough to repay the whole of the Amount You Owe. If so, the shortfall continues to incur interest at the interest rate and you must still repay it to us immediately.

12.7 We may put any money we get from using our rights (apart from the sale of belongings) towards paying the shortfall as we decide.

13 How we send you notices

Quick guide

From time to time we may send you notices. This means we contact you to tell you about any changes or to give you up-to-date information about Your Mortgage.

If we send you a notice in the post, we will assume you have received it by midday on the second day after we posted it.

An example of this kind of notice would be a demand for payment of money you owe us or a notice of change to your Interest Rate.

13.1 Demands for payment we make or notices we give will be properly made or given to you if we leave or send them by post addressed to you at Your Property or other address you have informed us is your correspondence address.

- 13.2 Our demands sent by post to or left at Your Property or another address you have given for correspondence are assumed to have been received by the person they are addressed to at noon on the second day after the day we posted or left them.
- 13.3 From time to time, we may agree with you that we will communicate with you by other media such as email and text for certain purposes such as keeping you up to date with your account. We will get your specific agreement to do this (for example, in the declarations you give when you apply for your mortgage, or if you specifically agree to this during the Mortgage Term). Nothing in this section 13 prevents our communicating with you in this way.
- 13.4 If you, or one of you, die, then any notice we give or demand we make under this section 13 addressed to the dead person will be a proper notice or demand to them and their executors and personal representatives. This position lasts until we receive an Official Copy of the Grant of Probate of the Will or Letters of Administration or a Certificate of Confirmation (as the case may be) of the dead person's estate.
- 13.5 If there is more than one of you, we will regard notice given to one of you as being given to all of you unless:
- (a) you request otherwise; or
 - (b) Your Property is in Scotland and the notice is a Calling Up Notice or Default Notice as referred to in section 19.

14 Your rights against others

Quick guide

You may have certain rights against other people concerning Your Property. An example of these is the right to compensation if there is a claim under the Home Warranty Documents.

This section says you hold these rights on our behalf. You are responsible for paying the costs of any legal action we ask you to take regarding those rights unless someone else is ordered to pay them. We may use money payable under these rights to repay the Amount You Owe.

- 14.1 As security for the Amount You Owe, you must hold in trust for us any rights of action you may have against anyone else (until we release or discharge the Mortgage Security):
- (a) for any false or misleading statement made to you or your agents that may have persuaded you to buy Your Property at the price you paid;
 - (b) for negligence regarding Your Property, which results in its value and security being reduced or not being as it was understood to be when you signed the Mortgage Security;
 - (c) for any claim under guarantees or warranties for the construction of Your Property or the carrying out of work at Your Property, including the Home Warranty Documents;
 - (d) for compensation or to receive money to be paid from any party regarding Your Property or to be paid in compensation for any damage to or loss in its value. This includes money payable for mining subsidence or compulsory purchase;
 - (e) to acquire the freehold or legal title or superior leasehold or new lease of Your Property (or take any similar or other action under the Leasehold Reform Acts, as defined in sections 18 and 20); or
 - (f) to acquire any share or membership rights in a residents' association or management company regarding Your Property.
- 14.2 If we reasonably ask it, you must take any legal action regarding the matters set out in condition 14.1. If we ask, you must transfer your rights to us (in a form we reasonably require) regarding the matters set out in condition 14.1. You also agree we have the full power to use and deal with those rights as if we owned them. After deducting our reasonable costs, charges and expenses, we'll apply any money we receive after using those rights to reducing the Amount You Owe. We'll pay you – or anyone else entitled to it – any surplus.

15 Continuing security and repaying Your Mortgage

Quick guide

Your Property remains charged to us as security for the Amount You Owe until we release or discharge the Mortgage Security. You may repay Your Mortgage at any time, subject to paying any early repayment charge set out in the Mortgage Offer. We may also require you to repay any other mortgages you have with us at the same time.

- 15.1 Until the Mortgage Security is released or discharged, it will be a continuing security to us for the Amount You Owe regardless of:
- (a) any payments you make to us; and
 - (b) any other security or right we have at any time for the Amount You Owe.
- 15.2 If you wish to fully repay Your Mortgage, we may at the same time require you to fully pay off other mortgages, securities or charges that we hold from you on any other property.
- 15.3 You may:
- (a) pay off Your Mortgage in full at any time; or
 - (b) make payments in advance (such as one-off early repayments or regular overpayments of your Monthly Payments).
- But this is subject to condition 15.2 and your Mortgage Offer, which may say that an early repayment charge is payable in these circumstances or that you must pay our costs of releasing or discharging the Mortgage Security.
- 15.4 If any payment in advance is more than £1,000 (after any early repayment charge), we will recalculate your Monthly Payment under condition 5.6.
But if it is less than this, we will not do so until the next time we change it in accordance with condition 5.6.

