

Mortgage Conditions (England and Wales)

2026 Version 1.

Overview of the Mortgage Conditions

THESE MORTGAGE CONDITIONS ARE AN IMPORTANT LEGAL DOCUMENT WHICH YOU SHOULD READ CAREFULLY

If **you** sign the **mortgage deed** **you** will be legally bound by these **conditions** and the other **mortgage documents**.

This overview contains an explanation of what these conditions say, and how they interact with the other **mortgage documents**, in order to help you make up your mind about whether the mortgage you have been offered is suitable for you. It does not replace reading all the mortgage documents in full, which you should go through in order to make sure you understand them fully. These conditions are an important part of your **mortgage agreement** with us, which is made up of the following key documents which you should read:

- Your **mortgage offer**, which sets out the main financial terms of your mortgage (the loan amount, what your monthly repayments will be, the interest rate which applies to your mortgage, any special conditions specific to your mortgage, and any conditions which must be met before your mortgage can be completed) – this includes the offer for the first amount of money we lend you (known as the **initial advance**) and any subsequent offer for further money we agree to lend you which says it is to be secured by the mortgage deed (known as a **further advance**). You can only accept the latest mortgage offer which has been issued to you, as any new mortgage offer will supersede all previous mortgage offers made to you.
- The **mortgage deed**, under which you give us security over your property. This means that we are granted certain legal rights over your property, including (as a last resort) the right to appoint a receiver over or sell your property if you do not keep to your mortgage agreement.
- If you are a company, and we have requested it, the **debenture** which creates fixed and floating charge security over all your assets and undertaking.
- Our **tariff**, which explains what additional fees and charges you may have to pay, over and above your monthly payments, which relate to the setting up of your mortgage, or which might arise during the life of the mortgage.
- These **conditions**, which set out our detailed requirements applying to your mortgage.

Together, these are referred to as the **mortgage documents**. The **mortgage agreement** lasts until you have paid us everything you owe us under the agreement and we no longer have the legal charge over your property under the **mortgage deed**. If there is a conflict between the terms of the mortgage offer and the mortgage deed, the tariff or these conditions, the terms of the mortgage offer will prevail.

How these conditions are set out

These conditions are set out in four parts:

- Part A – Completion, payments, fees and interest
- Part B – Your obligations
- Part C – Our rights when the mortgage agreement is broken
- Part D – Other important terms and information

What do the mortgage conditions do?

These conditions contain a number of rights and obligations on you and us. They fall into four main types: Things you have to do, things you must not do, rights we have and rights you have.

Things you have to do and representations you make

The key things which these conditions say you must do are:

- Make your **monthly payments** and pay back the mortgage loan by the end of the time period set out in your **mortgage offer** (conditions 2 and 3). If your mortgage is interest-only, that means your monthly payments will only pay the interest due on the **mortgage loan**, and all of the money we originally lent you plus any fees added to the **mortgage loan** must be repaid by you at the end of the mortgage. You will need to have a plan to do this, making sure you have enough money available to repay the loan when the mortgage ends (for example, by putting money aside in a savings plan regularly, or by selling your property to coincide with the end of the loan).
- Insure the property to the full cost of rebuilding it (condition 18). You must also let your insurer know that we have a mortgage over your property and make sure that they note our interest in your insurance policy.
- Keep your property in a good state of repair, pay all utility and other outgoings (including, for example, service charges and ground rents) relating to the property, make sure that all laws and regulations about the property's use are kept to, and give us any information which we request about the property and its use (condition 14).
- Let us know if there are any notices or orders made which affect your property, for example planning enforcement notices or compulsory purchase orders (condition 14).
- Pay any additional fees, costs and expenses which arise in respect of your mortgage (condition 10).

There are also a number of promises you make to us (called “representations and warranties” – see condition 12). In particular, you promise that you are the sole legal and beneficial owner of the mortgage property, that the mortgage documents are valid and enforceable, and that you have taken all action needed to ensure that this is the case. Those representations and warranties are deemed to be repeated by you on each monthly payment day, so you should check them carefully to ensure they remain true.

Things you must not do

There are a number of things which these conditions say you must not do. The key ones are:

- You must not change the use or structure of the property without first getting our permission (condition 14.11.3).
- You cannot occupy the property (or let anyone related to you do so).
- You must not do anything which might invalidate the insurance you take out for your property (conditions 14.11.14 and 18.6). This includes carrying out work without planning permission or which doesn't meet building standards.

Rights we have

- We set the interest rate on your mortgage, which can change over time (conditions 7, 8 and 9). Examples of when the interest rate can change are if it is linked to a variable rate, such as the standard variable rate, Bank of England's base rate, or where any fixed rate product you have chosen comes to an end.
- We also set the monthly payment on your mortgage, which again we can change over time (condition 3 and 5). Examples of when we can change your monthly payment include where the interest rate changes, if you extend the duration of your mortgage, if you borrow more money from us, or if we have to incur any costs and expenses on your behalf.
- We have the right to take action if you don't keep to the terms of your mortgage. For example, we can insure the property if you don't do so or if you invalidate your insurance (condition 18.12), or if you fail to keep the property in a good state of repair, we can arrange for any necessary work to be undertaken at your cost (condition 13.6). In order to help us use those rights, under these conditions you give us a power of attorney (condition **Error! Reference source not found.**), which means that we can do those things in your name and on your behalf. You must also pay the costs we incur in using those rights (condition 10).
- If you break the terms of your mortgage (for example, if you don't make your **monthly payments** or if you become bankrupt), we have a right to ask you to repay all your mortgage loan immediately (condition 19). If we do so and you don't pay us everything you owe, we can also take certain actions which include selling your property or appointing a receiver over it (condition 19.2). We can also charge you interest at the default rate set out in condition 19.2.2 whilst you are in breach of your mortgage. If we owe you any obligation or money, whether or not in connection with your mortgage, we can apply it against the money you owe us (condition 24).
- We are able to sell your mortgage to another person (condition **Error! Reference source not found.**). If we do so, your rights under your mortgage will be the same as – or better than – the rights you have against us.
- We can make changes to any of the mortgage documents without your consent in certain circumstances (condition 22). We will normally only do so to respond to changes in the law, regulation, good practice, to introduce new product features, or to reflect changes or technology. Where we make such changes, we will give you advance notice in writing, unless we believe that the changes are not to your detriment.

Rights you have

- If you keep to the terms of your mortgage, you have a right to use your property without intervention from us. This is known as a “right of peaceful enjoyment”.
- You also have rights in respect of the information and data we hold about you and other people named in the mortgage (condition **Error! Reference source not found.**). This includes limits on the amount of information we hold about you, and the reasons we can do so, how long we can keep that information, who it can be shared with and how it can be stored. Fuller details can be found in the declaration which you signed as part of the mortgage application.

Definitions and interpretation

Some words we use in the **mortgage agreement** (including these conditions) have a technical meaning. These are explained in the body of these conditions as and when they’re used, however we have explained the meanings of certain key terms and matters of interpretation below.

Definitions

you and your	means each person indicated in the mortgage deed as being a mortgagor, guarantor or borrower (and their personal representatives and anyone who takes over their legal rights and duties under the mortgage agreement). If there is more than one of ‘you’, ‘you’ or ‘your’ means all or any of you (including, where you are a partnership, all the partners). If you are joint borrowers under the mortgage, but only one of you owns the property, the mortgage deed will be security for all of your obligations under the agreement. Where there is more than one of you, you’re each responsible for the entire mortgage as individuals and also responsible jointly. Amongst other things, that means that: each of you is separately fully responsible for complying with the mortgage documents and for paying and discharging all of the secured liabilities (and not merely a share), including if any of you dies; we can fully exercise our rights and enforce the mortgage documents against any one of you without having to involve the others.
we, us and our	means Fleet Mortgages Limited, 2nd Floor, Flagship House, Reading Road North, Fleet, Hampshire, GU51 4WP (registered in England and Wales as company number 08663979). It also means any person who we transfer any of our rights in your mortgage to and our successors in title.
advance	means the initial amount of money we lend you and any further advance. If an advance is paid in instalments or we retain any part of an advance, ‘advance’ means the amount actually paid by us.

amount owing	means at any time the total amount which you owe us at that time under the mortgage documents (including in relation to each advance and any unpaid interest, charges, fees and expenses).
business day	means any day from Monday to Friday, except bank and public holidays in England and Wales.
completion	means the date on which any advance is sent to you or your legal representative, even if this is before the mortgage deed becomes effective.
event of default	Has the meaning given to it in condition 19.
expenses	means all reasonable costs and expenses which we, a receiver or an attorney appointed under the mortgage documents pay in connection with the mortgage documents in relation to: a. the preparation, completion, registration or administration of any advance and the mortgage documents; b. recovering or attempting to recover all or part of the secured liabilities; c. complying with a remediation notice in respect of the mortgage property served on you or us under the Environmental Protection Act 1990 unless we knowingly caused or allowed the mortgage property to become contaminated when in possession as mortgagee; d. protecting, preserving or enforcing our rights under the mortgage documents or law (including bringing or defending legal proceedings relating to the secured liabilities, the mortgage property or any other security for the secured liabilities or buying out someone else's interest in the mortgage property); e. remedying any breach by you or any guarantor of any of your or the guarantor's obligations under the mortgage documents (including your obligation to repair the mortgage property, and your obligations to pay other outgoings such as utilities, bills, service charges and ground rents); f. exercising any of our rights under the mortgage documents or the law; and g. inspecting, valuing or investigating the title to any asset (including the mortgage property) in connection with the mortgage documents; and our administration fees in respect of our internal costs as set out in our tariff (including, in each case any insurance premium tax, value added tax or any similar tax on such costs, expenses or fees).
guarantor	means any person who signs a deed of guarantee in respect of all or part of the payment and discharge of the secured liabilities to us.



interest period	means a period of time which we use to calculate interest payments. This period is set by us. Except as indicated otherwise in the mortgage offer, the current interest period runs from and including the first day of each month (or, in the case the first interest period, the date of completion) until and including the last day of each month (or, in the case of the last interest period, the date of full redemption and discharge of the secured liabilities). We may change the interest period under condition 9.
interest rate	means the rate or rates at which interest accrues and is charged on the amount owing as indicated in the mortgage documents. The rate or rates of interest may change under condition 7 and as may be specified in the mortgage offer.
month	means a calendar month.
monthly payment day	means the day in each month on which you are required to make a monthly payment, as set out in the mortgage offer. We may change the monthly payment day under condition 6.
mortgage property	means each property and other asset in respect of which you give us security by the mortgage deed or any part of it (including fixtures and fittings) and any alterations and additions to it and any extended term or ownership interest that you obtain in substitution for or in addition to any leasehold interest mentioned in the mortgage deed.
secured liabilities	means the amount owing and any other liabilities which you have to us from time to time, whether present or future, actual or potential (including, but not limited to, under any of the mortgage documents) except for any amount payable under any 'regulated agreement' (within the meaning of section 189(1) of the Consumer Credit Act 1974), unless that regulated agreement states that it will be secured by the mortgage deed.
tariff	means at any time, our tariff of mortgage charges and fees as applied by us to your type of mortgage from time to time. See condition 10.5 in relation to our right to change our tariff from time to time.