16 Changes to the Interest Rate, the Tariff of Charges and Your Mortgage

Quick guide

This section sets out the circumstances in which we can change the Interest Rate, the Tariff of Charges and the terms of Your Mortgage. It also tells you how and when we will notify you of changes.

- 16.1 We can reduce the Interest Rate at any time.
- 16.2 We can increase the Interest Rate at any time (as well as in the circumstances described in condition 16.9) if it is set at or linked to our Standard Variable Rate and we change our Standard Variable Rate for any of the following reasons. These reasons may relate to circumstances existing at the time or that we reasonably expect to apply in the near future:
- (a) To take account of changes in the Bank of England Base Rate or changes in LIBOR (or both), or other market rates that influence the cost of funds to us.
 - (b) To take account of changes in relevant laws, codes of practice or regulations, or to take account of decisions, requirements or recommendations by courts, ombudsmen or regulators or similar persons that apply to the conduct of our business.
 - (c) If we take over, are taken over by or merge with another financial services provider, to harmonise in a reasonable way the interest rates being paid by our and their borrowers.
 - (d) To enable us to maintain the competitiveness of interest rates we pay our depositors, investors or the other providers of funds to us, while having regard to our borrowers' interests, and in the interests of our business as a whole.
 - (e) To maintain our financial strength in the interests of all our customers.
 - (f) To take account of changes beyond our reasonable control in other costs we reasonably incur in operating our mortgage business.
- Such an increase will be proportionate to the reasons for making the increase.
- 16.3 If Your Mortgage is described in the Mortgage Offer as tracking another rate (such as the Bank of England Base Rate or LIBOR), we'll recalculate the Interest Rate on each Recalculation Date. It will change automatically on each such date when the rate in question changes, but the Interest Rate will not fall below any Floor.

16.4 We may also change the Interest Rate:

- (a) as allowed in the Mortgage Offer;
- (b) to take account, in a proportionate way, of any increase or reduction in the risk we incur if there has been an unauthorised letting or a change in the use of Your Property; or
- (c) to take account, in a proportionate way, of any reasonable change or expected reasonable change in our assessment of the risk, or the value or cost of that risk, regarding Your Mortgage, other similar mortgages or the whole or part of our mortgage business.

16.5 We may change our procedures for calculating and charging interest at any time in a proportionate manner for any of the following reasons:

- (a) To take account of changes in technology we have introduced, acting as a reasonable, fair and prudent lender.
- (b) To take account of the requirements – or recommendations – of any body or person responsible for regulating our business.
- (c) If it is necessary or prudent for us, acting as a reasonable and fair lender, to do so to operate or develop our business.

We may not make any such change if it would (or is likely to) worsen your financial position to any material extent.

16.6 At any time we may vary or add to our Tariff of Charges (for example if we increase charges or introduce new ones) to take account, in a proportionate way, of any of the following reasons. These may relate to circumstances at the time or those we reasonably expect in the near future:

- (a) Reasonable changes to our costs in providing the service for which we make the charge.
- (b) Changes in relevant laws, codes of practice or regulations, or to take account of decisions, requirements or recommendations by courts, ombudsmen or regulators or similar persons that apply to the conduct of our business.
- (c) The extra cost of changes to services or facilities that we already provide to our mortgage customers, including technological change.
- (d) Changes we reasonably make to our activities including starting new activities.
- (e) If we take over, are taken over by or merge with another financial services provider, to harmonise in a reasonable way the charges applied to our and their borrowers.

16.7 We may change, remove or add to the other terms and conditions of Your Mortgage (but not those covered in conditions 16.1 to 16.6 and 16.9) for any of the following reasons:

- (a) To take account, in a proportionate way, of changes in general banking practice.
- (b) If we reasonably think a change is fairer to our customers.
- (c) If we reasonably think a change is needed to correct a clerical or other minor error.
- (d) If we reasonably think a change will make these Mortgage Conditions easier to understand.
- (e) To take account of, in a proportionate way, any changes in relevant laws, codes of practice, or regulations.
- (f) To take account of any decisions, requirements or recommendations by courts, ombudsmen, regulators or similar persons that apply to the conduct of our business.
- (g) To enable us to take advantage for your benefit of changes in technology.

16.8 We will tell you about changes arising from conditions 16.1 to 16.7 by letter or other personal notice at least:

- (a) 14 days before any change to the Interest Rate (except when condition 16.3 applies, in which case the Mortgage Offer will specify how and when the Interest Rate will change);
- (b) one month before a change to the Tariff of Charges; or
- (c) three months before a change to our procedures for calculating and charging interest or the other terms and conditions of Your Mortgage.

However, we may also reduce the Interest Rate, or reduce or remove a charge in the Tariff of Charges, for any reason without notice to you.

16.9 We may also change the Standard Variable Rate under condition 10.1 when we transfer or assign all our rights to Your Mortgage and the person to whom we transfer them has their own standard variable rate (as described in that condition), which it uses in substitution so that it becomes the new Standard Variable Rate. If this happens, we will tell you, by letter or other personal notice, about the change at least 28 days before it takes effect.