Interpretation

If the mortgage offer is not consistent with other provisions in these conditions, the mortgage offer prevails.

When we use words in these conditions, like “for example”, “including” and “in particular”, that means that the wording surrounding them is illustrative only and is not meant to limit the meaning of words or expressions.

When we refer to your **mortgage**, this could mean all or any part of the mortgage agreement, the mortgage documents, the advance, any further advance or the amount owing, as the context requires.



When we refer to an **advance**, this could mean the initial advance or any further advance.

Where a word appears in the singular it can also mean the same in the plural, where appropriate.

Where we refer to legislation, those references include a reference to such legislation as amended or replaced from time to time.

The headings used in the mortgage documents are only for convenience and do not affect their interpretation.

References to any of the mortgage documents or to any other document include references to such mortgage documents or document as may have been or may from time to time be amended, varied, supplemented, substituted or replaced.

Do you have any questions?

If you have any questions about these conditions or the other **mortgage documents** which form your **mortgage agreement** with us, you can talk to your mortgage broker or legal adviser.

This **mortgage loan** (including the **advance** and the other **mortgage documents**) is not regulated by the Financial Conduct Authority.

The **mortgage agreement** comprises all the terms agreed between **you** and **us** in connection with the **advance**. All other information provided by **us** (including in previous discussions, illustrations, quotations, mortgage offers or representations) is superseded by the **mortgage documents**. Therefore, **you** must not rely upon any of that superseded information.

You should only sign the **mortgage deed** if **you** have read and understood these conditions and the other **mortgage documents**, and **you** have obtained legal advice from a solicitor or licensed conveyancer and then decided that **you** want to be legally bound by these conditions and the other **mortgage documents**.

IF YOU FAIL TO KEEP UP WITH PAYMENTS ON YOUR MORTGAGE A RECEIVER MAY BE APPOINTED AND/OR YOUR PROPERTY MAY BE REPOSSESSED.

PART A – Completion, payments, fees and interest



1 COMPLETION

- 1.1 You must not alter the mortgage offer relating to an advance. If you want to change anything in a mortgage offer you must contact us. If we agree a change, we will send you a new mortgage offer and you can only accept the most recent mortgage offer which we have sent you.
- 1.2 You will receive the mortgage documents before completion of your mortgage takes place. You will be deemed to accept all the mortgage documents by executing the mortgage deed. Completion of your mortgage occurs when the mortgage deed has been signed and the advance has been released to you (or to your solicitor or conveyancer). When that happens, you will not be able to withdraw from your mortgage, although you will still be able to repay it early (subject to any early repayment charge set out in the mortgage offer).
- 1.3 We can decide not to proceed with a proposed advance (including withdraw a mortgage offer altogether and decline to make that advance) or change the terms of a mortgage offer or an advance, in each case at any time before completion of that advance, but usually we will not do so unless any of the following things happen or we reasonably believe they have happened:
 - 1.3.1 any of the conditions of that mortgage offer cannot be fulfilled;
 - 1.3.2 the requirements of this Part A have not been met or satisfied;
 - 1.3.3 there has been a change in your or any guarantor's circumstances or ability to comply with the mortgage documents which we decide, acting reasonably, is significant;
 - 1.3.4 you or any guarantor is involved in any illegal activity (including drug-dealing, theft, robbery and fraud) or if you or any guarantor is convicted of any serious criminal offence;
 - 1.3.5 our legal representative tells us that he/she cannot comply with one or more of our instructions, or cannot give a clear certificate of title in our standard form for the mortgage property;
 - 1.3.6 your bank or building society will not accept the direct debit mandate required to make the monthly payments;
 - 1.3.7 we have reasonable doubts about the effectiveness, suitability or value of the security (including in respect of the mortgage property) to be given for the payment and discharge of the secured liabilities;
 - 1.3.8 any information given to us about you, any guarantor, the mortgage property or any other matter which might influence our decision to make the advance is misleading, incomplete or inaccurate;



- 1.3.9 we decide to change our lending policy or practice, or any matter arises (including any changes to the way we are funded or any changes to general economic conditions) which leads us to decide, acting reasonably, that it is undesirable to make an advance; or
 - 1.3.10 any other matter arises which leads us to believe, acting reasonably, that the advance should not be made or the terms of the advance should be changed.
- 1.4 If the advance is to fund all or part of the purchase price of the mortgage property, or the amount required to redeem any existing security over the mortgage property, then unless we have given our prior written consent:
 - 1.4.1 the full purchase price or redemption amount must be as stated;
 - 1.4.2 the purchase price or redemption amount must not in any way be reduced (for example, because the seller or security holder is providing a cashback or some other collateral advantage or because fixtures and fittings or furnishings are included or a reduction is negotiated) nor must any part of it be left outstanding on completion: you must tell us if there is an arrangement like this;
 - 1.4.3 the full purchase price or redemption amount must pass through your conveyancer's client account;
 - 1.4.4 if the purchase price of the mortgage property, or amount required to redeem any existing security over the mortgage property, is more than the amount of the advance, you must provide the balance of any purchase money from your own resources (the balance must not be provided from any other loan or credit arrangement, whether secured on the mortgage property or not, nor must it be provided by anyone else in return for any interest in the mortgage property);
 - 1.4.5 nobody else should be given any legal or beneficial interest in the mortgage property other than you; and
 - 1.4.6 you must not buy the mortgage property as a nominee or trustee for anyone else, nor must anyone else be given any option or other right to buy it from you.
- 1.5 If you are using money from the sale of another property to finance the purchase of the mortgage property, you must complete the sale of that property before the mortgage deed on the mortgage property is completed.
- 1.6 You must let us know at once (and provide us with full details) if any information given to us by, or on behalf of, you or any guarantor is or becomes wrong or out of date or if anything changes in any way which adversely affects or is reasonably likely to render any of that information ambiguous or misleading; or adversely affect the truth, accuracy or completeness of any of that information or our assessment of you and any of that information, or if your or any guarantor's financial or other circumstances or status changes in any material way.
- 1.7 We may change the monthly payment and interest rate set out in the mortgage offer in circumstances where we would be able to make these changes after

completion. If we make such changes, we will notify you of this in accordance with these conditions in writing at or prior to completion.



- 1.8 The mortgage offer will expire if completion of the relevant advance does not occur by the expiry date indicated in the mortgage offer (or, if no such expiry date is indicated, on the day which is 90 days after the date of that mortgage offer).
- 1.9 If, for any reason, **you** no longer need the **advance**, **you** should tell **us** and **your** legal representative at once.
- 1.10 If we withdraw the mortgage offer, we will not be obliged to tell you the reason for doing so.
- 1.11 You will pay and reimburse us on demand for all expenses connected with your application for an advance whether or not the advance is actually made.
- 1.12 On or shortly before completion, we will open a **mortgage account** for you, which records the amount owing and any payments, interest, fees, charges, expenses, arrears which are made or which arise over the life of your mortgage.

2 REPAYING YOUR MORTGAGE (INCLUDING OVERPAYMENTS)

- 2.1 Your mortgage offer will tell you if it is a repayment mortgage or an interest-only mortgage:
 - 2.1.1 A **repayment mortgage** is a mortgage where we calculate your monthly payment so that you repay what you owe with interest in equal instalments over the mortgage period.
 - 2.1.2 With an **interest-only mortgage** your monthly payment will only pay us the interest we charge. You'll have to pay the rest of the money you owe us at or by the end of the mortgage period.
- 2.2 We may agree with you in writing to switch your mortgage from one payment type to another during the mortgage period (for example to change it from a repayment mortgage to an interest-only mortgage or vice-versa).
- 2.3 You agree to repay the amount owing in full on the earlier of:
 - 2.3.1 the last day of the period set out in your mortgage offer (this is known as the **mortgage period**); and
 - 2.3.2 the date a sale of the mortgage property completes (whether or not the money from selling the mortgage property or any other security for it is enough to repay the amount owing).
- 2.4 In addition, except during such period as the mortgage offer clearly indicates that all or a specified portion of an advance is to be on an interest only basis, you agree to repay the amount owing by instalments as part of each monthly payment, the amount of each such instalment to be as calculated by us in determining the amount of the monthly payment from time to time as contemplated in condition 3.
- 2.5 Where it is not clear from the mortgage documents as to when any part of the amount owing is due for payment, each such part shall be due on our demand or, at our discretion, must be paid by way of increase in the monthly payment.



- 2.6 You may repay all or any part of the amount owing at any time before it would otherwise be due for repayment under the mortgage documents.
- 2.7 You can repay any amount of the mortgage advance before it is due. If you do so you must pay:
- 2.7.1 any early repayment charge which the mortgage offer relating to that advance indicates is to be paid by you on an early repayment;
 - 2.7.2 each fee and charge payable under the tariff in connection with any early repayment; and
 - 2.7.3 our expenses in connection with the early repayment,
- however, if the early repayment is solely due to the Events of Default referred to in conditions 19.1.6, 19.1.9, 19.1.10 or 19.1.16 and you are in full compliance with all your obligations under the mortgage documents, you will not be obliged to pay any early repayment charge which the mortgage documents would otherwise require you to pay. If you ask us, we will tell you how much you will need to pay on the date for early repayment.
- 2.8 Any repayment (whether made early or when due) will be credited to your mortgage account on the next business day it is received by us. Any amounts repaid cannot be redrawn.
- 2.9 For the purposes of working out the amount of interest which was or is to be charged to you:
- 2.9.1 if you tell us that you want to make an early part repayment of the advance, credit will be given for the number of days from receipt of repayment until the end of the interest period in which the repayment is received by us; and
 - 2.9.2 in all other cases you will be given credit at the latest at the end of the interest period in which the repayment is received by us which means, in such cases, that interest is charged on the full amount owing until then.
- 2.10 If an early part repayment is of £500 or more we will recalculate your monthly payment. If an early part repayment is less than £500 we will recalculate your monthly payment if you ask us in writing to do so or we reasonably decide to do so.
- 2.11 We may, if we choose, open and operate more than one mortgage account in relation to the amount owing, particularly, if there is more than one advance or different interest rates or different repayment arrangements are to apply to different parts of an advance. We can operate each mortgage account in such manner as we decide as long as it is not contrary to the provisions of the mortgage documents.
- 2.12 A certificate of any of our managers or officers or our company secretary as to the amount for the time being of the amount owing will for all purposes (apart from obvious mistakes) be conclusive evidence of that amount.