17 General Provisions

Quick guide

This condition sets out some general provisions about Your Mortgage and some of our rights under it, and how it operates.

- 17.1 The Mortgage Security secures Further Advances we provide you with but unless the Mortgage Offer says otherwise, we are not obliged to make Further Advances to you. If we do make a Further Advance, it will be secured by the Mortgage Security.
- 17.2 If there is a mistake or omission in any statement or information we give you regarding any account you have that is secured by the Mortgage Security, this does not affect the Mortgage Security regardless of when the mistake or omission is made.
- 17.3 You will not be free from your liabilities under Your Mortgage when we execute or deliver a receipt or release or discharge for it if we later find we have miscalculated or understated the amount needed to redeem Your Mortgage.
- 17.4 Only a party to Your Mortgage may enforce the rights in these Mortgage Conditions under the Contracts (Rights of Third Parties) Act 1999, the Contract (Third Party Rights) (Scotland) Act 2017 or otherwise. A party includes anyone we transfer our rights to under section 10 or anyone we appoint under these Mortgage Conditions such as a receiver.
- 17.5 The powers and remedies we have under Your Mortgage exist alongside the other powers and remedies we have by law and do not affect them.
- 17.6 If a term of Your Mortgage is invalid or unenforceable to any extent, the rest of Your Mortgage will not be affected.
- 17.7 Each term or provision of Your Mortgage is valid and enforceable as far as the law allows.
- 17.8 We may give you or another person time to pay and we can delay enforcing any rights we have against you or another person. This does not affect our rights under Your Mortgage. Similarly, if we do not use a right we have under Your Mortgage, we may still use it in the future.
- 17.9 If you have an account with us that is in credit and the Amount You Owe becomes immediately payable under section 11 (or would be if we made a demand for payment under it), then we may use all or part of the credit balance to repay all or part of the Amount You Owe that is due and payable. We need not give you notice before doing so.

18 If Your Property is in England or Wales

Quick guide

This section applies only if Your Property is in England or Wales. Most of it is about our right to appoint a Receiver to look after Your Property if you do not keep up your payments or do not do something else you are supposed to do.

- 18.1 This section 18 only applies if Your Property is in England or Wales. The section is split into four parts:
- Condition 18.2 gives definitions that apply only to this section 18.
 - Condition 18.3 states some additional powers we have in England and Wales.
 - Condition 18.4 states some parts of the Law of Property Act 1925 that do not apply to Your Mortgage.
 - Condition 18.5 states some terms and conditions that apply if Your Property has a Management Company.

18.2 These definitions apply only to this section 18:

LPA means the Law of Property Act 1925.

Leasehold Reform Acts means the Leasehold Reform Act 1967, the Landlord and Tenant Act 1987, the Leasehold Reform, Housing and Urban Development Act 1993 (as amended by the Commonhold and Leasehold Reform Act 2002) and the Commonhold and Leasehold Reform Act 2002, or any of them and any legislation having similar effect.

Management Company means any management company or association or other similar body that deals in any way with managing Your Property, the building of which Your Property forms part or the amenities of Your Property or that building.

Receiver means a person we appoint in writing to be a receiver of all or part of Your Property and anybody who replaces them.

Share Certificate means a share certificate or other certificate of membership of a Management Company.

18.3 If certain events happen as detailed in condition 11, 'When you must pay back Your Mortgage straight away' and we make demand for payment, we may do any of the following without telling you and without your agreement:

- (a) Use all the powers given to us as mortgagee by the LPA.
- (b) Appoint a Receiver.
- (c) Remove a Receiver.
- (d) Appoint a replacement Receiver.
- (e) Decide on the Receiver's fees.
- (f) Do anything the Receiver could do under these Mortgage Conditions as your attorney or otherwise and whether or not we have appointed a Receiver.

If we appoint a Receiver, the following conditions apply:

- (a) The Receiver is your agent and you alone are liable for their acts, failure to act, costs and fees.
- (b) The Receiver has and may use all powers given by the LPA in the same way as if they had been appointed under that Act. In your name or otherwise, the Receiver may also do the following things that do not affect any of our powers:
 - i. Take possession of Your Property and take any legal action the Receiver thinks fit in order to do so.
 - ii. Start or finish any building work at Your Property.
 - iii. Apply for and get any planning permissions, building regulations approvals and other permissions, consents or licences for building work.
 - iv. Raise money from us or others on the security of Your Property.
 - v. Provide facilities and services for tenants or licensees in Your Property and generally manage Your Property as the Receiver thinks fit.
 - vi. Make any arrangements or compromises that the Receiver thinks fit.
 - vii. Do repairs and improvements and take out or make claims (or both) under any insurances the Receiver thinks fit.
 - viii. On the terms the Receiver decides, appoint any third parties as the Receiver's agents to do any of the above things for the Receiver.
 - ix. Apply the net proceeds of any sale and the income from Your Property in the order set out in Section 109(8) of the LPA or otherwise as the Receiver thinks fit. No changes to the order set out in the Act will affect our right to receive the full amount to which we would have been entitled had the order stayed the same.
 - x. Sign a stock transfer form or other transfer of any Share Certificate to a buyer of Your Property. In the meantime, the Receiver may use your rights regarding the Management Company.
 - xi. If Your Property is leasehold, vary the terms of or surrender the Lease, take a new lease of Your Property on any terms the Receiver thinks fit or acquire (whether on their own or together with others or by a company in which they hold or acquire shares) an extension to the Lease or the freehold of Your Property or any interest in Your Property under the Leasehold Reform Acts.