3 MONTHLY PAYMENTS

- 3.1 Your mortgage offer sets out the payments you must make each month (known as the **monthly payment**) and on what date (the **monthly payment day**). On each monthly payment day you will pay us an amount equal to the then monthly payment but, if that monthly payment day is not a business day, you will pay us that amount on the next business day. You must continue to make a monthly payment while there is any amount owing.
- 3.2 Unless we otherwise agree, you will make each monthly payment by direct debit from a current account nominated by you and approved by us.
- 3.3 If any direct debit is refused, we can charge a reasonable fee, set out in the tariff, for each unsuccessful request for payment (this will not affect our other rights under the mortgage documents).
- 3.4 Any money which you pay to us will be treated as received by us only when we receive the money in cleared funds.
- 3.5 For the purpose of calculating the monthly payment we will assume that each month is an equal 12th part of the year.
- 3.6 The amount of the initial monthly payment is set out in the mortgage offer relating to the initial advance (unless on or before completion we notify you that it is to be a different amount).
- 3.7 After completion, we may require you to make an extra payment to pay off the interest which accrues between completion and the next monthly payment day. If so, we will notify you of the exact amount involved and when it will be due (and we may recover it by direct debit on that day).
- 3.8 Your monthly payments won't cover any arrears, so if you go into arrears during your mortgage period you'll need to make separate arrangements to repay the arrears at the end of the mortgage period if you have not been able to pay them off in the meantime – we'll tell you what your options are at the time. Any communications about arrears will not affect our rights under the mortgage documents.

4 UNDERPAYMENTS

We can apply any payment made by you which is less than the full amount due against any payment and discharge of any part of the secured liabilities which we reasonably decide.

5 CHANGES TO THE MONTHLY PAYMENT

- 5.1 After **completion**, and from time to time, we may change the monthly payment to take account of the following:
 - 5.1.1 changes to the interest rate
 - 5.1.2 you select a new interest rate product;

- 5.1.3 changes to the amount owing (including any new amounts which have been lent to, or become owing by, you or any early repayments made by you);
 - 5.1.4 changes to the mortgage period made with your agreement;
 - 5.1.5 changes to the interest period;
 - 5.1.6 you fail to pay one or more monthly payments on time;
 - 5.1.7 the withdrawal or granting of, or change to, any arrangement allowing you to delay paying the amount owing; and
 - 5.1.8 any other circumstances which we reasonably consider to be relevant, having notified you of those circumstances before the changed monthly payment becomes due.
- 5.2 In setting a monthly payment under these conditions, it may be rounded up to the nearest whole pound.
- 5.3 If the monthly payment is changed, then depending on the circumstances:
- 5.3.1 the monthly payment made by you in respect of the interest period in which that change took effect may not be enough to pay off all the amount payable in that interest period, in which case it will result in an increase in the amount on which interest is charged from the beginning of the following interest period. This is likely to happen if an interest rate increases; or
 - 5.3.2 the monthly payment made by you in respect of the interest period in which that change took effect may be more than the amount required to pay off all the amount payable in that interest period, in which case the excess will be treated a part repayment of the amount owing.
- 5.4 If we work out the amount of a new monthly payment, we will still be entitled to demand immediate payment of any arrears of monthly payments and other money which you owe at the time of the recalculation. The recalculation will not be a rescheduling of the amount owing or any part of it or mean that we are agreeing not to take any action which we could take under the mortgage documents.
- 5.5 We will tell you of any change to the monthly payment (including the amount of the new monthly payment) in writing.

6 CHANGES TO THE MONTHLY PAYMENT DAY

- 6.1 We may change the monthly payment day at any time for any of the following reasons:
- 6.1.1 to allow us to pay money we owe to third parties;
 - 6.1.2 to accommodate changes in technology;
 - 6.1.3 to allow us to meet our reasonable needs for the development of our business; or



6.1.4 any other circumstances which we reasonably consider to be relevant, having notified you of those circumstances before the changed monthly payment day takes effect

6.2 We will tell you of the change in writing. The notice will be given a reasonable time (which will be at least 60 days) before the new monthly payment day.

7 INTEREST

7.1 You agree to pay us all interest which accrues under, or is otherwise expressed to be charged or payable under, the mortgage documents at each time and in the manner indicated the mortgage documents.

7.2 The interest rate applicable to the amount owing in respect of an advance shall be as indicated in the mortgage offer relating to that advance as may be changed from time to time under and in accordance with the mortgage documents. Where it is not clear from the mortgage documents as to what interest rate applies to all or any part of the amount owing at any time, that interest rate shall be a variable rate as set by us and notified to you for this purpose.

7.3 If at any time you choose a new interest rate product (for example, you are on a variable rate, but decide to purchase a new fixed rate product from us), the interest rate will be the new rate under the product purchased, from the date which the offer for that new product specifies.

7.4 Your interest rate will be either:

7.4.1 a **variable rate** (such as the Bank of England Base Rate or a standard variable rate which is set by us) plus a percentage known as the **margin**;

7.4.2 a **tracked rate**, meaning that it is a rate linked to the Bank of England Base Rate, or such other independently set interest rate that we choose (acting reasonably);

7.4.3 a **fixed rate**, which means that the rate is fixed for the period of time indicated in your mortgage offer and cannot change during that time, unless you (or a third party) break the mortgage agreement; or

7.4.4 a **capped rate**, meaning that it is a variable or tracked rate which cannot go beyond a certain level unless you (or a third party) break the mortgage agreement.

7.5 If the mortgage offer relating to an advance indicates that an interest rate is to be capped for a specified period, then we can only change that interest rate under this condition 7 in a manner which is consistent with the provisions in that mortgage offer which specify how the relevant cap is to be applied.

7.6 If you have a variable or tracked rate, we may change the rate on any day to enable us to respond proportionately and reasonably to any one or more of the following (as applicable):

7.6.1 a change which has occurred, or which we reasonably expect to occur, in the Bank of England base rate (see condition 7.7) or interest rates generally;



- 7.6.2 a change which has occurred, or which we reasonably expect to occur, in the cost of the funds we use or incur in our mortgage lending or holding activities;
 - 7.6.3 a change which has occurred, or which we reasonably expect to occur, in interest rates charged by other mortgage lenders;
 - 7.6.4 a change in the law or a decision by a court; or
 - 7.6.5 a decision or recommendation by an ombudsman, regulator or similar body; or
 - 7.6.6 a change of or introduction of any relevant code of practice or general industry practices which are commonly observed by residential mortgage lenders.
- 7.7 To the extent that the Bank of England base rate is specified as being the variable or tracked rate applicable to an advance, then on any day that tracked rate shall be the official bank rate decided by the Bank of England which was (as determined by us) in force as at 5pm London time on the 12th day of the immediately preceding calendar month.
- 7.8 If for any reason it is not possible to determine the relevant variable or tracked rate applicable to an advance, that tracked rate will be such other publicly available rate which we reasonably decide is a comparable rate at that time.
- 7.9 If we decide that another rate of interest is to be that tracked rate for any period, we will give you 30 days' written notice of the replacement rate.
- 7.10 If we enter into a mortgage transfer, the applicable interest rate will be set and determined by or on behalf of the person to whom that mortgage transfer is made (and any such person can set the interest rate independently of any rate set by Fleet Mortgages Limited or any other person to whom a mortgage transfer was made).
- 7.11 We may reduce the interest rate at any time without giving prior notice.
- 7.12 You acknowledge and agree that from time to time the interest rates payable by you under the mortgage documents may be different to the interest rates payable by other customers given that we assess the circumstances and characteristics of each of our customers individually and may from time to time change our policies or agree special arrangements for different customers as we may decide, in our absolute discretion, in the course of our mortgage business.
- 7.13 In relation to any variable or tracked rate;
- 7.13.1 If that tracked rate falls below zero, the tracked rate shall be deemed to be zero; and
 - 7.13.2 If the tracked rate falls below zero, we shall not be required to pay interest to you.
- 7.14 On each occasion that the interest rate applicable to an advance changes, we will give you notice of the change in one of the ways set out in condition **Error! Reference source not found.** at least 14 days before you have to make the first monthly payment which is worked out using the new rate. The change to the

interest rate (as opposed to the monthly payment) will, however, come into effect as indicated in this condition 7.



- 7.15 If we increase the interest rate, we will give you at least five business days' notice before the change takes place.
- 7.16 If the interest rate increases, the next monthly payment you make may not be sufficient to pay all of the interest that accrued in the relevant interest period. If this occurs, any unpaid interest will be added to the amount owing and you will pay interest on it. You can contact us to pay any unpaid interest instead if you wish to prevent this happening.

8 CALCULATION AND CHARGING OF INTEREST

- 8.1 Interest will accrue on a daily basis on the amount owing on the mortgage account as calculated and charged in respect of that day in accordance with the terms of these conditions. This means that interest will accrue on amounts from the date on which they are charged or debited to the mortgage account (to the extent not paid on that date) except to the extent that we choose from time to time to charge interest from a later date.
- 8.2 Interest will be payable and accrue on an advance from and including completion, even if it is released to our legal adviser at your legal adviser's request before you need to use it.
- 8.3 If we allow you to not pay one or more monthly payments (as a concession), interest will, nevertheless, continue to accrue and be charged in the manner indicated in these conditions.
- 8.4 Each interest rate is a yearly rate. To calculate the amount of interest accruing on a daily basis, we divide the annual amount of interest by 365.
- 8.5 In respect of each interest period we shall calculate and charge the relevant amount of interest for that interest period to the mortgage account on the first day of that interest period, that calculation being made using the relevant interest rate and the amount owing in respect of the relevant advance (or, as applicable, relevant part of the advance) as at the end of each day in that interest period. Accordingly, depending upon which day of an interest period the monthly payment day falls, interest may be charged and due in advance or in arrear or partially in advance and partially in arrears.
- 8.6 If the monthly payment day falls prior to the last day of the related interest period and the interest rate changes during the period between those two days, we will recalculate the interest charged for that interest period under this condition using the new rate from the day on which the change takes effect.
- 8.7 If the result of that recalculation indicates that too little interest was charged to the mortgage account on the relevant monthly payment day, then we will charge the shortfall to the mortgage account upon making that recalculation.
- 8.8 Alternatively, if the result of that recalculation indicates that too much interest was charged to the mortgage account on the relevant monthly payment day, then we will credit the excess to the mortgage account upon making that recalculation.



- 8.9 If you fail to pay any money to us when you are obliged to we may also charge and accrue interest at the interest rate on the money from the date on which you should have paid it until it is paid. This may be at the default rate set out in condition 19.2.2.
- 8.10 We will continue to charge interest at the applicable interest rate after any court order requiring you to pay the whole or any part of the amount owing.
- 8.11 We may change the method used for calculating interest to reflect changes in our procedures for calculating interest. A change in such method must not materially increase your obligations. We will give you notice of any change to the method of calculating interest by giving notice to you in one of the ways set out in condition **Error! Reference source not found.** a reasonable time in advance of the change taking effect.
- 8.12 Any accrued interest which is not paid by the end of the interest period in which it accrued will itself bear interest from the end of that interest period until the end of the interest period during which we receive payment of it and such unpaid interest shall accrue at the same rate as interest accrues (or would accrue) on the underlying amount on which such unpaid interest accrued.