A new Lease or extended Lease or the freehold of Your Property or an interest in Your Property must be legally charged to us on the terms of these Mortgage Conditions as far as they apply. The Receiver may enter into a formal legal charge over any new Lease or extended Lease or the freehold of Your Property or any interest in Your Property in our favour in the form we require.

xii. If Your Property is leasehold the Receiver may sell, let or lease and vary the terms of, terminate or accept surrenders of leases or tenancies of all or any part of Your Property. This may be done in the way and for the term, with or without a premium, with the rights and containing the obligations on your part and generally on the terms and conditions (including the payment of money to a leaseholder or tenant on a surrender) that the Receiver thinks fit.

xiii. Do anything else the Receiver thinks would help regarding the matters or powers set out above.

The Receiver may not use any of these powers if and to the extent that we have told the Receiver not to in writing (whether in their appointment letter or later).

- (c) If we appoint more than one Receiver, they may use their powers independently of each other or together.
 - (d) Restrictions made by the LPA about the appointment of Receivers or the giving of notice or otherwise do not apply.
 - (e) If we appoint a Receiver over only part of Your Property, we still have the right afterwards to appoint the Receiver over other parts of Your Property where a Receiver has not been appointed.
 - (f) You agree to fully cover any costs we or the Receiver may reasonably incur for all claims, proceedings, liability, costs, charges and expenses as a result of anything we or the Receiver do or try to do under the authority of these Mortgage Conditions.
 - (g) The Receiver may also act as your attorney. This means the Receiver can sign or execute deeds and documents in your name to carry out or perform any of the Receiver's powers or obligations under Your Mortgage. The rights and obligations set out in section 9 also apply to the Receiver when acting as your attorney. Any appointment of the Receiver as your attorney is a separate appointment to the appointment of us as your attorney.
 - (h) No purchaser or other person dealing with a Receiver needs to enquire whether or not any of the Receiver's powers have arisen or become usable or whether the Receiver is using these powers properly.
- 18.4 (a) Section 103 of the LPA that could delay our using our power to sell Your Property does not apply to Your Mortgage.
- (b) Section 93 of the LPA does not apply to Your Mortgage if you wish to fully repay Your Mortgage and we require you to repay any of the rest of the Amount You Owe that is secured by the Mortgage Security before we release or discharge it. We may require this because of condition 15.2.
- 18.5 (a) If at any time there is a Management Company, you must give us your Share Certificate when Your Mortgage completes or, if later, when you get the Share Certificate.
- (b) If any time after an event in section 11 'When you must pay back Your Mortgage straight away' happens and we demand payment, you must, if we ask you, sign a transfer of the Share Certificate in a form and to a person we choose.
 - (c) You must comply with all your obligations to any Management Company regarding Your Property.

19 If Your Property is in Scotland

Quick guide

This section only applies if Your Property is in Scotland. Most of it is about what happens if you cannot pay Your Mortgage.

19.1 This section 19 applies only if Your Property is in Scotland. The section is split into four parts:

- (a) Condition 19.2 gives definitions that apply only to this section 19.
- (b) Condition 19.3 states rules of interpretation that apply only to this condition.
- (c) Conditions 19.4 and 19.5 state additional powers that apply in Scotland.
- (d) Condition 19.6 states terms and conditions that apply if Your Property has a Management Company.

19.2 These definitions apply only to this section 19:

1970 Act means the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended by the Redemption of Standard Securities (Scotland) Act 1971 and the Home Owner and Debtor Protection (Scotland) Act 2010.

Calling-up Notice means a notice we serve in terms of the 1970 Act demanding payment of the Amount You Owe.

Default Notice means a notice we serve under the 1970 Act requiring you to put right a breach of Your Mortgage terms.

Management Company means a management company or association or other similar body that deals with managing Your Property; the building of which Your Property forms part; or the amenities, common areas or services of Your Property or that building.

Share Certificate means a share certificate or other certificate of membership of a Management Company.

Standard Conditions means the Standard Conditions in Schedule 3 to the 1970 Act.