9 CHANGES TO THE INTEREST PERIOD

- 9.1 We may change the day on which an interest period begins or ends at any time for any of the following reasons:
- 9.1.1 to allow us to pay money we owe to third parties;
 - 9.1.2 to accommodate changes in technology;
 - 9.1.3 to allow us to meet our reasonable needs for the development of our business; or
 - 9.1.4 any other circumstances which we reasonably consider to be relevant, having notified you of those circumstances before the change comes into effect.
- 9.2 We will tell you of the change in one of the ways set out in condition **Error! Reference source not found.** The notice will be given a reasonable time before the change takes effect.

10 FEES, CHARGES AND EXPENSES

- 10.1 You must pay fees, charges and expenses:
- 10.1.1 when indicated in the mortgage documents; or
 - 10.1.2 in the absence of any such indication, when we ask for them or, if earlier, when we charge them to the mortgage account (in each such case we shall give you reasonable advance notice).
- 10.2 If any fees, charges and expenses relate to payments made or to be made to third parties, we will try to give notice to you within a reasonable time stating the amount of the fees, charges and expenses, the nature of the service supplied by

the third party and the date on which they have to be paid or were paid to the third party.



10.3 All fees, charges and expenses will be charged to the mortgage account and form part of the amount owing. They will bear interest at the interest rate as follows:

10.3.1 where a fee, charge or expense has been paid to a third party, it will bear interest from the date on which we charge it to the mortgage account; and

10.3.2 where we recover our internal expenses by the imposition of an administration fee or charge, the fee or charge will bear interest from the date on which we charge it to the mortgage account (which date shall not be earlier than the date we notify you in writing that the fee or charge is to be imposed).

10.4 You can contact us to arrange payment of expenses at any time, if you wish to avoid increasing the amount owing or incurring interest on the expenses.

10.5 We may change our tariff by:

10.5.1 adding or removing charges or fees to reflect the nature of the work which we do;

10.5.2 changing the amount of any charge or fee to reflect changes in the cost of doing the work or the value of money.

10.6 We will give you a copy of our current tariff at any time on request. A copy of our tariff in place at any particular time is available on our website.

Part B – Your obligations

11 GENERAL REQUIREMENTS FOR THE SECURITY YOU PROVIDE

11.1 You agree to pay and perform the secured liabilities.

11.2 In relation to each mortgage offer:

11.2.1 you must have:

- (a) full legal and beneficial title to the mortgage property, free from third party ownership rights;
- (b) good and marketable title to the mortgage property, free from defect and any other charge or encumbrance or anything else which might affect either the value of the mortgage property itself or the mortgage deed as our security;

11.2.2 your title to the mortgage property must include all necessary rights for its enjoyment and, in particular, if the title to the mortgage property is leasehold:

- (a) the landlord must have no right to terminate the lease earlier than its remaining term (other than a forfeiture clause);
- (b) the lease must not contain a forfeiture clause which says you must give up the lease if you become bankrupt;
- (c) you or your landlord must not have broken or break any of the covenants of the lease including but not limited to payment of any ground rent and service charge;
- (d) there must be no restriction on transferring the mortgage property (if you need your landlord's permission, the landlord must be obliged not to unreasonably withhold such permission);
- (e) the lease must not contain any clause that may result in a substantial and material increase in ground rent or any provision inhibiting the payment of a premium on the assignment of the lease;
- (f) there must be adequate arrangements for management, maintaining and repairing the mortgage property (including enforcing clauses and recovering financial contributions from each leaseholder);
- (g) all necessary cross-easements connected with access, support and maintenance must be granted and reserved;
- (h) any management company must be a limited company that is solvent and able to meet its responsibilities;

11.2.3 you must have first given us a fully effective first charge by way of legal mortgage over the mortgage property;

- 11.2.4 we must have received a certificate of title which is satisfactory to us and confirmation that the requirements set out in our instructions to legal representatives are met;
- 11.2.5 you must have completed and returned to us the direct debit mandate, in the form provided by us, in relation to your current account at a UK regulated bank or building society we reasonably think is suitable.
- 11.3 The security created by the mortgage documents is the only security which is allowed to exist over the mortgage property. This means that any existing mortgage or other charge on the mortgage property must be paid off before the mortgage deed is completed unless we agree that a particular mortgage or other charge can be left outstanding.
- 11.4 By signing the mortgage deed, as further continuing security for the payment and discharge of all the secured liabilities and with full title guarantee, to the extent not included in the security given to us under the mortgage deed, you charge to us:
 - 11.4.1 the mortgage property;
 - 11.4.2 any rights you have under any agreement or guarantee relating to the mortgage property (including any obligation, security, right or indemnity affecting or concerning the mortgage property) and any right of action for negligence or misrepresentation affecting the value of the mortgage property or your decision to buy it;
 - 11.4.3 any rights you have to claim damages in relation to the mortgage property (such as a claim arising from a misrepresentation about the value of the mortgage property or against someone who has damaged the mortgage property);
 - 11.4.4 any rights you have to shares in a management or residents' company or similar association because of your interest in the mortgage property;
 - 11.4.5 all easements, servitudes and rights which benefit the mortgage property;
 - 11.4.6 any right you may have to sums (including rent, licence fees, compensation or insurance money payable in respect of the mortgage property) which (under any statute or law or contract and whether as of right, volunteered or otherwise) are or may become payable in respect of the mortgage property, any damage to it or reduction in its value;
 - 11.4.7 any right you may have to extend the term of any lease of the mortgage property or to take a new lease or acquire the freehold or ownership of or other such interest in the mortgage property; and
 - 11.4.8 any leasehold, freehold or other interest in the mortgage property which you have or acquire after the date of the mortgage deed,

and the assets described in clauses 11.4.2 to 11.4.8 above are known as the **ancillary assets**.
- 11.5 To the extent that any of the above are not effectively charged under condition 11.4, you declare and agree that you hold them on trust for us. You will take any

action in respect of the things expressed to be charged to or held on trust for us in conditions 11.4 and 11.5 which we request you to. In particular, you will sign a document assigning them absolutely to us as security for the secured liabilities, if we request you to. That document will be prepared by us and will, unless we indicate otherwise, incorporate these conditions.

- 11.6 The mortgage deed will not be discharged or otherwise affected by any invalidity or lack of enforceability or irregularity or defect in any security we may now or may at any time hold or expect to hold in respect of all or any of the secured liabilities.
- 11.7 Furthermore, section 93 of the Law of Property Act 1925 does not apply to the mortgage deed.
- 11.8 If, on realisation of our security the net proceeds are not enough to pay and discharge all of the secured liabilities, you will at once pay the shortfall to us. You must pay the shortfall even if we have given a deed of discharge or release. Any shortfall will bear interest at the interest rate until all of the secured liabilities are paid and discharged in full. Interest will accrue and be charged at the interest rate after any court order against you and even if you go into a formal insolvency process (including bankruptcy or liquidation).
- 11.9 You must deposit with us, and we will be entitled to retain and hold until the mortgage deed is released, all deeds and documents of title relating to the mortgage property if we ask you to send them to us.
- 11.10 If you hold or become entitled to a share in a management or resident's company or similar association because of your interest in the mortgage property, if we ask you to do so, you will deposit any share certificate with us together with a signed share transfer form with the name of the transferee left blank. We will be entitled to do any of the following things on your behalf:
 - 11.10.1 transfer the share to any person to whom we have sold the mortgage property under our power of sale and receive any consideration for that transfer;
 - 11.10.2 exercise any voting rights as a result of our having taken possession of the mortgage property.
- 11.11 You must remain a resident of the United Kingdom (or, if you are a company, have your registered or principal office in the United Kingdom) until you have paid all you owe us under the mortgage agreement.
- 11.12 You agree to do anything (including sign any document) which we reasonably request you to do in order to:
 - 11.12.1 perfect or improve any security created or intended to be created for the payment and discharge of the secured liabilities;
 - 11.12.2 help the exercise or the proposed exercise by us of any of our powers under any of the mortgage documents; and
 - 11.12.3 protect, manage or sell the mortgage property or any other security for the payment and discharge of the secured liabilities.



12 YOUR REPRESENTATIONS AND WARRANTIES

- 12.1 On executing the mortgage deed, you represent and warrant to us that:
- 12.1.1 You are (or will, on registration of your acquisition of the mortgage property at the Land Registry, become) the sole legal and beneficial owner of the mortgage property, and no other person has, or will have, any interest in the mortgage property.
 - 12.1.2 Each of the mortgage documents is, and will be, valid and enforceable against the parties to them.
 - 12.1.3 You have, and each other person entering into the mortgage documents has, the capacity and authority to enter into the mortgage documents (and, if you or that third party are a company or partnership, the entry into the mortgage documents does not contravene your – or their – constitution).
 - 12.1.4 If you are (or any third party is) a company or partnership, you (or they) have taken all necessary steps to ensure the approval and entry into of the mortgage documents.
 - 12.1.5 No event of default exists when you enter into, or will result from you (or any third party) entering into, the mortgage documents, nor will the mortgage documents or the mortgage agreement contravene any other agreement, laws, regulations or judicial or official requirements binding upon you (or that other party).
 - 12.1.6 No litigation, arbitration or administrative proceedings are taking place or pending, or, to the best of your knowledge and belief (after due and careful enquiry), have been threatened against you, any other party to the mortgage documents, or any of your (or their) directors or assets.
 - 12.1.7 All information you have given us in respect of the mortgage documents and the mortgage agreement is true and accurate.
 - 12.1.8 There are no stamp duties or other taxes payable as a result of any party entering into the mortgage documents.
 - 12.1.9 The choice of English law as the governing law of each mortgage document will be recognised and enforced in the jurisdiction in which each party to them is located, and any judgment obtained in England or Wales in relation to a mortgage document will be recognised and enforced in that jurisdiction.
- 12.2 Each of the representations and warranties set out in condition 12.1 will be deemed to be repeated by you on each monthly payment day.

13 ARRANGEMENTS FOR COMPLIANCE AND REPAYMENT

- 13.1 You are responsible for ensuring that you always fully comply with the mortgage documents at all times and make all payments in full and on time (including in the event of accident, injury or sickness).