19.3 You agree that only the Standard Conditions as varied, extended or amended by the Mortgage Conditions apply to the Mortgage Security. You also agree that when interpreting the Standard Conditions:

- (a) 'the creditor' means 'we', 'us' or 'our' (as appropriate);
- (b) 'the debtor' means 'you', 'your' or 'yours' (as appropriate);
- (c) 'standard security' means the 'Mortgage Security'; and
- (d) if the Standard Conditions are inconsistent or conflict with the Mortgage Conditions, the Mortgage Conditions prevail.

19.4 If certain events happen, you must repay us. We detail these events in section 11, 'When you must pay back your Mortgage straight away'.

If any of these events happen, you will be in default under the 1970 Act. At any time after any of those events, we can use our powers under section 12 'Our powers if you have to repay us', and also do any of the following:

- (a) Serve you with a Calling-up Notice or Default Notice.
- (b) Use all the powers given to us as heritable creditor by the 1970 Act and the Standard Conditions as varied by these Mortgage Conditions.
- (c) Seek a warrant to evict you or remove you from Your Property or sell Your Property (or all of these) by applying to the Sheriff Court in the area where Your Property is.

19.5 If after serving a Calling-up Notice or a Default Notice, you seek to voluntarily surrender Your Property to us, you must give us the certificates and consents in writing that we need under the 1970 Act to permit us to sell Your Property.

19.6 (a) If there is a Management Company, you must give us your Share Certificate when Your Mortgage completes or, if later, when you get that Share Certificate.

- (b) If any of the events detailed in section 11, 'When you must pay back Your Mortgage straight away' happens and we demand payment, you must, if we ask you, sign a transfer of that Share Certificate in a form and to a person we choose.

20 If Your Property is in Northern Ireland

Quick guide

This section applies only if Your Property is in Northern Ireland. Most of it is about our right to appoint a Receiver to look after Your Property if you do not keep up your payments or do not do something else you are supposed to do.

20.1 This section 20 applies only if Your Property is in Northern Ireland. The section is split into five parts:

- (a) Condition 20.2 gives definitions that apply only to this section 20.
- (b) Condition 20.3 states some powers that we have in Northern Ireland.
- (c) Conditions 20.4 to 20.7 state some changes to certain parts of the law and explain that parts of the Conveyancing Acts do not apply to Your Mortgage.
- (d) Condition 20.8 states terms and conditions that apply if Your Property has a Management Company.
- (e) Condition 20.9 states what happens if a claim for Criminal Damage Compensation is made regarding Your Property.

20.2 These definitions apply only to this section 20:

Conveyancing Acts means the Conveyancing Acts 1881 to 1911, including the 1881 Act and the 1911 Act.

Criminal Damage Compensation means compensation payable to you regarding Your Property under the Criminal Damage Order.

Criminal Damage Order means the Criminal Damage (Compensation) (Northern Ireland) Order 1977.

Leasehold Reform Acts means the Leasehold (Enlargement and Extension) Act (Northern Ireland) 1971, The Property (Northern Ireland) Order 1997 and the Ground Rents Act (Northern Ireland) 2001.

Management Company means any management company or association or other similar body that deals with managing Your Property, the building of which Your Property forms part, or the amenities, common areas or services of Your Property or that building.

Receiver means any person we appoint, in writing, to be a receiver and/or receiver and manager of all or part of Your Property, and anybody who replaces that person.

Share Certificate means a share certificate or other certificate of membership of a Management Company.

1881 Act means the Conveyancing and Law of Property Act 1881.

1911 Act means the Conveyancing Act 1911.

20.3 If certain events happen, and we demand repayment, you must fully repay us. These events are detailed in section 11, 'When you must pay back Your Mortgage straight away'. After we demand repayment under section 11 we can immediately, without telling you and without your agreement, do any of the following:

- i. Use all the powers given to us as mortgagee by the Conveyancing Acts or the Mortgage Security (or both).
- ii. Appoint a Receiver.
- iii. Remove a Receiver.
- iv. Appoint a replacement Receiver.
- v. Decide on the Receiver's fees.
- vi. Do anything the Receiver could do under these Mortgage Conditions as your attorney or otherwise, whether or not we have appointed a Receiver.

If we appoint a Receiver, the following conditions apply:

- (a) The Receiver is your agent and you alone are liable for their acts, failure to act, costs and fees.
- (b) The Receiver has and may use all powers given to us under Your Mortgage and by the Conveyancing Acts (as far as they apply) in the same way as if the Receiver had been appointed under those Acts.