- 13.2 In particular, you must ensure that you can repay and discharge all the secured liabilities:
- 13.2.1 at the end of the mortgage period, especially where all or part of an advance is lent on an interest only basis (see condition 2.1.1); and
 - 13.2.2 during the mortgage period, if and when any of you dies.
- 13.3 You should arrange adequate insurance cover and a means of repayment (such as a savings plan) to ensure that the secured liabilities can be paid and discharged in full in these circumstances. You should ensure that such insurance cover and means of repayment is in place throughout the period from completion until the end of the mortgage period. You should review them regularly to make sure that it will enable you to pay and discharge all the secured liabilities in these circumstances.
- 13.4 You should consult a suitably qualified financial adviser in relation to such matters. We are not qualified to give you any advice about or help with any insurance cover or means of repayment that you might have or be thinking of putting in place and expressly exclude any responsibility for this (even if we know about the insurance cover or means of repayment that you have or propose). It is entirely your responsibility to ensure that you are completely satisfied with any arrangements that you choose to put in place and maintain.
- 13.5 If you cannot pay and discharge all the secured liabilities by the end of the mortgage period either you may have to sell the mortgage property or we can sell the mortgage property to raise funds to be applied in or towards payment and discharge of the secured liabilities.
- 13.6 If you do not comply with any terms of the mortgage agreement, we can do anything which you should have done (or to correct anything you should not have done) under those conditions, in our own name or on your behalf, at your cost. If we do, you will be responsible for any expenses we incur as a result and we may add the expenses to the amount owing.

14 LOOKING AFTER AND USE OF THE MORTGAGE PROPERTY

- 14.1 You must look after the mortgage property so that it keeps its value as our security and keep the mortgage property in good repair and condition to our reasonable satisfaction.
- 14.2 You must keep all the utilities on the mortgage property and any heating system in good working order.
- 14.3 You will, if a fixture is removed or damaged, immediately replace it with one of the same or greater value and quality.
- 14.4 You will allow and enable us or our agents to go into the mortgage property at any reasonable time, at your cost:
- 14.4.1 to inspect it; and
 - 14.4.2 to carry out work which we have requested you to do and which you have failed to do within a reasonable time.



- 14.5 You will give us all such information about yourself and the mortgage property as we request.
- 14.6 If you receive any notices about the mortgage property (for example, a notice from a local planning authority or a remediation notice under the Environmental Protection Act 1990 or from your landlord, or notice or determination from an ombudsman or any legal proceedings or litigation concerning the mortgage property or your obligations in respect of it) you will:
- 14.6.1 promptly, and in any event, within 7 days of its receipt, send us a copy; and
 - 14.6.2 take all reasonable steps to keep to the requirements of the notice and our reasonable requirements (including joining with us in agreeing or objecting to or taking other steps in response to any such notice, proposal or proceedings) about the notice within a reasonable time.
- 14.7 You will keep to all covenants, title conditions, laws and regulations which affect the mortgage property or its use.
- 14.8 You will pay all taxes, outgoings and other money payable for the mortgage property on time and produce the receipts to us within a reasonable time if we ask you to.
- 14.9 If title to the mortgage property is leasehold:
- 14.9.1 you will send us a copy of any notice which you give under the Leasehold Reform Act 1967 or under the Leasehold Reform and Urban Development Act 1993;
 - 14.9.2 you must notify us immediately if your landlord takes steps to forfeit the lease;
 - 14.9.3 you will inform us of any proposal to convert the leasehold title to commonhold; and
 - 14.9.4 if the term of the lease of the mortgage property is extended or if you acquire the freehold of the mortgage property, you will sign a new mortgage deed incorporating these conditions giving us a legal charge over the extended term or the freehold interest if we ask you to.
- 14.10 If you are a company or a partnership, you will:
- 14.10.1 maintain any authorisation required to allow you to own the mortgage property or to enable you to perform your obligations under the Agreement;
 - 14.10.2 not enter into any amalgamation, demerger, merger or reconstruction, or any joint venture, consortium or similar arrangement with any other person, and (if you are a company) not enter into or become a member of any partnership;
 - 14.10.3 not make any significant changes to the nature or scale of your business activities;
 - 14.10.4 comply with all laws to which you may be subject; and

- 14.10.5 not, without obtaining our written prior consent, make or allow any change to your directors, shareholders, partners or members, or to the legal or beneficial ownership or control of the company or partnership, whether that change occurs at the level of the company or partnership itself or through any change to a holding company or other person that directly or indirectly owns or controls it.
- 14.11 You agree not to do any of the following (unless and to the extent that the mortgage offer indicates otherwise or you have first obtained our written consent):
 - 14.11.1 sell the mortgage property or otherwise create or agree to create any interest in favour of any other person over the mortgage property or make any declaration of trust of any of your interests in relation to the mortgage property;
 - 14.11.2 neglect or damage the mortgage property or do anything else to reduce its value;
 - 14.11.3 alter the structure of the mortgage property or add anything to it or demolish all or any part of the mortgage property or change its use or carry out any development on the mortgage property within the meaning of Section 22(1) of the Town and Country Planning Act 1971. Where necessary, you must also obtain the approval of the local planning authority to the changes;
 - 14.11.4 apply for or obtain any planning consent or any grant in relation to the mortgage property;
 - 14.11.5 grant or agree to grant any lease, tenancy, sub-let or licence of the mortgage property save in accordance with condition 15 (and any right you have under the Law of Property Act 1925 to grant or accept a surrender of leases does not apply);
 - 14.11.6 create or allow to exist any security over the mortgage property other than the security created by the mortgage deed;
 - 14.11.7 share or part with possession of the mortgage property, except in accordance with condition 15;
 - 14.11.8 if your title to the mortgage property is leasehold, give up the lease, accept or grant a surrender of the lease, agree to any changes in its terms or break any of its terms so as to allow the landlord to forfeit or terminate the lease, or buy the freehold or any superior title to the mortgage property or any land or building that includes the mortgage property;
 - 14.11.9 settle any compulsory acquisition compensation in relation to the mortgage property;
 - 14.11.10 leave the mortgage property empty for more than 28 days running (unless you are making reasonable efforts to let the mortgage property in accordance with condition 15);

- 14.11.11 close the account from which direct debits are collected by us or cancel or alter the direct debit mandate to the bank or building society at which the account is maintained;
- 14.11.12 use or allow the use of the mortgage property for non-residential purposes (including agricultural or business purposes) or any illegal or immoral activities;
- 14.11.13 allow any person other than you to be registered as the proprietor of the mortgage property or, except to the extent that condition 15 applies, allow any other person to acquire any right to occupy or other interest in the mortgage property;
- 14.11.14 do (or allow to be done) anything on the mortgage property which has a prejudicial effect on any insurance maintained by us or you in connection with the mortgage property (including anything which may increase the premium or restrict the ability to make a claim, increase the amount of any deductible or reduce the amount payable by the insurer);
- 14.11.15 knowingly cause or allow the mortgage property to become contaminated land under the Environmental Protection Act 1990.

14.12 You will bear the cost of complying with your obligations under condition 14.11.

15 OCCUPATION OF THE MORTGAGE PROPERTY AND ACCEPTABLE TENANCIES

- 15.1 You must have vacant possession of the whole of the mortgage property at the time the mortgage deed is completed (save for occupation by tenant).
- 15.2 You must let the mortgage property within one month of completion of the initial advance;
- 15.3 Each time the mortgage property ceases to be let, you will re-let the mortgage property as soon as possible.
- 15.4 You must not grant the tenants(s) security of tenure in respect of the mortgage property beyond the end of the contractual term.
- 15.5 Any tenancy you grant must comply with our Acceptable Tenancies requirements in force from time to time, which can be found on our website. Those requirements may change over time and you must ensure that you are aware of our current requirements.
- 15.6 If you are an individual, you must not occupy the mortgage property as a residence or dwelling, and you must ensure that nobody related to you does so. If you are a company or partnership, you must ensure that the mortgage property is not occupied as a residence or dwelling by any director or shareholder of you (if you are a company), partner (if you are a partnership) or by a guarantor, or by anyone related to any such director, shareholder, partner or guarantor. For the purposes of these conditions **related to** includes a spouse, civil partner, parent, grandparent, sibling, child, grandchild, aunt, uncle, cousin, niece, nephew or any person (whether or not of the opposite sex) whose relationship to you has any of the characteristics of any of those persons).

- 15.7 You must meet all relevant laws and regulations that apply to letting the mortgage property, for example, complying with the terms of the tenancy agreement, protecting the tenant's deposit, carrying out any necessary works and getting any necessary consents.
- 15.8 You must do whatever is legally necessary to ensure that the tenants carry out their obligations under the tenancy agreement.
- 15.9 You must not let the mortgage property as a "house in multiple occupation" (or "HMO"), whether within the meaning of the Housing Act 2004 or else where the relevant local authority requires to you to obtain a licence to let the property as an HMO, unless your mortgage offer permits this. If you do let the mortgage property as an HMO, you must obtain (and maintain) a licence from the relevant local authority before you start letting it as an HMO, and must do all works necessary to comply with the legal and licensing requirements for HMOs. If your mortgage offer does not permit the mortgage property to be let as an HMO and we subsequently consent to it (or discover that you have done so), without prejudice to any other rights in the mortgage agreement, the interest rate can be increased by 1%, from the date letting as an HMO commenced, to reflect that the lending has changed and the extra lending risk.
- 15.10 If we request:
- 15.10.1 you shall procure that all amounts receivable (including all the sums referred to in condition 11.4.6) in respect of the mortgage property shall be paid directly to your account with us (or such other account as we may from time to time direct); and
 - 15.10.2 you shall, forthwith upon such request, notify the tenants and occupiers of the mortgage property of your assignment to us of all such amounts receivable in respect of the mortgage property and instruct them to make all payments in respect of the mortgage property direct to the relevant account.
- 15.11 You agree and declare that you hold all such amounts receivable in respect of the mortgage property on trust for us following any such request. This does not affect any obligation on you in your capacity as landlord of the mortgage property.
- 15.12 We are not qualified to advise, and we have not given you any advice in relation to any letting of the mortgage property (including the viability of any letting of the mortgage property, how easy to let it will be, the level of rent or income from it which you might be able to achieve, its future value, or its present value or suitability for your purposes). If we make an advance, this does not imply any representation by us as to any of these matters.
- 15.13 We have no control over the management of the mortgage property and we do not have and do not accept any responsibility with regard to any lettings of it (including the choice or suitability of any occupant, any risk that you may create a letting or tenancy where the tenant obtains security of occupation which is greater than you may have intended, any risk as to the performance by the occupants of their obligations, whether to pay you money, look after the mortgage property, leave it when required or otherwise).



- 15.14 You will still be liable for the payment and discharge of the of the secured liabilities and making monthly payments even when the mortgage property is not let or if rent is not paid.
- 15.15 Whenever we reasonably ask during the mortgage period, you must tell us in writing who is in occupation of the mortgage property and whether there has been any change in those persons who occupy the mortgage property since the date we last asked you.