The Receiver may, in your name or otherwise, do the following things in addition to his powers under those Acts, which do not affect our powers:

- i. Take possession of Your Property and take any legal action they think fit in order to do so.
 - ii. Sell or dispose of Your Property.
 - iii. Start or finish any building work at Your Property.
 - iv. Apply for and obtain any planning permission, building regulations approval and any other permissions, consents or licences needed for building works.
 - v. Raise money from us or others on the security of Your Property.
 - vi. Provide facilities and services for any tenants or licensees in Your Property and generally manage Your Property as the Receiver thinks fit.
 - vii. Make any arrangement or compromise that the Receiver thinks fit.
 - viii. Make all repairs and improvements and take out or make claims (or both) under any insurances the Receiver thinks fit.
 - ix. On terms the Receiver decides, appoint any third party as the Receiver's agent to do any of these things for the Receiver.
 - x. Apply the net proceeds of any sale and the income from Your Property in the order set out in Section 24(8) of the 1881 Act or otherwise as the Receiver thinks fit. No changes to the order set out in the 1881 Act affect our rights to receive the full amount to which we would have been entitled had the order stayed the same.
 - xi. Sign a stock transfer form or other transfer of any Share Certificate to any buyer of Your Property. In the meantime, the Receiver may use all your rights in connection with the Management Company.
 - xii. If Your Property is leasehold, vary the terms of or surrender the Lease, take a new Lease of Your Property on any terms the Receiver thinks fit or acquire (whether on their own or alongside others or by a company in which they hold or acquire shares) an extension to the Lease or the freehold of Your Property or any interest in Your Property under the Leasehold Reform Acts. Any new Lease or extended Lease or the freehold of Your Property or any interest in Your Property must be mortgaged or charged to us under these Mortgage Conditions so far as they apply. The Receiver may enter into a formal legal mortgage or charge over any new Lease or extended Lease or the freehold of Your Property or any interest in Your Property in our favour in the form we require.
 - xiii. If Your Property is leasehold the Receiver may sell, let or lease and vary the terms of, terminate or accept surrenders of leases or tenancies of all or any part of Your Property. This may be done in the way and for the term, with or without a premium, with the rights and containing the obligations on your part and generally on the terms and conditions (including the payment of money to a leaseholder or tenant on a surrender) the Receiver thinks fit.
 - xiv. Do anything else the Receiver thinks would help in connection with any of the matters or powers set out above.
- (c) The Receiver may not use any of these powers if and to the extent that we have told the Receiver not to in writing (whether in their appointment document or later).
 - (d) If we appoint more than one Receiver, they may use their powers independently of each other or together.
 - (e) Restrictions made by the Conveyancing Acts about the appointment of Receivers or giving of notice or otherwise do not apply.
 - (f) If we appoint a Receiver over only part of Your Property, we still have the right afterwards to appoint the Receiver over any part of Your Property where we have not appointed a Receiver.
 - (g) You agree to cover in full any costs we or the Receiver may reasonably incur regarding all claims, proceedings, liability, costs, charges and expenses as a result of anything we or the Receiver do or try to do under these Mortgage Conditions.
 - (h) The Receiver may also act as your attorney. This means the Receiver can sign or execute deeds and documents in your name to carry out or perform any of the Receiver's powers or obligations under Your Mortgage.

The rights and obligations set out in section 9 'What we can do for you' also apply to the Receiver when acting as your attorney. Any appointment of the Receiver as your attorney is a separate appointment to the appointment of us as your attorney.

- (i) No purchaser or other person dealing with a Receiver needs to enquire whether or not any of the Receiver's powers have arisen or become usable or whether the Receiver is using these powers properly.

20.4 Section 20 of the 1881 Act, which could delay our using our power to sell Your Property, does not apply to Your Mortgage.

20.5 Section 17 of the 1881 Act, which imposes a restriction on the consolidation of mortgages, does not apply to Your Mortgage.

20.6 Unless otherwise stated, the powers of leasing that you have under Section 18 of the 1881 Act and Section 3 of the 1911 Act do not apply to Your Mortgage.

20.7 Our powers of leasing under Section 18 of the 1881 Act and Section 3 of the 1911 Act extend to authorise us to grant leases or to enter into agreements for leases for any time and at any rent and with or without taking a capital sum and on any other terms and conditions as we decide.

We apply any capital sum we receive on granting a lease or entering into an agreement for a lease first towards paying all costs, charges and expenses we incur regarding such a lease or agreement for lease; and second, towards paying the amount owed on security for Your Mortgage.

We pay any balance to those who would be entitled to the balance, if that balance were what was left after using the power of sale.

20.8 If at any time there is a Management Company, you must give us your Share Certificate when Your Mortgage completes or, if later, when you get that Share Certificate. After any of the events in section 11, 'When you must pay back Your Mortgage straight away' happens and we demand payment, you must, if we ask you to, sign a transfer of that Share Certificate in a form and to a person we choose. You must comply with all your obligations to any Management Company regarding Your Property.

20.9 If Your Property or any part of it is destroyed or damaged by circumstances giving rise to a claim for Criminal Damage Compensation, you must immediately begin a claim under the Criminal Damage Order, serve a copy of all documents regarding the claim on us and take all steps needed to get payment of the maximum compensation payable under the Criminal Damage Order. After this, you must use all the compensation you get to rebuild and reinstate Your Property – making good any shortfall out of your own money. Alternatively, we may require you to assign your rights under the claim and pay any money arising from it (plus any shortfall as above) as we direct.

21 If you have a Flexible Mortgage

Quick guide

This section only applies if you have a Flexible Mortgage. It deals with overpayments, payment holidays and underpayments.

21.1 This section 21 applies only if you have a Flexible Mortgage. The section is split into six parts:

- (a) Condition 21.2 gives definitions that apply only to this section 21.
- (b) Condition 21.3 deals with the various Flexible Options as a whole.
- (c) Condition 21.4 deals with the Overpayment Fund.
- (d) Condition 21.5 deals with Payment Holidays and Underpayments.
- (e) Condition 21.6 deals with Overpayments.
- (f) Condition 21.7 deals with when certain Flexible Options may be withdrawn.

21.2 These definitions apply only to this section 21:

Account Year means the period of 12 Months from the Funds Release Date (as defined in section 1) and each successive period of 12 Months afterwards.

Flexible Options means the ability to make Overpayments, Underpayments and to take Payment Holidays in line with this section 21.

Overpayment Fund means the maximum amount that we are prepared to allow you to underpay on your Flexible Mortgage, whether as a result of an Underpayment or a Payment Holiday.

Overpayments means payments in excess of your Monthly Payment and one-off lump sum part early repayments.

Payment Holiday means where, in line with this section 21, we agree to defer one or more Monthly Payments that would otherwise fall due.

Underpayments means any amounts where, in line with this section 21, you pay less than would otherwise be the full Monthly Payment.

21.3 Flexible Options

- (a) Flexible Options are only available if you have a Flexible Mortgage. Even if you do, Flexible Options are not available on any Further Advance on it.
- (b) Before you can exercise a Flexible Option (except an Overpayment) you must have made at least six consecutive Monthly Payments in full when due.
- (c) If there is more than one of you, you must all request the use of the Flexible Option. All and each of you are fully liable for any debt arising as a result of using any Flexible Option.

21.4 Overpayment Fund

- (a) The Overpayment Fund at any time is equal to (i) the total of Overpayments made to date less (ii) the total of (a) Underpayments, (b) the amounts of Monthly Payment that have been subject to Payment Holidays, and (c) any early repayment charge debited to Your Mortgage account.
- (b) We can reduce or withdraw your Overpayment Fund at any time for any of the reasons set out in condition 21.7(a).
- (c) If you move house and arrange a new Flexible Mortgage with us for the new property, you will not be able to take any existing Overpayment Fund with you. At the start of the new mortgage your Overpayment Fund will be £0.

21.5 Underpayments and Payment Holidays

- (a) If you want to make an Underpayment or take a Payment Holiday, you must submit a completed Flexible Options Request Form at least 14 days before you want the Underpayment or Payment Holiday to start. We will tell you if your application is successful and if so, when the Payment Holiday or Underpayments will begin. If your application is unsuccessful, we will write to explain why.
- (b) We can refuse an application to make Underpayments or take a Payment Holiday:
 - i. if, in the case of an Underpayment, the extent of each Underpayment is less than £50;
 - ii. if the Overpayment Fund is less than the amount you wish to underpay/take a Payment Holiday for;
 - iii. if we reasonably consider that you may not be able to make the Monthly Payments at the end of the Payment Holiday or period of Underpayments; or
 - iv. if any of the circumstances in condition 21.7 apply.
- (c) No more than six Monthly Payments may be subject to an Underpayment or Payment Holiday in any period of 12 consecutive Months.
- (d) When we accept a request for a Payment Holiday or an Underpayment, your Direct Debit for the Monthly Payments will be suspended or amended as applicable for the relevant period. We will reactivate it when this ceases.
- (e) Although your obligation to make the full Monthly Payment is suspended or reduced during the period of the Payment Holiday or Underpayment, interest continues to accrue on the Amount You Owe and be debited in line with section 5 'How we calculate interest and your Monthly Payment'. This means that when they restart, the Monthly Payments are likely to be more than before the Payment Holiday was taken or the Underpayments began. We will tell you what the new Monthly Payments will be before the end of the period of the Payment Holiday or Underpayments.

21.6 Overpayments

- (a) You can make Overpayments at any time. There is no minimum amount.
- (b) Overpayments can be made:
 - i. by cheque made payable to us for [insert your name]. Please ensure you quote Your Mortgage account reference number on the reverse;

- ii. by debit card;
 - iii. by CHAPS transfer; or
 - iv. in the case of regular Overpayments, by arranging a Direct Debit or standing order, which we will collect with your normal Monthly Payment.
If you are paying by Direct Debit, you can make Overpayments by paying us a fixed amount of Overpayment each Month or by paying us a fixed total sum each Month (so long as this is more than your Monthly Payment).
- (c) You may at any time ask us to recalculate the Monthly Payments to take account of any Overpayments. We will also recalculate the Monthly Payments to take account of any Overpayments at the end of an Account Year or whenever we change the Monthly Payment under condition 5.6 (and we will always do this if the amount of the Overpayments exceeds £1,000).
- (d) You may have to pay an early repayment charge at the end of an Account Year as described in the Mortgage Offer.