16 VALUATION OF THE MORTGAGE PROPERTY, PROPERTY CONDITION AND WORKS TO BE UNDERTAKEN

- 16.1 We can call for a valuation of the mortgage property at any time, but will only do so where we reasonably think it necessary for us to do so.
- 16.2 If we give you (or your legal representative) a copy of a mortgage valuation report (which includes any re-inspection report):
- 16.2.1 we give it for information only.
 - 16.2.2 you should read it carefully, especially the section headed Applicants to Note.
 - 16.2.3 the valuer reports to us alone as our independent contractor and is not our agent for the purposes of preparing the mortgage valuation report. The valuer we use may not owe you any duty of care.
 - 16.2.4 the valuer does not carry out a full building survey and there may be defects in the mortgage property which are not mentioned in the valuation report to us.
 - 16.2.5 the purpose of any mortgage valuation report which has been carried out on our behalf is to help us to decide if the mortgage property is adequate security for the advance.
 - 16.2.6 if we make an advance this does not in any way imply that the mortgage valuation report obtained by us is complete or accurate; or that the mortgage property is free from any defect; or the mortgage property has any particular value; or the purchase price (if relevant) is reasonable; or the mortgage property is suitable for your purposes or its existing or intended use.
 - 16.2.7 your copy of the mortgage valuation report is provided only for you to check that it correctly describes the property to be mortgaged to us.
- 16.3 As a result, you must not rely on the mortgage valuation report for any purposes at all.
- 16.4 You undertake that the mortgage property is as described in that copy of the mortgage valuation report and that the boundaries of the mortgage property are clearly defined. You agree with the information given in that mortgage valuation report and that the whole of the property, as valued in that mortgage valuation report, will be charged by way of legal mortgage to us.

- 16.5 It is your responsibility to establish the value, condition and suitability of the mortgage property for your purposes. You should obtain a more detailed report from a qualified valuer of your own choice to ensure that the mortgage property is suitable for you, has no defects and is adequate value for your money.
- 16.6 The mortgage valuation report may indicate that certain repairs have to be carried out at the mortgage property. If the mortgage offer does not specify a particular time period within which these repairs must be carried out, they must be carried out to a high standard as soon as possible after completion. If the mortgage offer does specify a time period, the work must be carried out within that period.
- 16.7 If the mortgage offer states that we will hold back some of the money on completion until work specified or referred to in the mortgage offer is carried out, that money will not be released until the work has been carried out to our satisfaction. Unless you instruct us not to, we will send you that money once we are satisfied that the work has been carried out. If a reinspection is required, the valuer's reinspection fee will be charged to you and must be paid by you before the remaining amount of money held back is released to you.
- 16.8 Where reasonable (for example, to meet regulatory requirements or check the mortgage property continues to be adequate security for payment and discharge of the secured liabilities), we may have the mortgage property revalued from time to time during the mortgage period. Where we arrange a revaluation you must give, or do what you reasonably can to get any tenant to give, us or our agents access to the mortgage property at any reasonable hours we request to carry out an internal and external inspection, so long as we have given you reasonable notice (not less than 24 hours) beforehand.
- 16.9 You will pay the reasonable cost of each revaluation if it is reasonable in the circumstances for us to ask you to pay.

17 PROPERTIES BUILT OR CONVERTED IN THE LAST TEN YEARS

- 17.1 If the mortgage property is less than 10 years old or has been converted in the last 10 years, it must have the benefit of:
- 17.1.1 a home warranty indemnity insurance scheme acceptable to us; or
 - 17.1.2 a certificate from a suitably qualified professional consultant who certifies that:
 - (a) he/she has appropriate experience in the design and monitoring of residential buildings;
 - (b) he/she has supervised the building works;
 - (c) the mortgage property generally has been constructed to a satisfactory standard and in general compliance with approved structural drawings and building regulations; and
 - (d) he/she holds professional indemnity insurance to a minimum of £500,000,
- a copy of which must be forwarded to us promptly upon request.

17.2 If the mortgage property has been converted but does not have the benefit of a home warranty indemnity insurance scheme acceptable to us or a professional consultant's certificate, the mortgage property will not be acceptable to us unless:

- 17.2.1 the conversion took place with full building regulation approval;
- 17.2.2 you give us a satisfactory report on the structure of the mortgage property (from a RICS qualified building surveyor or a structural engineer); and
- 17.2.3 our valuer considers the mortgage property is suitable security for payment and discharge of the secured liabilities

17.3 In respect of both conditions 17.1 and 17.2 above, the construction must have taken place with full planning permission and other required consents, with local authority supervision and in compliance with applicable law.

18 INSURANCE

18.1 You must keep the mortgage property insured from conclusion of the contract to purchase it unless you are:

- 18.1.1 buying a mortgage property which is being built, in which case cover must run from a date not later than the date we first make an advance in relation to that mortgage property; or
- 18.1.2 remortgaging, in which case cover must run from the date when the remortgage is completed

18.2 If the mortgage property is held under a lease and another party to the lease (usually the landlord) is legally obliged to insure the mortgage property or the mortgage property is part of a larger building and is insured under a common policy relating to that building:

- 18.2.1 it must be a condition of the title to the building of which the mortgage property is a part that the owners of it (or a management company) maintain insurance for the whole of such building; and
- 18.2.2 you must make sure that:
 - (a) the insurance cover is for the whole building of which the mortgage property is part;
 - (b) any money claimed under the policy will be used to restore the building and fixtures;
 - (c) the policyholder is responsible for seeing that the insurance is adequate; and
 - (d) the requirements set out in condition 18.4 are complied with at all times

18.3 If condition 18.2 does not apply, you will maintain insurance in respect of the mortgage property which at all times complies with the requirements set out in condition 18.4 and you must pay all of the insurance premiums on time.

- 18.4 The insurance referred to in conditions 18.2 and 18.3 must comply with the following requirements:
- 18.4.1 the insurance must be kept in force until you have repaid and discharged the secured liabilities;
 - 18.4.2 the cover must include damage resulting from fire, subsidence/heave, landslip, aircraft, explosion, storm, flood, earthquake, impact, bursting/leaking of water tanks or pipes, riot, vandalism and malicious acts, each other risk specified in the mortgage offer and such other risks as we may from time to time reasonably require;
 - 18.4.3 the amount of cover must be for the full reinstatement value of the mortgage property, being the amount, including value added tax, required:
 - (a) to demolish and rebuild the mortgage property;
 - (b) for site clearance of the mortgage property;
 - (c) to pay surveyors and other professional fees;
 - (d) to comply with planning permissions and local authority requirements;
 - (e) to pay for alternative accommodation and for recovery of rent lost during any period of reinstatement, such amount to be adjusted at least once a year in accordance with any change in the House Rebuilding Cost Index prepared by the Royal Institute of Chartered Surveyors or, if that index ceases to exist, such similar index as we in our reasonable discretion decide;
 - 18.4.4 the policy must be appropriate for residential letting and must cover liability to third parties.
 - 18.4.5 the policy must be with a reputable insurer.
- 18.5 If we ask, you must show us a copy of the policy for the insurance referred to in conditions 18.2 and 18.3 and proof that it is paid up to date. If we ask, you must show us and we can retain the original policy for the insurance referred to in condition 18.3.
- 18.6 You will not do or allow anything to be done (including on the mortgage property) which may prejudice any insurance policy providing cover in relation to the mortgage property, whoever arranges it. You must ensure that each occupant of the mortgage property is aware of the terms of such insurance and each condition that needs to be complied with.
- 18.7 If the insurance referred to in conditions 18.2 and 18.3 is cancelled or lapses at any time, you must inform us immediately.
- 18.8 If the insurance referred to in conditions 18.2 and 18.3 is taken out and the cover is later rearranged with another insurer or under a different policy, the replacement policy must meet the requirements of this condition 18.
- 18.9 You must immediately tell us about any damage to the mortgage property which may give rise to a claim under the insurance policy.

- 18.10 If you receive any money under any insurance policy maintained under the mortgage documents or which relates to the mortgage property, you agree and declare that you hold it on trust for us and you must notify us as soon as you have received it.
- 18.11 If you or we receive any money under an insurance policy maintained under the mortgage documents or which relates to the mortgage property, we may decide whether to use the money to make good the loss or damage for which the money was received or to use it to pay and discharge all or any part of the secured liabilities. We will be entitled to settle and adjust all claims with the insurers regardless of whether or not the insurance is arranged by us, but we will act reasonably in doing so.
- 18.12 If you do not comply with the requirements of this condition 18:
- 18.12.1 we may (without having any obligation to do so) arrange such insurance as we in our reasonable discretion consider appropriate.
 - 18.12.2 we will decide on the terms, amount of cover and risks of such insurance and we have no duty of obligation to make sure that it covers you and your interests in the mortgage property or is adequate for your purposes.
 - 18.12.3 you must pay and reimburse our expenses in respect of such insurance (including our internal expenses at the rate indicated in our tariff). See condition 10, which applies to expenses.

Part C – Our rights when the mortgage agreement is broken

19 EVENTS OF DEFAULT AND OUR RIGHTS FOLLOWING AN EVENT OF DEFAULT

19.1 Each of the following is an **event of default**:

- 19.1.1 you fail to make two monthly payments or more when they are due and at the time of our demand those monthly payments have still not been paid in full;
- 19.1.2 you fail to pay any other amount which you owe to us (whether or not under the mortgage documents) within two months of us giving you, after it has become due, a written demand to pay it;
- 19.1.3 you let the mortgage property in such a way that breaks the mortgage documents;
- 19.1.4 the mortgage property is occupied as or in connection with a dwelling by you, any guarantor, or (if you are a company or partnership) any director, shareholder or partner of you or anyone related to you, any guarantor, director, shareholder or partner;
- 19.1.5 you break any of the other terms of the mortgage documents in a way which we decide, acting reasonably, is significant and, if it is capable of remedy, is not remedied within such period as we reasonably specify in a notice asking you to remedy it;
- 19.1.6 if you are the only borrower, you die or if there is more than one of you, the last one of you dies (in this condition 19.1.6, 'you' does not include your personal representative);
- 19.1.7 if you are a partnership, the partnership is dissolved;
- 19.1.8 if you are a company or a partnership, there is a change in the directorship of the company or the membership of the partnership, or in the legal or beneficial ownership or control of the company or partnership, whether that change occurs at the level of the company or partnership itself or through any change to a holding company or other person that directly or indirectly owns or controls it, where our prior written consent to that change has not been given;
- 19.1.9 if any guarantor dies;
- 19.1.10 if you are a company with a sole director, that director dies;
- 19.1.11 you are, or admit that you are, unable to pay your debts within the meaning of Section 123 of the Insolvency Act 1986 (as if that section applied to individuals as well as companies, and omitting the references to "it is proved to that satisfaction of the court that");

- 19.1.12 you suspend payment of your debts or any category of them, or propose, or take any step with a view to, a rescheduling or reduction of your debts;
- 19.1.13 a bankruptcy order or award of sequestration is made against you or any guarantor or you or any guarantor applies for an interim order or enters into any composition or arrangement with or for the benefit of creditors generally;
- 19.1.14 if you or any guarantor is a company and:
- (a) notice is given of intention to appoint an administrator of the company or a receiver of its property;
 - (b) an application to appoint an administrator or a petition is presented for the winding up or dissolution of the company;
 - (c) a liquidator or an administrator is appointed;
 - (d) a receiver is appointed over all or a material part of the company's assets;
 - (e) the company is dissolved or struck off;
 - (f) the company ceases to carry on all or a material part of its business; or
 - (g) the company's assets are distrained against;
- 19.1.15 you give us possession of the mortgage property;
- 19.1.16 any part of the mortgage property, which we reasonably consider is significant, is compulsorily purchased or requisitioned;
- 19.1.17 if your title to the mortgage property is leasehold, you break the terms and conditions of the lease and so receive a notice demanding that you take action to put the situation right and you fail to do so within the time set out in the notice;
- 19.1.18 any person (apart from us) with a right, claim or interest in the mortgage property takes legal action to repossess it or to enforce such person's right, claim or interest;
- 19.1.19 if, in our reasonable opinion or that of our agents, the value, effectiveness or enforceability of our security is lowered because of anything you have done or failed to do or the mortgage property or any part of it is damaged and we decide, acting reasonably, that this is significant;
- 19.1.20 your title to the mortgage property is defective in any way that we decide, acting reasonably, is significant;
- 19.1.21 the mortgage deed, any guarantee or any other security for the secured liabilities is no longer valid or legally binding for any reason in any respect that we decide, acting reasonably, is significant;

- 19.1.22 the charge by way of legal mortgage expressed in the mortgage deed does not have first priority or is in any way not perfected or alleged to be improperly perfected;
 - 19.1.23 we become aware of any misrepresentation in, or omission from, any information supplied to us about you, any guarantor or the mortgage property, either before or after completion, in each case which we decide, acting reasonably, is significant;
 - 19.1.24 if you or any director, shareholder, beneficial owner or guarantor perpetrate, attempt or are involved in any act of fraud or other criminal activity;
 - 19.1.25 we reasonably believe a change in your circumstances or any guarantor's financial or other circumstances has occurred which we decide, acting reasonably, is likely to adversely affect the ability of you or any guarantor to perform obligations under the mortgage documents;
 - 19.1.26 any representation or warranty you make to us (or are deemed to make to us) is, or proves to be, false or misleading;
 - 19.1.27 if you or any director, shareholder, beneficial owner or guarantor becomes subject to any **sanctions** or is designated on any **sanctions list**. For these purposes, sanctions means any economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any competent sanctions authority, including without limitation, HM Treasury/Office of Financial Sanctions Implementation, the United Nations Security Council and the Council of the European Union; and sanctions list refers to any list of specifically designated nationals or designated persons or entities maintained by any sanctions authority or any other list of persons subject to sanctions; or
 - 19.1.28 any equivalent or analogous event to those set out above occurs in any jurisdiction whatsoever.
- 19.2 If an event of default occurs, we may do any of the following things:
- 19.2.1 demand that you immediately pay and discharge all of the secured liabilities;
 - 19.2.2 charge interest on the secured liabilities at the rate of 2% (two per cent) above the interest rate until the event of default is remedied (if capable of remedy) or all the secured liabilities are repaid in full;
 - 19.2.3 require you to give vacant possession of all or part of the mortgage property;
 - 19.2.4 appoint, in writing, one or more people (whether or not one of our officers or employees) to be a receiver of all or any part of the mortgage property and any other security for the secured liabilities;
 - 19.2.5 take possession of all or part of the mortgage property;
 - 19.2.6 collect the rent;

- 19.2.7 sell, agree to sell or grant an option over all or part of the mortgage property and any other security for the amount owing on any terms;
- 19.2.8 borrow money, using all or part of the mortgage property as security or not and pay any interest, costs or fees;
- 19.2.9 confer any powers and authorities which we could confer if we were the absolute owner of the mortgage property;
- 19.2.10 buy out anyone else's interest in all or part of the mortgage property (including redeeming any prior ranking security over the mortgage property);
- 19.2.11 manage, decorate or furnish all or part of the mortgage property and provide goods and services for any tenants;
- 19.2.12 start or carry out repairs, maintenance, improvements or alterations and obtain planning permissions, building regulation approvals and any other consents or licences, in each case in relation to all or part of the mortgage property;
- 19.2.13 insure all or part of the mortgage property for such amounts and against such risks and through such agency as we may decide;
- 19.2.14 appoint, employ, pay and dismiss staff, contractors and agents in respect of the mortgage property;
- 19.2.15 take any action or proceedings in connection with all or part of the mortgage property in your name or otherwise as we may decide,;
- 19.2.16 vary the terms of, end, renew or accept surrenders of leases or tenancies of the mortgage property:
 - (a) with or without a premium or other compensation or consideration including the payment of money to a lessee or tenant on a surrender;
 - (b) with any rights relating to other parts of the mortgage property;
 - (c) containing any covenants on the part of us or anyone else;
 - (d) generally on terms which we in our absolute discretion think fit;
- 19.2.17 make any arrangements or compromises which we decide about any lease of the mortgage property, any other security for the amount owing, any covenants, conditions or restrictions relating to the mortgage property or anything else;
- 19.2.18 grant, agree to grant, amend or terminate leases, tenancies, licences or users' rights of the whole or any part of the mortgage property on whatever terms we decide, and the restrictions on granting leases in section 99 of the Law of Property Act 1925 do not apply to us;
- 19.2.19 exercise all the other powers conferred on mortgagees by the Law of Property Act 1925 and have and exercise the same powers as a receiver;
- 19.2.20 require you to remove your furniture or goods or those of any other person staying in the mortgage property and, if you have not done so

within 7 days of the notice, as your agent, remove, store, sell, rent or in any other way deal with any of the furniture or goods. We will not be responsible for any loss or damage caused by exercising this power unless we failed to take reasonable care in dealing with the furniture or goods;

- 19.2.21 registering the fact of default with any relevant agencies, which includes credit reference agencies; and
- 19.2.22 anything else the law allows in connection with all or part of the mortgage property.
- 19.3 Once an event of default has occurred, we may cancel any commitment to you (including any commitment to advance further amounts to you).
- 19.4 Once any event of default has occurred and:
 - 19.4.1 we are holding any monies on your behalf pursuant to a power of sale or power to appoint a receiver in relation to another property owned by any one or more of you which is mortgaged to us; and
 - 19.4.2 the monies so held by us exceed the amount required to discharge the debt relating to that mortgage,

we can (but are not obliged to) use those monies which we are holding on behalf of any one or more of you to repay the amount owing.
- 19.5 If you are a company, once any event of default has occurred:
 - 19.5.1 we may by notice in writing to you convert any floating charge contained in the mortgage deed or any other security we hold into a fixed charge; or
 - 19.5.2 we may appoint an administrator of the company.
- 19.6 If you are a company and the company tries to create security over its assets or any person seeks to distrain or seize the company's assets or take action to do so, then any floating charge created by you in our favour will automatically take effect as a fixed charge.
- 19.7 We have the power to sell the mortgage property given to us by section 101 of the Law of Property Act 1925 free from the restrictions in section 103 of that Act. This power will be available to us from the date of the mortgage deed (and for this purpose the amount owing shall be due at such date) but we will only use it as set out in condition 19.2 above.
- 19.8 Entry into possession of the mortgage property shall not render us or any receiver liable to account as mortgagee in possession. If and so often as we or any receiver enter into possession of the mortgage property, we or any receiver shall be entitled at any time to go out of possession.
- 19.9 When we or any receiver receive or are in possession of the rents of the mortgage property and the mortgage property contains your furnishing or other assets, any rent received will be apportioned only in respect of the mortgage property.

19.10 Without in any way creating any duty of care owed by us to you, you agree that so long as:

- 19.10.1 we exercise reasonable care in selecting any third party, the amount recoverable from you shall not be affected by any neglect of the third party; and
- 19.10.2 we act reasonably upon the advice of a valuer or estate agent in the manner and pricing of a sale or the exercise of our powers and rights, we shall not be liable to you in respect of, nor will your liability be reduced for any loss or damage that follows from:
 - (a) selling the mortgage property or any of its permanent fixtures;
 - (b) any action or failure to act during a sale of the mortgage property;
 - (c) carrying out, or not carrying out, our powers; or
 - (d) exercising or not exercising our rights.

20 APPOINTMENT OF A RECEIVER

- 20.1 This condition 20 applies to our power to appoint a receiver of the mortgage property.
- 20.2 Where we appoint more than one receiver they may be given power to act either together or on their own.
- 20.3 We may, from time to time, agree the remuneration and charges of any receiver and may remove the receiver and appoint someone else. Section 109(6) and (8) of the Law of Property Act 1925 (relating to the remuneration and charges of a receiver) shall not apply.
- 20.4 The receiver shall (so far as the law allows) be your agent. You alone will be liable for anything which he/she does or fails to do and for his/her charges. Should the receiver's agency terminate, they may act as principal or (with our prior written consent) on our behalf.
- 20.5 A receiver will have and be entitled to exercise all powers given by the Law of Property Act 1925 to a receiver and all powers given to us by the mortgage documents. The receiver shall also be entitled to exercise in relation to the mortgage property and any other security for the amount owing all the powers of an absolute beneficial owner. The receiver does not have authority to do anything we specifically exclude in writing at the time he/she is appointed or afterwards.
- 20.6 Any money received by the receiver in the exercise of his/her powers under the mortgage documents and under general law shall be (so far as the law allows) applied by him/her as follows: in payment of the costs, charges and expenses relating to his/her appointment and the exercise of all or any of his/her powers; in payment of his/her remuneration; in payment and discharge to us of the secured liabilities, and any balance shall be paid to the person entitled to it.

21 LIABILITY FOR SHORTFALLS



You remain liable to immediately pay the amount owing in full even if:

- 21.1 the last day of the mortgage period occurs;
- 21.2 we have agreed to discharge the mortgage deed over the mortgage property; or
- 21.3 if the mortgage property has been sold (whether after we have enforced some or all of the security or otherwise),

and interest will continue to accrue and be payable at the interest rate on the amount owing and we continue to be entitled to charge you fees, charges and expenses (including after any court order requiring you to pay the whole or any part of the amount owing).