21.7 Withdrawal of Flexible Options

- (a) We can withdraw the right to make Underpayments or to take Payment Holidays, reduce or withdraw the Overpayment Fund, or decline an application to make Underpayments or to take a Payment Holiday if:
- i. you have any arrears on Your Mortgage or any other mortgage account you have with us at any time during the previous six Months;
 - ii. you are receiving any payments intended to cover your Monthly Payments (or part of them) whether under any insurance policy for accident, sickness or unemployment, or from the Department for Work and Pensions or otherwise;
 - iii. a bankruptcy or sequestration order is made against you or you become apparently insolvent or make or propose any composition, arrangement or trust with or for the benefit of your creditors generally;
 - iv. you are in breach of any material obligation under Your Mortgage;
 - v. we consider it necessary in order to meet the requirements of, or recommendations made by, the Prudential Regulatory Authority, the Financial Conduct Authority or any other body responsible for regulating our business.
- (b) If we exercise our rights under condition 21.7, we will write to you within seven days informing you that we have done so, and saying what your new Overpayment Fund will be, if any.

Please call 01752 236 550* if you would like to receive this information in an alternative format such as large print, audio or Braille.

The Co-operative Bank p.l.c. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (No.121885). The Co-operative Bank, Platform, smile and Britannia are trading names of The Co-operative Bank p.l.c., P.O. Box 101, 1 Balloon Street, Manchester M60 4EP. Registered in England and Wales No.990937. Credit facilities are provided by The Co-operative Bank p.l.c. and are subject to status and our lending policy. The Bank reserves the right to decline any application for an account or credit facility. The Co-operative Bank p.l.c. subscribes to the Standards of Lending Practice which are monitored by the Lending Standards Board.

*Calls to 01 and 03 numbers are charged at your standard rate. Calls may be monitored or recorded for security and training purposes.

STANDARD SECURITY

BY

IN FAVOUR OF

THE CO-OPERATIVE BANK P.L.C. (TRADING AS PLATFORM)

Subjects:-

THIS IS AN IMPORTANT LEGAL DOCUMENT.

ONCE YOU HAVE SIGNED THIS DOCUMENT YOU WILL BE LEGALLY BOUND BY ITS TERMS. YOU WILL BECOME LIABLE TO REPAY THE LOAN, ANY FURTHER ADVANCES OR RE-ADVANCES TO THE CO-OPERATIVE BANK P.L.C. (TRADING AS PLATFORM) ("PLATFORM"), AND PLATFORM MAY BECOME ENTITLED TO ENFORCE ITS RIGHTS AGAINST YOUR PROPERTY IF YOU FAIL TO COMPLY WITH YOUR OBLIGATIONS UNDER THIS DEED.

PLATFORM STRONGLY ADVISES YOU TO OBTAIN LEGAL ADVICE FROM A SOLICITOR BEFORE YOU SIGN THIS DOCUMENT.

STANDARD SECURITY

WHEREAS the expressions set out below shall have the meaning and effect respectively set opposite to them namely:-

The Borrower (You):	Where the Borrower is more than one person the singular includes the plural and all obligations of the Borrowers are undertaken jointly and severally
The Consentor:	the spouse/civil partner of the Borrower for the purposes of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 as amended or, as applicable, the Civil Partnership Act 2004, as amended.
Platform	The Co-operative Bank p.l.c., a public limited company incorporated under the Companies Acts in England and Wales (registered number: 990937) of P.O. Box 3462, Cheadle Road, Leek ST13 9BG (trading as Platform), including its successors, assignees and transferees.
The Subjects	The property known as more fully described below
Mortgage Conditions	The Terms and conditions for Platform Mortgages – April 2019 made by Platform, dated 7th February 2019 and registered in the Books of Council and Session on 18th February 2019.

The Borrower HEREBY UNDERTAKES TO PAY to Platform the Amount You Owe (as defined in the Mortgage Conditions) and all other sums due and that may become due by the Borrower to Platform on any account, including any further advances and re-advances that may be made by Platform to the Borrower (together with interest and expenses in relation to all such sums); AND FURTHER UNDERTAKES to discharge all obligations of the Borrower under the Mortgage Conditions; DECLARING THAT a certificate made by an officer of Platform as to any amounts due hereunder shall be conclusive evidence of the amounts due; FOR WHICH the Borrower with the consent of the Consentor (if any) as testified by their execution hereof GRANTS A STANDARD SECURITY in favour of Platform over ALL and WHOLE