Part D – Other important terms and information



22 COMMUNICATIONS, NOTICES AND COMPLAINTS

- 22.1 We will communicate with you in English and all documents we send you and use will be in English.
- 22.2 We may contact you using the most recent email address, permanent postal address or phone number you have given us.
- 22.3 You must tell us immediately if your contact details change by writing to us at our contact address or by using our Mortgage Services number (both set out below).
- 22.4 If at any time your contact postal address is an address outside England and Wales, you must maintain details and evidence of the appointment by you of a person in the United Kingdom who will accept service of process on your behalf and you must keep us informed of those details.
- 22.5 If there is more than one of you and you both share the same address, a notice we send to one of you will count as a notice to both (or all) of you and, if you have different addresses, we may send any communication solely to only one of you unless you request otherwise, and such communication will count as notice to both (or all) of you.
- 22.6 If the mortgage documents require notice to be given by us to you, this will be given in one or more of the following ways:
- 22.6.1 by post, hand delivery or email (to the last known email address through which you have corresponded with us), as indicated in condition 22;
- 22.6.2 by advertising in at least three national newspapers. A notice advertised in this way will be treated as having been given on the first day on which it has been advertised in all three papers; or
- 22.6.3 by any other method which is available by law.
- 22.7 A notice may be given by us to you by post or by hand delivery to the correspondence address which you have given us. Each notice given by post will be treated as having been given on the 2nd business day after the date of posting, even if it never arrives or is returned undelivered. Each notice delivered by hand or email will be treated as having been given the next day.
- 22.8 In the case of your death and until we receive a certified copy of the confirmation, grant of probate of the will or letters of administration of your estate, a notice addressed to you at your contact address will be treated as being sufficient notice to your personal representatives.
- 22.9 If you send us any original, valuable or important documents, we recommend that you use special delivery or a similar service. If you think a person who is not entitled to do so is trying to give us instructions without your permission, you must tell us as soon as possible. Until you tell us, you will be responsible for any instruction we receive and act on even if it was not given by you. If we can show you have acted fraudulently or without reasonable care to keep our relationship secure you will be

liable for all payments we make and all losses on your mortgage account, and we will have no other liability to you.



22.10 You can telephone us at any time between 9am and 5pm on any business day on our Mortgage Services number. If our contact details change, we will let you know.

22.11 We may record or monitor telephone conversations:

22.11.1 to make sure we carry out your instructions accurately;

22.11.2 to help us maintain the quality of our service; and

22.11.3 for security and training purposes.

22.12 Our contact details for all communications, including complaints, are:

Address: Mortgage Services, Fleet Mortgages, 2nd Floor, Flagship House,
Reading Road North, Fleet, Hampshire GU51 4WP

Email: mortgageservices@fleetmortgages.co.uk

Mortgage Services Number: 01252 916776

23 POWER OF ATTORNEY

23.1 By signing the mortgage deed, by way of security for our interest in the mortgage property and the secured liabilities, you irrevocably appoint us and any receiver appointed by us to be your attorney. The attorney will be legally entitled to do things on your behalf and the attorney's acts will bind you as though you had done them. The attorney may act in your name and on your behalf and, if there is more than one of you, either separately or jointly.

23.2 Under the power of attorney the attorney may (in each case acting reasonably):

23.2.1 give such notices or counter-notices and exercise such rights in respect of the mortgage property as you may be or become entitled to give or exercise whether under any statute or otherwise;

23.2.2 subscribe for any shares referred to in condition 11.10 or transfer any such shares to anyone who has bought the mortgage property and receive any consideration payable for the shares (but this does not amount to us obtaining any interest in the shares);

23.2.3 exercise any rights and carry out any obligations you have in connection with road making, the payment of road charges, private street improvements or drainage expenses, or any payment indemnity for those charges or expenses in respect of the mortgage property;

23.2.4 do anything as the attorney may decide to do with a view to remedying any default in compliance with any of the mortgage documents, to carrying out any obligations or exercising, preserving or enforcing any rights you have in connection with the mortgage documents or the mortgage property, including:

- (a) making of any payments (whether by way of payment of rent or service charges or other monies payable under a lease or otherwise);
- (b) making of claims or assessments, enforcing or preserving any rights and giving receipts, waivers or releases;
- (c) effecting, maintaining, administering or renewing of insurance; or
- (d) executing works; or

23.2.5 do anything (including execute any document) which you ought to do or can do under the mortgage documents or which may be required in connection with the mortgage documents including execute and deliver and otherwise effect, do, finalise, grant or enter into any document (whether or not a deed, assurance, agreement, or instrument).

23.3 The attorney will be entitled to delegate the power of attorney to third parties where this is reasonably necessary to help the exercise of the attorney's powers under the mortgage documents or applicable law.

23.4 The attorney will not be liable for anything which is done under the power of attorney unless the attorney has failed to use reasonable care in exercising the power.

23.5 This power of attorney shall cease when the secured liabilities have been fully paid and discharged and the mortgage documents released.

24 SET OFF

If an event of default has occurred, and we owe you any amount (whether or not in connection with the mortgage documents), we can set off that amount against a corresponding amount in respect of the amount owing.

25 PAYMENTS AND DEDUCTIONS

25.1 All amounts which you pay us must be made without set-off, deduction or counterclaim.

25.2 If you make any deduction from an amount due to us, you will be required to make an additional payment to make that payment up to the amount which (but for the deduction) would have been received by us had no such deduction been made.

26 PROTECTION OF THIRD PARTIES

No one dealing in good faith with us or a receiver or an attorney appointed under the mortgage documents needs to check that we, that receiver or that attorney are exercising our rights according to the mortgage documents. Anyone buying the mortgage property or dealing in good faith with us, that receiver or that



27 OUR POWER TO TRANSFER YOUR MORTGAGE

- 27.1 We can assign, charge, declare a trust over or otherwise transfer any part of your mortgage agreement or the mortgage documents in favour of any person(s) at any time and from time to time. This is known as a **mortgage transfer**.
- 27.2 You irrevocably consent to mortgage transfers and agree that we can make mortgage transfers using our rights under the mortgage documents or in law or in equity or beneficially without any further consent from you and without notice to you and that no further agreement is required from you and no further notice need be given to you.
- 27.3 If we make a mortgage transfer of our rights under the mortgage documents, it will not change your rights and guarantees and will not change the terms and conditions of the mortgage documents. However, the person to whom we make that mortgage transfer can exercise our rights and enforce your obligations under the mortgage documents. This may include, for example, that person setting the interest rate or changing the tariff (these would no longer be set or changed by any previous creditor or be linked to or track any rate or terms of any previous creditor).

28 GETTING OUR CONSENT

- 28.1 Where the mortgage documents require you to get our consent to anything, our consent must be in writing in order to be effective. We may make our consent subject to conditions, but we will not unreasonably withhold our consent.
- 28.2 You agree that it is reasonable for us to refuse to consent to, or exercise our discretion or be satisfied about something, if it adversely affects or might adversely affect your (or any guarantor's) ability to meet their obligations to us under the mortgage documents, our security or the value of the mortgage property, or involves expenses. We may charge a fee for considering your request for consent, whether or not we give consent.

29 MAKING CHANGES TO THE MORTGAGE DOCUMENTS

- 29.1 We may make a change to any of the mortgage documents that we reasonably think will not be to your disadvantage. We may also change the terms and conditions of the mortgage documents if it is reasonable to do so to:
 - 29.1.1 help comply with any legal and regulatory requirements;
 - 29.1.2 help comply with any change in how laws and regulations are applied or interpreted, for example, to take account of any decision or guidance by a court, regulator or ombudsman;
 - 29.1.3 reflect changes to the systems or technology we use, or changes to the way we operate your mortgage account(s);



- 29.1.4 correct any errors;
- 29.1.5 reflect an improvement in any service or facility we provide in connection with the agreement or to introduce a new service or facility; or
- 29.1.6 enable us to make reasonable changes to the way we look after your mortgage as a result of changes to the banking or financial system which are beyond our control.

29.2 We'll make sure that any change is proportionate to the reason for making it and we'll give you at least one month's notice.

29.3 We may also agree with you to make variations to your mortgage without a new mortgage agreement arising. Examples of the types of changes which can be agreed are:

- 29.3.1 Selection of a new interest rate product (for example, where you purchase a new fixed rate period);
- 29.3.2 Removal of a party to the mortgage agreement;
- 29.3.3 Porting your mortgage to another property (if permitted by the mortgage offer);
- 29.3.4 Extension or reduction of the mortgage period;
- 29.3.5 Switching the product type of your mortgage (for example, changing from repayment mortgage to an interest-only mortgage or vice-versa); and
- 29.3.6 Transfers of equity from one borrower to another.

29.4 Any changes to variations to the mortgage documents which you and we want to make will only become effective when agreed in writing.

30 MISTAKES

30.1 If we miscalculate the amount payable by you to us or make any other mistake about the mortgage documents this will not affect any of our rights, including our ability to claim the right amount from you either before or after the mortgage documents have been released with interest at the interest rate until repayment.

30.2 A receipt or letter saying that any or all of secured liabilities have been repaid or discharged in full will not prevent you from being personally liable if it is later found out that such secured liabilities were understated by mistake. This does not affect any legal rights which you have as a result of the amount of the secured liabilities being understated.

31 AVAILABILITY OF OUR RIGHTS

31.1 If we decide to relax any of these terms of the mortgage document or not to enforce any of our rights this will not affect our rights or powers in any way.



- 31.2 If you break any provision of the mortgage documents and we agree to take no action, we will still be able to take action if you break any provision of the mortgage documents in the future.
- 31.3 We may at any time release or discharge any of you from your liability under the mortgage documents (and such release or discharge shall, unless it otherwise provides, also release or discharge that person from all rights of contribution, whether accrued or not, which are then or might otherwise become enforceable by any of the rest of you).
- 31.4 Any payments we receive from any of you will be taken to have been made on behalf of all of you.
- 31.5 Each provision in the mortgage documents is separate from the others. If we cannot legally enforce any particular provision this will not stop us from enforcing the other provisions.
- 31.6 No one will have any rights under the mortgage documents under the Contracts (Rights of Third Parties) Act 1999.
- 31.7 Our rights and remedies under the mortgage documents are in addition to our rights and remedies under the general law.

32 USE OF INFORMATION AND PERSONAL DATA

- 32.1 We may use any information you provide to us, or that we obtain or generate relating to you or any third party connected to your mortgage, in connection with our dealings with you or anyone else, in accordance with the declaration provided to us in connection with any application form relating to any advance, or as permitted under applicable law.
- 32.2 In addition, without restricting the terms of each such declaration, you irrevocably agree that we may provide any information or papers about you, the mortgage documents, the secured liabilities, the mortgage property and any other security held by us and the conduct of the mortgage account:
- 32.2.1 to any such person or organisation who does, or proposes to, enter into any mortgage transfer with us or who does, or proposes to, fund or otherwise be involved in any mortgage transfer;
 - 32.2.2 to any purchaser or potential purchaser of us or any person who does, or proposes to, fund or otherwise be involved in any such purchase; and
 - 32.2.3 to any person who was previously the creditor under the mortgage documents, including, in each case, any actual or potential party, that party's professional advisers and any rating agency.

33 OUR LIABILITY

If we behave negligently, we are fully liable for any death or personal injury as a result. Apart from that, if we break our obligations under the mortgage documents, we will only be liable for any loss and reasonable costs we could

reasonably have expected as a result and we will not be liable for anything we cannot reasonably avoid.



34 GOVERNING LAW

The mortgage documents, and all non-contractual disputes arising out of or in connection with them, are governed by English law and you agree that action may be taken against you in the English courts and in the courts of any other place in which you may have assets, or which has jurisdiction.

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